

June 5, 2008

VIA HAND DELIVERY

Joseph E. Manges, Esq.
Comeau, Maldegen, Templeman
& Indall, LLP
141 East Palace Ave.
Santa Fe, New Mexico 87501

Re: Fasken's Request for Mining Information

Dear Joe:

As you know, there are at least nineteen well bores in Section 16, four of which are located in the NW/4 of Section 16 around Fasken's proposed location. In addition, there are at least four well bores in the S/2 S/2 of adjacent Section 9 to the north and one well bore in the SE/4 SE/4 of adjacent Section 8. In September of 2003, the Division entered Order No. R-12031 finding that because of these existing well bores "it is highly unlikely that commercial potash mining will take place in Section 16."

Paragraph 9 of Intrepid's prehearing statement suggests that "the facts have completely changed" since the issuance of that Order No. R-12031 and that "these old wells will not prevent the recovery of the commercial potash in these sections." Recently, in rejecting Fasken's offer to move its proposed well to a point that is more than one-half mile from the idle North Mine, Jim Lewis stated Intrepid can "mine around" the existing well bores in Section 16.

At the prehearing conference in this matter, David Brooks indicated a preference to have the parties informally exchange information in preparation of the June 27th hearing. Since Intrepid is now suggesting that the "facts have completely changed" since entry of the Division's 2003 Order and that Intrepid can now "mine around" the existing well bores in Section 16, Fasken requests that Intrepid answer the following questions:

1. Identify the facts that "have changed completely since the issuance of Order R-12031"?
2. What mining methodology is Intrepid proposing to use to "mine around" the numerous well bores in and around Section 16?

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 14116 Exhibit No. 29

Submitted by:

FASKEN OIL & RANCH, LTD

Hearing Date: June 27, 2008

Holland & Hart LLP

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3. What is the size of the barrier pillars that Intrepid believes is now required for the well bores in Section 16 and what studies are relied upon to suggest that it is anything other than the 1/4 mile referenced in Rule R-111-P?
4. What is the size of the barrier pillars that Intrepid believes is required for any active well?
5. What is the amount of mining-induced surface subsidence that Intrepid expects in Section 16 as a result of any mining plans?
6. What ore zones does Intrepid plan to mine in (a) Section 16, and (b) E/2 E/2 of adjacent Section 17?
7. What is the grade and thickness of the Sylvite and the Langbeinite in each ore zone in (a) Section 16, and (b) the E/2 E/2 of adjacent Section 17?
8. What methods and documents were used to determine the grade and thickness of the Sylvite and the Langbeinite in each ore zone in Section 16 and the E/2 E/2 of Section 17?
9. To that the documents relied upon to determine the grade and thickness of the Sylvite and the Langbeinite in each ore zone in Section 16 and the E/2 E/2 of Section 17 have not been produced in response to Fasken's subpoena, please produce them.

If Intrepid is concerned that these answers constitute confidential information, I suggest that Intrepid stamp the answers confidential so that they fall under the terms of the Confidentiality Order entered by the Division in this matter.

We request that Intrepid provide its answers to these questions no later than June 12th.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael H. Feldewert".

Michael H. Feldewert

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G. Stanley Crout
1937-1987
Charles D. Olmsted
1925-1991

June 19, 2008

BY HAND

Michael Feldewert, Esq.
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RECEIVED

JUN 19 2008

Holland & Hart LLP

Re: Outstanding discovery issues

Dear Michael:

This letter responds to your letter dated June 16, 2008 regarding outstanding discovery issues, and also responds to Fasken's response to Intrepid's subpoena duces tecum (second) dated as of the same date.

June 16, 2008 Letter

With respect to your letter, there are no deficiencies to cure in Intrepid's production of documents in response to the Division's "Order Addressing Objections to May 6th Subpoena." Intrepid has produced everything responsive to your subpoena requests that it could locate after a reasonably diligent search.

Some context may be useful here. As you may be aware, National Potash closed the North Mine in 1982. The mine has remained idle since then. Intrepid acquired the North Mine along with its other major mine assets in the potash area in 2004, and has very recently turned its attention to reopening that mine. Some of the historical records you have requested Intrepid does not have or cannot locate after a reasonably diligent search. Set forth below is an itemized response correlating to the headings of your letter:

A. Intrepid has produced all past mine plans it currently has for the 9-section area in question. These plans reflect the currently idle status of the mine. Intrepid will present testimony at the hearing relative to its development of plans to reopen the North Mine.

