

JAMES BRUCE
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jamesbruc@aol.com

May 30, 2008

David K. Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case No. 14131/Nadel and Gussman HEYCO, LLC
W½ §32-20S-30E

Dear Mr. Brooks:

At the hearing you asked about potash lessees within a mile of the proposed well. Enclosed is a copy of hearing Exhibit No. 1, highlighting the well unit in yellow, with a bold line indicating acreage within one mile of the well unit. That acreage is owned as follows:

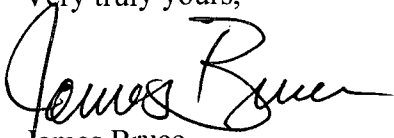
1. The NW¼ §28-20S-30E is subject to federal Potash Lease NM 12763. The lessee is HB Potash LLC. **Exhibit A**, attached. HB Potash LLC is related to Intrepid Potash, Inc. and Intrepid Mining NM LLC, and has the same address. **Exhibit A and Hearing Exhibit No. 5**, attached.
2. The N½ §29, N½ §30, & all §32-20S-30E are subject to state Potash Lease M-651-11. **Hearing Exhibit No. 3**, attached. The lessee is Intrepid Mining NM LLC.
3. All of the remaining acreage is unleased federal minerals.

In my notice letter (**Hearing Exhibit No. 8**), I did not specifically notify HB Potash LLC. However, it did receive notice, as indicated by the protest letter dated May 22, 2008. Both Intrepid Mining NM LLC and HB Potash LLC entered an appearance in this case. But, if you require further notice to HB Potash, LLC, please advise.

RECEIVED
2008 JUN 4 3 AM 8 43

RECEIVED
2008 JUN 3 AM 8 43

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in black ink and is positioned above the printed name.

James Bruce

Attorney for Nadel and Gussman HEYCO, LLC

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
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01 02-25-1920;041STAT0447;30USC181 ET SE
Case Type 353601: POT FRINGE ACRE NC LSE
Commodity 480: POTASH,POTASSIUM L
Case Disposition: AUTHORIZED

Total Acres
160.000

Serial Number
NMNM-- - 012763

Serial Number: NMNM-- - 012763

Name & Address

Int Rel % Interest

HB POTASH LLC	700 17TH ST #1700	DENVER CO 80202	LESSEE	100.000000000
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Serial Number: NMNM-- - 012763

Mer Twp Rng Sec	STyp SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0200S 0300E 028	ALIQ	NW;	CARLSBAD FO	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 012763
Pending Office

Act Date	Code	Action	Action Remarks
11/17/1970	124	APLN RECD	#1000;
03/15/1971	241	AUTH OFFERED APPLICANT	
05/07/1971	237	LEASE ISSUED	
06/01/1971	496	FUND CODE	05;145003
06/01/1971	868	EFFECTIVE DATE	
01/11/1972	102	NOTICE SENT-PROD STATUS	
03/01/1982	536	RLTY RATE - OTHER	SLIDING SCALE;U/G
03/18/1982	393	DEC ISSUED	LEASE MOD APPV;
03/18/1982	625	RLTY REDUCTION APPV	3/1/1982;
03/11/1986	140	ASGN FILED	IDEAL BASIC/LUNDBERG;
05/16/1986	625	RLTY REDUCTION APPV	6/1/1986;
06/01/1986	536	RLTY RATE - OTHER	2%;U/G
06/01/1987	898	ASGN EFFECTIVE	RECORD TITLE;
06/02/1987	139	ASGN APPROVED	
08/18/1987	625	RLTY REDUCTION APPV	1/1/88;
01/01/1988	536	RLTY RATE - OTHER	2%;U/G
06/17/1988	140	ASGN FILED	LUNDBERG/EDDY POTASH;
12/01/1988	898	ASGN EFFECTIVE	RECORD TITLE;
12/29/1988	139	ASGN APPROVED	
06/09/1989	910	REPORT REQUESTED	READJUSTMENT REPORT;
10/02/1989	911	REPORT RECEIVED	READJUSTMENT;
10/03/1989	974	AUTOMATED RECORD VERIF	PR/LT;
11/30/1989	624	RLTY REDUCTION FILED	
12/26/1989	625	RLTY REDUCTION APPV	1/1/90;
12/27/1989	974	AUTOMATED RECORD VERIF	AMR/LDT;
01/01/1990	536	RLTY RATE - OTHER	2%;U/G
01/05/1990	393	DEC ISSUED	12/26/89 DEC CORR;
01/30/1990	974	AUTOMATED RECORD VERIF	PR;
12/07/1990	321	LEASE READJUSTED	
03/27/1991	974	AUTOMATED RECORD VERIF	AMR;
06/01/1991	619	READJUSTMENT EFFECTIVE	
09/20/1991	974	AUTOMATED RECORD VERIF	AMR;
10/30/1991	624	RLTY REDUCTION FILED	

EXHIBIT

A

NO WARRANTY IS MADE BY BLM
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BUREAU OF LAND MANAGEMENT
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NMNM-- - 012763

