

30-015-36650

MEWBOURNE OIL COMPANY  
701 S. CECIL  
PO BOX 5270  
HOBBS, NM 88240  
(575) 393-5905  
(575) 397-6252 FAX

OCT 14 2008  
OCD-ARTESIA

October 10, 2008

OIL CONSERVATION DIVISION  
1301 W Grand Ave  
Artesia, NM 88210  
Attention: Tim Gum

Re: Parkway 26 St Com #1


Mewbourne Oil Company has applied for an APD for the Parkway 26 State Com #1, 875' FNL & 660' FWL, Eddy Co., NM. This location is within Intrepid's life of mine reserve (NMOCD Order R-111-P).

Please find enclosed letter from Intrepid Potash, whereby Intrepid has agreed not to object to grant approval for the APD for the above captioned well.

Accordingly please approve our APD as applied. Tentatively, we are scheduled for a hearing on Oct 30, 2008, in Santa Fe, NM. Until we receive the approved APD for the above captioned well, we will not dismiss our case.

If you have any questions please call Paul Haden, in our Midland Office. (432-682-3715) or Micky Young in our Hobbs office.

Thank you,

  
NM Young

cc: Intrepid Potash Inc  
700 17<sup>th</sup> Street  
Suite 1700  
Denver, CO 80202



Intrepid Potash, Inc.  
700 17<sup>th</sup> Street, Suite 1700  
Denver, CO 80202  
303.298.3006  
303.298.7502 fax

October 10, 2008

OCT 14 2008

*Via First Class Mail and Email*

OCD-ARTESIA

James Bruce, Esq.  
Post Office Box 1056  
Santa Fe, NM 87504

Re: Parkway "26" State Com. Well No. 1

Dear Mr. Bruce:

I am writing in response to your letter of October 2, 2008.

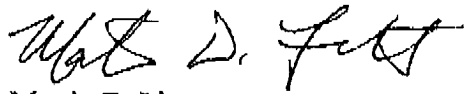
In your letter, you advise that Mewbourne Oil Company is seeking an Order from the New Mexico Oil Conservation Division authorizing the drilling of the referenced well. You also advise that Mewbourne Oil Company is seeking approval of future oil and gas drilling in the west half of Section 26, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico without the necessity of going to a hearing.

As we have previously indicated, the proposed well site location is within Intrepid's life of mine reserve under New Mexico Oil Conservation Division Order R-111-P and is less than one mile from Intrepid's open mine workings. Notwithstanding the foregoing, and based on further review of this matter, Intrepid is willing to agree not to object to the drilling of the referenced well and further oil and gas drilling in the west half of Section 26. This should dispense with the need for a hearing before OCD on October 30, 2008. We would appreciate your so informing OCD and confirming that to me.

By its non-objection, Intrepid does not agree to or assume the risks of any release of oil or gas or other substance from the Parkway "26" well or any other well drilled in the west half of Section 26 into the environment, including into underground mine workings, arising out of or attributable to Mewbourne's drilling, operation, plugging and abandoning of the Parkway "26" well or any other well drilled in the west half of Section 26, or the effect on the Parkway "26" well or any other well drilled in the west half of Section 26 of any condition created by existing or future potash mining.

Please contact me should you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Martin D. Litt". The signature is written in a cursive style with a large, stylized initial "M".

Martin D. Litt

Executive Vice President and General Counsel