



IMC Kalium Carlsbad Potash Company  
P. O. Box 71  
1361 Potash Mines Road  
Carlsbad, New Mexico 88221-0071  
505.887.2871  
505.887.0589 Fax

March 13, 2000

Mr. Worth Carlin  
Bass Enterprises Production Co.  
201 Main St.  
Fort Worth, Texas 76102-3131

**RECEIVED**

MAR 15 2000

**LAND DEPARTMENT**

RE: Proposed Wells in James Ranch Federal Unit  
Section 36, T23S-R30E (State Lease No. E-5229)  
Section 1, T23S-R30E (Fed Lease No. NM 02884, LC 0543280)  
Section 6, T23S-R31E (Fed. Lease No. NM 02887, LC 071988)  
JRU Nos. 33, 34, 35, 62, 66, 68, 74, 75, 81, and 82.  
Hudson "1" Federal Well Nos. 2, 3, 4, 5, and 6.  
Eddy County, New Mexico

Dear Mr. Carlin:

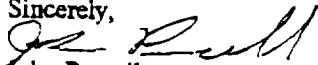
IMC Kalium Carlsbad Potash Company has received your notice that Bass Enterprises Production Company intends to the above referenced wells. IMC Kalium has no objections to Bass drilling wells JRU Well No. 33, JRU Well No. 34, JRU Well No. 35, JRU Well No. 62, JRU Well No. 66, JRU Well No. 74, JRU Well No. 75, JRU Well No. 81, JRU Well No. 82, Hudson "1" Fed. #2, Hudson "1" Fed. #3, and Hudson "1" Fed. #4 to depths no deeper than the base of the Delaware formation at the stated locations. Based on the best available information, the locations of the fore mentioned wells will not interfere with the development of our potash resources.

IMC Kalium does object to the proposed locations for JRU Well No. 68, Hudson "1" Fed. #5, and Hudson "1" Fed. #6. The locations given for Hudson "1" Fed. #5 and Hudson "1" Fed. #6, with a projected final depths in the Delaware formation, are within 1/4 mile of where we expect to mine in the future. If Hudson "1" Fed. #5 well could be moved at least 80 feet to the North and Hudson "1" Fed. #6 well could be moved at least 45 feet to the North; the impact on potash recovery would be greatly diminished. The location given for JRU Well No. 68, with a projected final depth in the Wolfcamp formation is within 1/4 mile of where we expect to mine. Drilled at the proposed location; this well would interfere with the development of potash reserves.

The above considerations are based on the best available information at this time; as more information becomes available our estimates of the extent of the potash resources in the area may change. Therefore, please consider the "objections offered" and "no objection offered" to the well locations to be valid for one year only. If you are still considering a well location that a potash operator has or has not objected to, more than one year prior, notify us again at that time so we can make the decision based on current information.

IMC Kalium submits this letter in lieu of the forms requested.

Sincerely,

  
John Purcell

Chief Mine Engineer

c: Don Purvis Charlie High Leslie Theiss Lori Wroteneery  
Dan Morehouse Tim O'Brien Craig Cranston