

Nearburg Producing Company

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
915/686-8235
Fax 915/686-7806

November 27, 1996

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Pete Livingstone
IMC Kalium, Carlsbad
P. O. Box 71
Carlsbad, New Mexico 88220

Mr. Mel Pyeatt
Mine Operation Manager
Mississippi Potash
P. O. Box 101
Carlsbad, New Mexico 88220

New Mexico Potash Corporation
P. O. Box 610
Hobbs, New Mexico 88240

Re: Revised Well Proposal
Maverick 16 State No. 1 Well
2300' FSL and 2310' FEL of Section 16,
T-20-S, R-32-E, NMPM, Lea County, New Mexico
Maverick Prospect

Gentlemen:

Nearburg Producing Company hereby proposes the drilling of a well located 2300' FSL and 2310' FEL of Section 16, T-20-S, R-32-E, NMPM, Lea County, New Mexico. This location is to substitute the two previous locations proposed by Nearburg Producing Company by letters dated October 28, 1996 and November 18, 1996. Please disregard the earlier proposals, as Nearburg Producing Company will not attempt to drill wells at said locations.

I have enclosed herewith a plat depicting the proposed location and all existing well bores in the subject section.

If you require additional information, please advise.

Very truly yours,


Van Rodgers
Production Landman

VR:kg

Enclosure