

BASS ENTERPRISES PRODUCTION CO.

201 MAIN ST.

FORT WORTH, TEXAS 76102-3131

817/390-8400

October 14, 1999

U.S. MAIL & VIA FACSIMILE (505) 887-0589

IMC Kalium, Inc.
P. O. Box 71
Carlsbad, New Mexico 88221-0071

Attn: Mr. John Purcell

Re: Proposed Wells in James Ranch Federal Unit
Section 36, T23S-R30E (State Lease No. E-5229)
Section 1, T23S-R30E (Fed Lease No. NM 02887-D, NM 02884-B)
JRU Nos. 31, 32, 38, 63, 67 and 80
Eddy County, New Mexico

Dear Mr. Purcell:

Pursuant to our discussion, Bass Enterprises Production Co. has plans to drill six (6) wells within the James Ranch Federal Unit in Eddy County, New Mexico. Provided below are the well names, location and projected depths.

<u>Well Name</u>	<u>Proposed Depth</u>	<u>Proposed Location</u>
JRU Well No. 31	7,780' (Delaware)	1,980' FNL & FEL, Sec. 36, T22S-R30E
JRU Well No. 32	7,780' (Delaware)	760' FSL, 2,000' FEL, Sec. 36, T22S-R30E
JRU Well No. 38	7,810' (Delaware)	660' FEL, 1,980' FSL, Sec. 1, T23S-R30E
JRU Well No. 63	7,750' (Delaware)	660' FNL, 1,980' FWL, Sec. 1, T23S-R30E
JRU Well No. 67	7,750' (Delaware)	990' FWL, 1,980' FSL, Sec. 36, T22S-R30E
JRU Well No. 80	11,250' (Wolfcamp)	330' FNL, 1,650' FEL, Sec. 36, T22S-R30E

As requested, I have enclosed copies of previous correspondence from Western AG-Minerals Company dated March 17, 1993 and February 28, 1996 regarding acceptable locations in Section 36, T22S-R30E.