



MIDLAND PARTNERS
 CARLTON BEAL
 CARLTON BEAL, JR.
 BARRY BEAL
 SPENCER BEAL
 KELLY BEAL

BTA OIL PRODUCERS
 104 SOUTH PECOS
 MIDLAND, TEXAS 79701
 AC 918-688-8763
 March 27, 1991

ROCKY MOUNTAIN DIVISION
 800 17TH STREET
 SUITE 838
 DENVER, CO 80202
 AC 303-892-9299

DENVER PARTNER
 BARRY BEAL, JR.

In re: BTA 8705 JV-P Gem No. 4
 Notice of Intention to Drill
 Lea County, New Mexico

In Section 2 T-20-S; R-33-E

Noranda Exploration, Inc.
 Suite 1300, Four King Street West
 Toronto, Ontario M5H186

RETURN RECEIPT REQUESTED
 CERTIFIED MAIL NO. P 546 948 391

Attention: Mr. Frank Condon

Gentlemen:

In accordance with the State of New Mexico's Oil Conservation Commission Order No. R-111-P, we enclose the following material:

- 1) Copy of the Application for Permit to Drill; and
- 2) Plat of the area.

According to the office of the Bureau of Land Management, Noranda Exploration, Inc. is the lessee of a Bureau of Land Management potash lease covering the following lands:

All of Sections 11 and 12, T-20-S, R-33-E, Lea County, New Mexico.

If you are agreeable that our drilling of the well will not interfere with your potash operations, please execute in the space provided below and return one (1) copy of this letter, in the enclosed envelope, to the undersigned at your earliest convenience.

Should you have any questions or need any additional information, please advise.

Yours truly,

Win J. Parquhar

WIN J. PARQUHAR
 Manager Land Acquisitions

AGREED TO AND ACCEPTED THIS 5th DAY OF APRIL, 1991.

NORANDA EXPLORATION, INC.

By: *[Signature]*
 Title: Director Business Development

Note

This well site is in Section
 T20S; R33E and is outside
 Noranda's LMR
 510 Ft from S. line
 1980 Ft from W. line