



FERTILIZER, INC.

AN EQUAL OPPORTUNITY EMPLOYER

P.O. Box 71 • Canby, New Mexico 88220
Telephone: (505) 337-2871

July 26, 1988

Phillips Petroleum Company
Exploration and Production Group
Permian Basin Region
4001 Penbrook
Odessa, Texas 79762

Attn: W. Frank Hulse, III

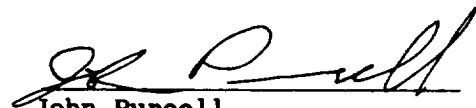
Dear Mr. Hulse:

Thank you for notifying IMC Fertilizer, Inc. of your intentions to drill a hole in Section 2, T-22-S, R-30-E, Eddy County, New Mexico.

In accordance with NMOCC Order No. R-111-P, we have found that the location of your proposed hole is more than 1/4 mile outside of our LMR.

Although the Potash Industry is concerned with any and all oil and gas drilling within the Potash Enclave, and does not approve of any gas or oil drilling in the vicinity of current or future potash mine openings, IMC Fertilizer will not protest the location that you have submitted.

Sincerely,


John Purcell
Chief Mine Engineer

JP:eb

cc: R. W. Hougland
W. E. Thayer
C. H. McNaughton