12/23/1991	625	RLTY REDUCTION APPV	1/1/92;
01/01/1992	536	RLTY RATE - OTHER	2%;U/G
01/22/1992	974	AUTOMATED RECORD VERIF	AMR/JLV;
09/26/1993	111	RENTAL RECEIVED	\$160;41/0000000425
09/27/1993	111	RENTAL RECEIVED	\$160;41/0000000425
12/31/1993	624	RLTY REDUCTION FILED	CAT 4;
01/01/1994	536	RLTY RATE - OTHER	0.50%;U/G
04/28/1994	111	RENTAL RECEIVED	\$160;25/MULTIPLE
04/28/1994	111	RENTAL RECEIVED	\$160;41/MULTIPLE
04/29/1994	111	RENTAL RECEIVED	\$160;25/0429001599
10/24/1994	378	BOND PERIOD TERMINATED	NM1556;
12/28/1994	909	BOND ACCEPTED	NM06780002;11/8/1994
12/29/1994	084	RENTAL RECEIVED BY MMS	\$160;21/1229000851
12/29/1994	084	RENTAL RECEIVED BY MMS	\$160;25/1229000851
06/20/1995	625	RLTY REDUCTION APPV	1/1/1994;
09/08/1995	974	AUTOMATED RECORD VERIF	NH;
10/31/1995	084	RENTAL RECEIVED BY MMS	\$160.00;23/1031001388
11/03/1995	084	RENTAL RECEIVED BY MMS	\$160.00;25/MULTIPLE
12/29/1995	084	RENTAL RECEIVED BY MMS	\$160.00;21/0012290007
01/31/1996	084	RENTAL RECEIVED BY MMS	\$160.00;25/0001310014
05/23/1996	084	RENTAL RECEIVED BY MMS	\$160.00;21/MULTIPLE
08/16/1996	140	ASGN FILED	EDDY/MISSISSIPPI II;
12/10/1996	084	RENTAL RECEIVED BY MMS	\$160.00;23/MULTIPLE
04/18/1997	084	RENTAL RECEIVED BY MMS	\$160.00;25/0004180001
05/20/1997	139	ASGN APPROVED	
05/20/1997	909	BOND ACCEPTED	NM06780005;6/1/1997
05/20/1997	940	NAME CHANGE RECOGNIZED	6/1/1997;
05/29/1997	624	RLTY REDUCTION FILED	CAT 4;
06/01/1997	378	BOND PERIOD TERMINATED	NM06780002;
06/01/1997	898	ASGN EFFECTIVE	RECORD TITLE;
08/01/1997	536	RLTY RATE - OTHER	0.50%;U/G
08/06/1997	625	RLTY REDUCTION APPV	8/1/1997;
01/02/1998	084	RENTAL RECEIVED BY MMS	\$160.00;11/0102000259
02/02/1998	084	RENTAL RECEIVED BY MMS	\$160.00;25
12/23/1998	084	RENTAL RECEIVED BY MMS	\$160.00;21/0000007075
12/23/1998	084	RENTAL RECEIVED BY MMS	\$160.00;25/0000007075
12/21/1999	084	RENTAL RECEIVED BY MMS	\$160.00;11/7078
12/21/1999	084	RENTAL RECEIVED BY MMS	\$160.00;25/7078
12/19/2000	084	RENTAL RECEIVED BY MMS	\$160.00;21/12190000
12/19/2000	084	RENTAL RECEIVED BY MMS	\$160.00;25/12190000
03/27/2002	324	INSPECTION COMPLETED	INAC,17.368 MINS;
12/26/2002	324	INSPECTION COMPLETED	LEASE,.132 HR;
05/15/2003	066	BANKRUPTCY FILED	EDDY POTASH INC;
09/30/2003	324	INSPECTION COMPLETED	INAC,0.25 HR;
02/27/2004	376	BOND FILED	\$375000;NMB000221
03/04/2004	140	ASGN FILED	EPI/HB POTASH LLC;

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Case Disposition: AUTHORIZED

Total Acres
160.000

Serial Number
NMNM-- - 012763

03/26/2004	324	INSPECTION COMPLETED	INAC,0.25 HR;
06/23/2004	324	INSPECTION COMPLETED	INAC,0.25 HR;
07/19/2004	139	ASGN APPROVED	
07/19/2004	909	BOND ACCEPTED	08/01/04;NMB000221
08/01/2004	898	ASGN EFFECTIVE	RECORD TITLE;
08/30/2004	324	INSPECTION COMPLETED	INAC,0.25 HR;
12/23/2004	324	INSPECTION COMPLETED	INAC,0.25 HR;
03/31/2005	324	INSPECTION COMPLETED	INAC,0.25 HR;
02/25/2007	324	INSPECTION COMPLETED	RECL,0.25 HR;
02/26/2007	324	INSPECTION COMPLETED	INAC,0.25 HR;
06/01/2009	247	FUTURE ACTION SUSPENSE	2 YR TRIGGER DATE;
06/01/2011	623	READJUSTMENT DUE	

