

INTREPID

August 29, 2006

Yates Petroleum Corporation
Attention: Cy Cowan
Regulatory Agent

Re: Oil & Gas APD's

Dear Mr. Cowan:

We received your proposal to drill the following wells:

Jacque AQJ State	8	TWP: 21 S - Range: 31 E - Sec. 34	990 FSL/2310 FWL
Jacque AQJ State	9	TWP: 21 S - Range: 31 E - Sec. 34	1650 FSL/1650 FWL
Jacque AQJ State	10	TWP: 21 S - Range: 31 E - Sec. 34	990 FSL/990 FWL
Jacque AQJ State	11	TWP: 21 S - Range: 31 E - Sec. 34	1650 FNL/1650 FWL

Intrepid strongly opposes the further destruction of minable potassium bearing ores. All of these well locations encroach on Intrepid's present Life Of Mine Reserves or related $\frac{1}{4}$ and $\frac{1}{2}$ mile buffer for deep wells as specified by the New Mexico Oil Conservation Commission Rule R-111-P (Case No. 9316). Intrepid Mining does not approve the drilling of these wells.

Sincerely,



Thomas A. McGuire
Chief Mine Engineer

Cc: James P. Lewis
Intrepid Potash - NM, LLC
Chief Geologist

Bryan Arrant
New Mexico OCD
District Geologist