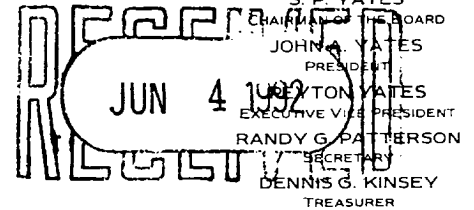


MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



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



May 28, 1992

Mr. Walt Thayer
IMC Fertilizer, Inc.
P.O. Box 71
Carlsbad, New Mexico 88220

Dear Mr. Thayer:

Yates Petroleum Corporation is the operator of the Oil and Gas Lease V-120. We have staked the following location:

Medano VA State #7
660' FSL and 1980' FEL
Section 16-T23-R31E
Eddy County, New Mexico

An Application to Drill is being filed with the Oil Conservation District.

We have been advised that your company is the owner of record of certain potash leases in this area. We respectfully request that you waive any objection you may have to this proposed well location and so indicate by signing and returning one copy of this letter in the enclosed envelope.

Your favorable consideration of this request will be greatly appreciated.

Sincerely,

YATES PETROLEUM CORPORATION

Clifton R. May
Permit Agent

CRM:tgr
Enclosures

NO OBJECTIONS OFFERED

IMC FERTILIZER, INC.

By: W. E. Sharpe
Title: V.P. & Gen Mgr.
Date: 6/1/92

OBJECTIONS OFFERED

IMC FERTILIZER, INC.

By: _____
Title: _____
Date: _____