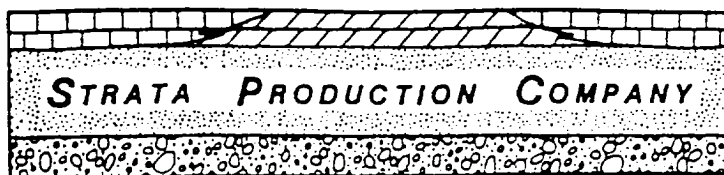


POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700
ROSWELL, NEW MEXICO 88201
January 15, 1997

IMC Global Operations, Inc.
ATTN: Mr. Peter N. Livingstone,
Chief Mine Engineer
P. O. Box 71
Carlsbad, New Mexico 88221-0071

Re: Application to Drill in Potash Area
Nash Unit #29
Section 13-23S-29E
Eddy County, New Mexico

Dear Mr. Livingstone:

In accordance with the State of New Mexico Oil Conservation Division Rule R-111-PC (2)(3), enclosed herewith please find the following for your review and further action:

1. Form 3160-3 Application For Permit To Drill.
2. Form C-102 Well Location and Acreage Dedication Plat.


State of New Mexico Public Land records reflect IMC Global Operations, Inc. as a potash lessee in the area of the captioned lands. Strata Production Company, a New Mexico corporation, hereby advises you of its intention to drill a well to 7250' at a location 1980' FSL & 2310' FEL of Section 13, Township 23 South, Range 29 East, Eddy County, New Mexico.

If you are in agreement with Strata that drilling at the proposed location will not interfere with your potash operations, please sign and return one copy of this letter within 10 days of receipt of said letter.

Should you have any questions or require additional information, please advise.

Sincerely,

STRATA PRODUCTION COMPANY


Carol J. Garcia
Production Records Manager

AGREED TO AND ACCEPTED THIS _____ DAY OF January, 1997.

BY: _____

TITLE: _____

cc: Bureau of Land Management, Carlsbad, NM