



March 25, 2008

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The Intrepid Companies
700 17th Street, Suite 1700
Denver, CO 80202
303.296.3006
303.298.7502 fax

Via Fax (575) 624-5321

Mr. Keith Cannon
Drilling Superintendent
Nadel and Gussman HEYCO, LLC
P.O. Box 1936
Roswell, N.M. 88202-1936

Re: Proposal to Drill Morrow Test
Section 32, T.20 S., R.30 E.
Eddy County, New Mexico

Dear Mr. Cannon:

Thank you for your letter dated February 28, 2008 to Intrepid Mining requesting a waiver to permit Nadel and Gussman HEYCO, LLC to drill the referenced Morrow test well, to be drilled to a depth of 12,675 feet. This location is within the Life of Mine Reserve ("LMR") of Intrepid Potash-New Mexico, LLC and H-B Potash LLC (collectively, "Intrepid") under New Mexico Oil Conservation Division Order R-111-P

Unfortunately, Intrepid cannot consent to the drilling of the proposed well at this location at this time. Intrepid is the owner of New Mexico Potash Mining Lease M-651 covering all of Section 32. The proposed location remains within Intrepid's LMR, as amended, and is less than a mile from open mine workings.

Intrepid requests that Nadel and Gussman HEYCO, LLC send all future filings and documents relating to the proposed well and any alternative location by facsimile to Intrepid at (303) 298-7502, Attn. Katie Keller, Landman.

Very truly yours,

Intrepid Potash-New Mexico, LLC

H-B Potash LLC

By: Katie Keller

By: Katie Keller

cc: Bryan G. Arrant, OCD

Oil Conservation Division
Case No. _____
Exhibit No. 5