

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986

S.P. YATES
1914-2008



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

JOHN A. YATES
CHAIRMAN OF THE BOARD

JOHN A. YATES JR.
PRESIDENT

JOHN D. PERINI
EXECUTIVE V.P. OF MONETIZATION
CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

February 10, 2012

Intrepid Potash-New Mexico, LLC
Attention: Katie Keller
707 17th Street, Suite 4200
Denver, Colorado 80202

Re: Southland Royalty APM State 2H
200' FSL & 510' FEL, Section 24, SH
300' FNL & 660' FEL, Section 24, BH
T19S-R29E, Eddy County, New Mexico

APP# 30-015-39749

Southland Royalty APM State 4H
200' FSL & 2080' FWL, Section 24, SH
330' FNL & 1980' FWL, Section 24, BH
T19S-R29E, Eddy County, New Mexico

APP# 30-015-39859

Southland Royalty APM State 3H
200' FSL & 1800' FEL, Section 24, SH
330' FNL & 1980' FEL, Section 24, BH
T19S-R29E, Eddy County, New Mexico

APP# 30-015-39858

Southland Royalty APM State 5H
200' FSL & 500' FWL, Section 24, SH
330' FNL & 660' FWL, Section 24, BH
T19S-R29E, Eddy County, New Mexico

APP# 30-015-40186

Dear Ms. Keller,

Yates Petroleum Corporation is the operator of the State Oil & Gas Lease V-03459 covering the captioned acreage. Your company is the owner of the potash leases in this area. We respectfully request that you waive any objection you may have to this proposed well location and so indicate by signing and returning one copy of this letter. The above referenced Southland Royalty APM State wells are all inside the drilling agreement dated June 27, 2011 that Yates Petroleum Corporation has with Intrepid Potash-New Mexico, LLC.

Your favorable consideration of this request is greatly appreciated. Should you have any questions, please call me at (575) 748-4479.

Sincerely,
YATES PETROLEUM CORPORATION

Armando A. Lopez

Armando A. Lopez
Chief Land Regulatory Agent

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER

NO OBJECTION OFFERED
INTREPID POTASH-New Mexico, LLC

By: Walter D. Felt
Title: EVP, GC & Secretary
Date: 2-5-13

OBJECTION OFFERED
INTREPID POTASH-New Mexico, LLC

By: _____
Title: _____
Date: _____

Intrepid Potash-New Mexico, LLC does hereby waive the twenty (20) day notice period for the referenced wells. By its waiver, Intrepid does not agree to or assume the risks of any release of oil or gas or other substance from the wells into the environment, including underground mine workings, arising out of or attributable to Yates' drilling, operation, plugging and abandonment of the wells.