

**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