

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

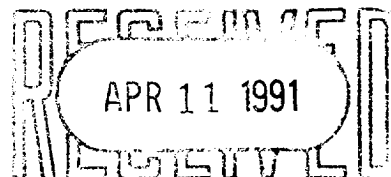


105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

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

April 4, 1991

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 #4  
1980' FSL & 1980' FWL  
Sec. 36-T21S-R31E

Lost Tank "AIS" State #5  
660' FSL & 660' 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*  
Clifton R. May  
Permit Agent

CRM:jh

NO OBJECTIONS OFFERED

NEW MEXICO POTASH

By *Robert P. Lane*  
Title *Superintendent*  
Date *4/10/91*