

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



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CHAIRMAN OF THE BOARD  
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EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

October 3, 1997

Mississippi Potash  
P.O. Box 101  
Carlsbad, New Mexico 88220

Gentlemen:

V-4100 Yates Petroleum Corporation is the operator of the State of New Mexico Oil and Gas Lease V-1400. The Jacque "AQJ" State #3 well location is being staked and a permit to drill is being submitted to the State of New Mexico. We plan to drill this well at the following location:

Jacque "AQJ" State #3  
330' FSL and 1650' FWL  
Section 34, T21S-R31E  
Eddy County, New Mexico

This location will be drilled as a Delaware producer and will be low pressure only. No high pressure will be encountered either in the drilling or production of this well.

This well location is one quarter of a mile from the designated LMR and will not create any dangerous conditions or encroach on any potential potash reserves.

We respectfully request that Mississippi Potash waive any objection that Mississippi Potash may have to this location and so indicate by signing and returning one copy of this letter to Yates Petroleum Corporation.

Very truly yours,

YATES PETROLEUM CORPORATION

Randy G. Patterson  
Land Manager

/cyc  
Enclosures

We hereby waive any objection to the drilling of this well.

MISSISSIPPI POTASH

By:\_\_\_\_\_

Title:\_\_\_\_\_

Date:\_\_\_\_\_