

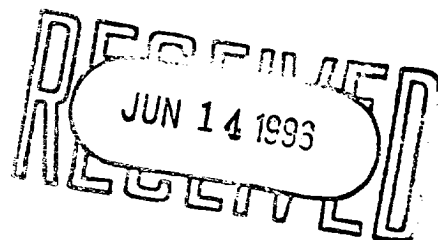


IMC Global

AN EQUAL OPPORTUNITY EMPLOYER

June 13, 1996

Clifton R. May
Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210



RE: Medano "VA" State #12
1650' FNL and 2310' FEL
Section 16-T23S-R31E
Eddy County, New Mexico

Dear Sir:

IMC Global Operations Inc. has received your notification that Yates Petroleum Corporation intends to drill Medano "VA" State #12 at 1650' FNL and 2310' FEL of Section 16-T23S-R31E. IMC has no objection to Yates drilling a test no deeper than the base of the Delaware at this location.

Based on the best available information, the location of this Delaware test well will not interfere with the development of our potash resources. As more information becomes available, our estimates of the extent of potash resources in the area may change. Therefore, please consider the "objection offered" or "no objection offered" to a well location to be valid for one year only. If you are still considering a well location that a potash operator has or has not objected to more than one year prior, notify us again at that time so we can make the decision on information current at that time. Do not consider a "no objection offered" or an "objection offered" decision to be permanent.

IMC Global Operations Inc. submits this letter in lieu of the forms requested.

Sincerely,

Dan Morehouse
Superintendent of Engineering and Construction

DM:cv

cc:	William Lemay	William Calkins	Joan Florez
	Dick Manus	Walt Thayer	Tim O'Brien
	Leslie Cone	Charlie High	

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



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

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TREASURER

June 11, 1996

Mr. Dan Morehouse
IMC Fertilizer, Inc.
P.O. Box 71
Carlsbad, New Mexico 88220

Dear Mr. Morehouse:

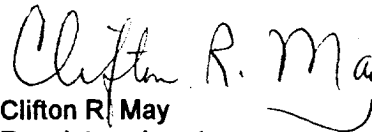
Yates Petroleum Corporation is the operator of the Oil and Gas Lease V-120. The Medano "VA" State #12 well was originally approved by the OCD on February 22, 1993. The well location was moved and approved by OCD on August 20, 1993. Yates now plans to drill this well at the following location

Medano "VA" State #12
1650' FNL and 2310' FEL
Section 16-T23S-R31E
Eddy County, New Mexico

Yates is filling a Sundry Notice, copy attached, requesting approval of this move. We respectfully request that IMC waive any objection that IMC may have to this proposed location move and so indicate by signing and returning one copy of this letter to Yates.

Sincerely,

YATES PETROLEUM CORPORATION


Clifton R. May
Regulatory Agent

CRM:dc
Enclosure(s)

NO OBJECTIONS OFFERED

IMC FERTILIZER, INC.

By: _____

Title: _____

Date: _____

OBJECTIONS OFFERED

IMC FERTILIZER, INC.

By: _____

Title: _____

Date: _____