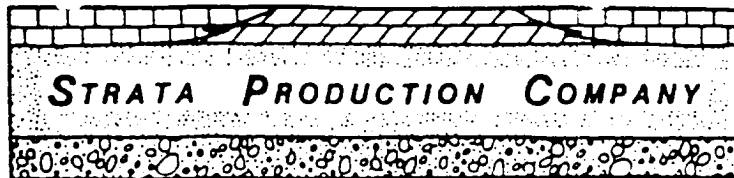


POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



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

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

May 6, 1993

Mr. Morris Worley, Mine Manager
Western Ag Minerals Corporation
P. O. Box 511
Carlsbad, New Mexico 88220-0511

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

Dear Mr. Worley:

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 Western Ag Minerals Corporation as the potash lessee covering lands in this area. 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