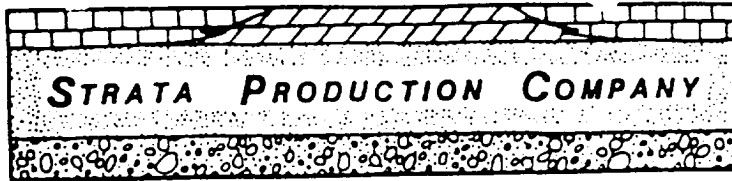


POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



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

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

May 6, 1993

Mr. Dan Morehouse, Mine Manager
IMC Fertilizer, Inc.
P. O. Box 71
Carlsbad, New Mexico 88220-0071

Re: Application to Drill in Potash Area
Nash Unit #16
Section 12-23S-29E
Eddy County, New Mexico

Dear Mr. Morehouse:

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 C-101 Application For Permit To Drill.
2. Surface Location Plat of Area.

State of New Mexico Public Land records reflect IMC Fertilizer, 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 7300' at a location 330' FSL & 990' FEL of Section 12, Township 23 South, Range 29 East.

If you agree that drilling at this location will not interfere with your potash operations, please sign and return one copy of this letter in the enclosed envelope within 10 days of receipt of this letter.

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

Sincerely,

STRATA PRODUCTION COMPANY

Carol J. Garcia

Carol J. Garcia
Production Supervisor

AGREED TO AND ACCEPTED THIS ____ DAY OF _____, 1993.

BY: _____

TITLE: _____

Enclosures

cc: Oil Conservation Division, Hobbs, NM