

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

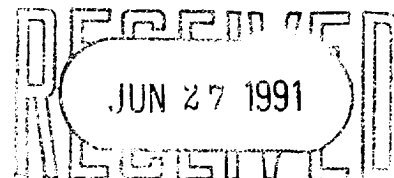


105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471

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

June 21, 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 location:

Lost Tank "AIS" State #8
660' FSL & 660' FEL
Sec. 36-T21S-R31E
Eddy County, NM

An Application to Drill is being 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 this proposed well location 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: *[Signature]*
Title: *Lease Manager*
Date: *6/26/91*