

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986

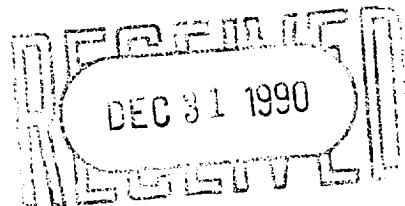


105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

December 19, 1990

Mr. Bob Lane
New Mexico Potash
P. O. Box 610
Hobbs, NM 88241



Dear Mr. Lane:

Yates Petroleum Corporation is the operator of the State Oil & Gas Lease V-1673. We have staked the following locations:

Lost Tank "AIS" State #1
1980' FSL & 660' FEL
Sec. 36-T21S-R31E

Lost Tank "AIS" State #2
660' FSL & 1980' FEL
Sec. 36-T21S-R31E

Lost Tank "AIS" State #3
660' FSL & 1980' FWL
Sec. 36-T21S-R31E

Applications to Drill have been filed with the Oil Conservation District.

We have been advised that your company is the owner of record of certain potash leases in this area. We respectfully request that you waive any objection you may have to these proposed wells and so indicate by signing and returning one copy of this letter in the enclosed envelope.

Your favorable consideration of this request will be greatly appreciated.

Sincerely,

YATES PETROLEUM CORPORATION

Clifton R. May
Permit Agent

CRM:jh

NO OBJECTIONS OFFERED

NEW MEXICO POTASH

By Walt B. C.
Title GEN. MANAGER
Date 12/28/90