

Nearburg Exploration Company, L.L.C.

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

February 4, 2000

Mr. Paul Kautz
New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240-1981

FAX (505) 393-0720

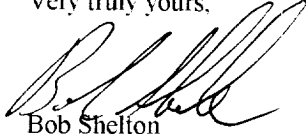
Re: RP-111 Notification
S/2 Section 3, T-20-S, R-33-E
Lea County, New Mexico
Viper Prospect

Dear Mr. Kautz:

Pursuant to your fax request to Kim Stewart of our office, enclosed herewith please find a notification letter to Mr. Randy Foote at Mississippi Potash, Inc. Mississippi Potash is the only owner of a potash lease within one mile of the proposed Python "3" Federal #2 well. This is the second notice sent to Mississippi Potash, this time with the required plat showing the location of the well. An initial contact was made with Mississippi Potash by a letter dated December 22, 1999, a copy of which I have included with this fax notifying them that Nearburg intends to drill wells on the S/2 of Section 3, T-20-S, R-33-E, Lea County, New Mexico. Also, as you requested, enclosed is the waiver letter from Mississippi Potash in the Anaconda "11" #2 well.

We request you issue the required API number so we can commence drilling operations on the Python "3" Federal #2 well. We currently have a well which has reached TD and the rig will be moving over the week-end. Thank you for your cooperation.

Very truly yours,



Bob Shelton
Land Manager

BS/dw
encl.

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February 4, 2000

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Mr. Randy Foote
Mississippi Potash Company
P. O. Box 101
Carlsbad, New Mexico 88220

Re: Python "3" Federal #2 Well
855' FSL and 1,650' FEL of Section 3
T-20-S, R-33-E
Lea County, New Mexico
Viper Prospect

Fax: (505) 887-0705

Dear Mr. Foote:

Pursuant to the RP-111 Case #9316, Nearburg Producing Company (Nearburg) hereby notifies you of its intention to commence the captioned well at the location above specified. Attached to this fax is a plat showing the location of the proposed well. Mississippi Potash was originally notified of this location by letter dated December 22, 1999, when Nearburg requested a waiver of the potash string on the NPC - Anaconda 11 #2 well. A copy of said letter is also attached.

If you have any questions, please feel free to contact the undersigned.

Yours very truly,



Bob Shelton
Land Manager

BS/dw
encl.

Nearburg Exploration Company, L.L.C.

Exploration and Production
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Fax 915/686-7806

December 22, 1999

Mississippi Potash Inc.
P. O. Box 101
Carlsbad, NM 88220

Attn: Mr. Randy Foote

Re: Waiver of Objection
N/2 Section 11, T-20-S, R-33-E
Anaconda Prospect
Lea County, New Mexico

Dear Mr. Foote:

Please consider this letter as Nearburg Exploration Company, L.L.C.'s formal request that Mississippi Potash Inc. waive any objection to our intention to not run an additional potash protection casing string in our proposed 9,700' Bone Spring test well to be drilled 1650' FN&WL of the captioned section, or in any additional wells operated by Nearburg in the future in Section 3 or the N/2 of Section 11. Mississippi Potash Inc. does not own a potash lease in Section 3 or in the N/2 of Section 11, but does own a potash lease offsetting said acreage in Section 2.

If Mississippi Potash Inc. has no objection to said proposed operation, please so indicate by signing and returning one (1) copy of this letter in the space provided below. Should you have any questions, please feel free to contact us. Thank you for your immediate attention to this matter.

Sincerely,



Mark Wheeler, CPL
Senior Landman



Mississippi Potash Inc.
December 22, 1999
Page -2-

WE HEREBY WAIVE ANY OBJECTION
TO NEARBURG EXPLORATION COMPANY, L.L.C.'S
INTENTION TO NOT RUN AN ADDITIONAL POTASH
PROTECTION CASING STRING IN THE
PROPOSED ANACONDA "11" #2 WELL TO BE
DRILLED IN THE SE/4 NW/4 OF SECTION 11,
AND, FURTHER, WAIVE ANY SIMILAR OBJECTION TO
ANY ADDITIONAL NEARBURG OPERATED WELLS IN
ALL OF SECTION 3 AND THE N/2 OF SECTION 11.

MISSISSIPPI POTASH INC.

By: _____
Name/Title: _____

/cmw:potashwaiver(1m)

xc: Bob Shelton

Donahue
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C.E & Mark Smith (S

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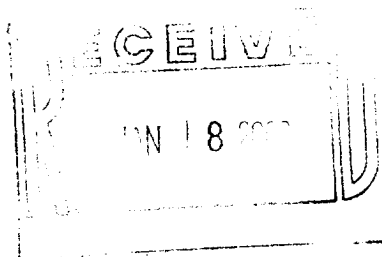
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January 11, 2000

Nearburg Exploration Co., L.L.C.
3300 North "A" St.
Building 2, Suite A
Midland, Tx 79705
Attention: Mr. Mark Wheeler



cc: Butcher
1-19-00
Anacanda
Prospect file

Re: Bone Spring test well
Section 11, T20S-R33E
Lea County, New Mexico

Dear Mr. Wheeler:

Mississippi Potash, Inc. offers no objection to not running an additional potash protection casing string in the proposed Bone Spring test well in the N1/2 of Sec 11, T20S, R33E.

Mississippi Potash, Inc. does not waive any similar objection to any additional Nearburg operated wells in all of Sec 3, T20S, R33E and the N 1/2 of Sec 11, T20S, R33E.

Sincerely,

A handwritten signature in cursive script that reads "Jill Farnsworth".

Jill Farnsworth
Chief Mine Engineer

Cc: Ms. Angie Lara, Director
BLM, Carlsbad Resource Area
P.O. Box 1778
Carlsbad, NM 88220