B. Intrepid will present evidence at the hearing relative to its ability to mine around the wells in Section 16.

C. There are no responsive documents here.

D. There are no responsive documents here.

E. I will forward an electronic version of this document that is readable.

F. I will forward electronic versions of these documents that are readable.

G. There are no responsive documents here.

H. Intrepid has produced all responsive documents to this question, except that it has recently located an additional document, which is enclosed with this letter, regarding a report prepared for IMC Kalium concerning the North Mine. Intrepid will in good faith continue to produce any further such documents that it locates. Intrepid will present exhibits and testimony at the hearing relative to the reserves in Section 16 and the economics of mining there.

I. There are no responsive documents here.

J. There are no responsive documents here.

Intrepid's Subpoena Duces Tecum (First)

Fasken's response to Request No. 6 this subpoena is inadequate. At a minimum, Fasken should produce all of the requested oil and gas well information for the 9-section area surrounding and including Section 16. As you know Fasken requested and Intrepid has produced all relevant potash data for that area, and such oil and gas data is relevant to the issue here. Done

We noticed that Fasken No. 0779 was redacted. What was the basis for this? Does Sally Kvasnicka represent Fasken? Who does she represent?

Intrepid's Subpoena Duces Tecum (Second)

Fasken's response to Intrepid's Subpoena Duces Tecum (Second) is also inadequate.

A. Requests 1 and 4 of Intrepid's subpoena request any information that Fasken has relating to the safety aspects of drilling oil and gas well near potash mining operations. The safety hazard to potash mining presented by the Laguna #2 well, which is a deep, high pressure gas well, is a significant issue here. Any safety policies that Fasken has developed for such wells, or any other information in Fasken's possession that Done

informs its understanding of this hazard, is relevant. Please immediately provide any responsive documents to these requests outside of Order R-111-P and the Division rules.

B. With respect to Requests 2 and 3 of Intrepid's subpoena, Fasken's representation that all its drilling in the potash area has gone as planned is remarkable and fortunate. The relevant question here is whether all wells that Fasken drills go according to plan, and wells drilled within or without the potash area are relevant to this question. Please immediately provide responsive documents to these requests.

C. With respect to Request 5, please confirm that there are no other responsive documents besides evidence of Fasken's statewide bond and insurance policies pertaining to the potash area operations.

D. With respect to Request 7, information regarding Fasken's directional drilling activities anywhere in the Permian Basin, or elsewhere where geology is comparable, is relevant to the issue of the cost and ability of directionally drilling the Laguna #2 so as not to impact the potash reserves in the Section 16 area. Please immediately provide any documents responsive to this request.

E. With respect to Requests 7 and 8, please confirm that outside of the documents generated in this proceeding, Fasken has no other documents or information relating to the value comparison of oil and gas and potash, and that Fasken has not undertaken any such analysis, which comparison is relevant to the drilling of the Fasken #2 well. Also, please confirm that Fasken has no document related to the resource development conflict in the potash area, of which this case is a part.

June 5, 2008 Letter

With respect to the questions raised in your June 5, 2008 letter, Intrepid offers the following:

1. Intrepid's pre-hearing statement, paragraph 9, details many of the circumstances which have changed since 2003, including, but not limited to that potash prices have more than quadrupled, Mississippi Potash was bankrupt, Intrepid is not; Intrepid's plans include re-opening the North Mine.

2, 3. With respect to questions 2 and 3, the wells described are abandoned, plugged shallow Delaware wells which primarily produced oil. Assuming these wells are properly plugged, then Intrepid may mine closer than the 1/2 mile distance used for an active well. Currently, there is a safety study being performed by the BLM and Sandia National Laboratory to carefully evaluate this issue and determine how close a company may mine to oil and gas wells, including shallow, plugged wells. Intrepid desires to await the results of this study to state a definitive position regarding how close a potash company may mine to shallow, abandoned, and properly plugged wells. Intrepid does

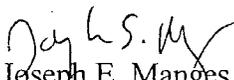
believe that, under certain circumstances, it may mine as close as 200 feet to a properly plugged, abandoned shallow Delaware well,

4. One half mile.
5. This is not known
- 6-9. This information will be provided in exhibits to be prepared.

Finally, attached are some additional documents responsive to Fasken's subpoena, including a 1982 study on the North Mine (Bates 1140-1157), potash economic and price date (Bates 1158-1160), Intrepid lease application (Bates 1161-71), and certain additional documents pertaining to the ongoing BLM/Sandia National Laboratory's gas migration study (Bates 1172-83) and potash/oil and gas safety studies (Bates 1184-1312).

At the hearing, please be advised that Intrepid may also call Leo Van Sambeek, who authored the enclosed November 5 RESPEC report, as to the pillar size issue, in addition to Jim Lewis, Hugh Harvey and Tom McGuire. Please call with any questions. Thank you.

Very truly yours,


Joseph E. Manges

JEM/cat

Enclosures

cc: Jim Cress, Esq. (w/o encls.)
Joseph Tippetts, Esq. (w/o encls.)