

**NOW, THEREFORE, IT IS AGREED THAT;**

A. MPI shall have a 1320 foot wide corridor through Section 2, as platted on Exhibit A and described by legal subdivisions on Exhibit B:

B. YPC shall be allowed to drill oil wells in Section 2 at locations in its discretion so long as the wellbores are not within the corridor described in paragraph A above, and in Exhibits A and B, and YPC agrees not to file applications for permit to drill oil wells at locations within the corridor;

C. MPI hereby waives objection to any oil wells located in Section 2 on oil and gas leases now owned by YPC which comply with paragraph B above. For purposes of this Agreement "oil well" shall mean a well drilled to a depth no deeper than 200 feet below the base of the Delaware formation. This waiver of objection by MPI shall satisfy any requirement set forth in Order No. R-111-P, and well operators shall not be required to obtain further waivers of objection from MPI with respect to oil wells in Section 2, so long as the well locations comply with paragraph B above. In the event that the OCD requires a separate waiver for any specific location that complies with paragraph B above, MPI shall execute any such waiver consistent with the terms of this Agreement;

D. The prohibition of well locations described in paragraphs A and B above does not apply to well pads, surface facilities, gathering lines, pipelines and other facilities and equipment (except the well) that are on or near the surface,

E. This Agreement is executed by the duly authorized representatives of MPI and YPC and is binding on their respective successors and assigns.

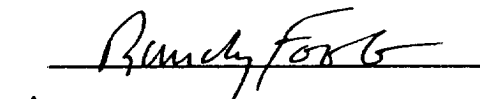
Yates Petroleum Corporation

Mississippi Potash, Inc.



Name: Randy G. Patterson

Title: Attorney-in-Fact

  
Name: RANDY FOUTS  
Title: V.P. OPERATIONS

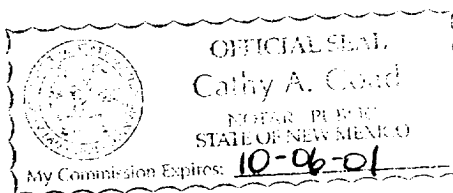
STATE OF NEW MEXICO   )  
                                          : ss.  
COUNTY OF EDDY         )

The foregoing instrument was acknowledged before me this 18 day of October, 2000 by Randy G. Patterson, Attorney-in-Fact of YATES PETROLEUM CORPORATION, a New Mexico corporation, on behalf of said corporation.

My commission expires:  
5-1-02

Therese A. Skelton  
Notary Public

STATE OF NEW MEXICO   )  
                                          : ss.  
COUNTY OF EDDY         )



The foregoing instrument was acknowledged before me this 11 day of December, 2000 by Randy Foote, V.P. of Operations of MISSISSIPPI POTASH, INC., a New Mexico corporation, on behalf of said corporation.

My commission expires:  
Oct. 06, 2001

Cathy A. Goad  
Notary Public

EXHIBIT "A"

R 31 E