Line Nr	Remarks	Serial Number: NMNM-- - 012763
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0001	BLM BOND NMB000221, \$375000, SW PERSONAL CASH BOND;
0002	BOND NM06780005-\$375000-ST PAUL FIRE & MARINE INSUR;
0003	BLM BOND NO NM1556 MATURED 10/15/1994 (TERMINATED);
0004	3/27/02-FY 02 ANNUAL INAC LEASE INSP: COMPL;
0005	12/26/02-FY 03 LSE INSP: DETERMINE IF POTASH
0006	ACTIVITIES BEING CONDUCTED @ INAC EDDY MINE;
0007	9/30/03-FY 03 4TH QTR INAC LSE INSP: COMPL;
0008	3/26/04-FY 04 2ND QTR INAC LSE INSP: COMPL;
0009	6/23/04-FY 04 3RD QTR INAC LSE INSP: COMPL;
0010	8/30/04-FY 04 4TH QTR INAC LSE INSP: COMPL;
0011	12/23/04-FY 05 1ST QTR INAC LSE INSP: COMPL;
0012	3/31/05-FY 05 2ND QTR INAC LSE INSP: COMPL;
0013	2/25/07-FY 07 RECL INSP OF PLANT SITE: COMPL;
0014	2/26/07-FY 07 2ND QTR INAC LSE INSP: COMPL;

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March 25, 2008

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The Intrepid Companies
700 17th Street, Suite 1700
Denver, CO 80202
303.296.3006
303.298.7502 fax

Via Fax (575) 624-5321

Mr. Keith Cannon
Drilling Superintendent
Nadel and Gussman HEYCO, LLC
P.O. Box 1936
Roswell, N.M. 88202-1936

Re: Proposal to Drill Morrow Test
Section 32, T.20 S., R.30 E.
Eddy County, New Mexico

Dear Mr. Cannon:

Thank you for your letter dated February 28, 2008 to Intrepid Mining requesting a waiver to permit Nadel and Gussman HEYCO, LLC to drill the referenced Morrow test well, to be drilled to a depth of 12,675 feet. This location is within the Life of Mine Reserve ("LMR") of Intrepid Potash-New Mexico, LLC and H-B Potash LLC (collectively, "Intrepid") under New Mexico Oil Conservation Division Order R-111-P

Unfortunately, Intrepid cannot consent to the drilling of the proposed well at this location at this time. Intrepid is the owner of New Mexico Potash Mining Lease M-651 covering all of Section 32. The proposed location remains within Intrepid's LMR, as amended, and is less than a mile from open mine workings.

Intrepid requests that Nadel and Gussman HEYCO, LLC send all future filings and documents relating to the proposed well and any alternative location by facsimile to Intrepid at (303) 298-7502, Attn. Katie Keller, Landman.

Very truly yours,

Intrepid Potash-New Mexico, LLC

H-B Potash LLC

By: Katie Keller

By: Katie Keller

cc: Bryan G. Arrant, OCD

Oil Conservation Division
Case No. _____
Exhibit No. 5

STATE LAND OFFICE DATA ACCESS

[Home](#)[Select a different page.....](#)[Go Tech](#)[NM State Land and
Office](#)

list lease info

* Lease Prefix: * Number: * Assignment:

Example: A0 1234 0000

[Search](#)[Reset](#)[Printer Friendly](#)[Download](#)[Instructions](#)[Give Feedback](#)

438 Records found.

Lease Number:

M0-0651-0011

Company name: INTREPID MINING NM LLC
Company ID: 226950
Assigned from: N/A
Total acres: 17486.05
Prod stat: N/A

Lease term:

Lease term: Unknown
Issue date: 12/14/1936
Termination date: Active
Termination reason: N/A
Current term: Unknown

Billing information:

Bill to: INTREPID MINING NM LLC
Rent per acre: 0.10
Billing frequency: Annual
Minimum annual rent: 1748.61
Last bill date: 11/15/2007
Next bill date: 12/14/2008
Escalation: 0

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage	Link
29	20S	30E	A			40.00	[Land Details]
			B			40.00	[Land Details]
			C			40.00	[Land Details]
			D			40.00	[Land Details]
			E			40.00	[Land Details]
			F			40.00	[Land Details]
			G			40.00	[Land Details]
			H			40.00	[Land Details]

Oil Conservation Division
Case No. **3**
Exhibit No. **3**

30	20S	30E	1	1	39.73	[Land Details]
			2	2	39.82	[Land Details]
			A		40.00	[Land Details]
			B		40.00	[Land Details]
			C		40.00	[Land Details]
			F		40.00	[Land Details]
			G		40.00	[Land Details]
			H		40.00	[Land Details]
32	20S	30E	A		40.00	[Land Details]
			B		40.00	[Land Details]
			C		40.00	[Land Details]
			D		40.00	[Land Details]
			E		40.00	[Land Details]
			F		40.00	[Land Details]
			G		40.00	[Land Details]
			H		40.00	[Land Details]
			I		40.00	[Land Details]
			J		40.00	[Land Details]
			K		40.00	[Land Details]
			L		40.00	[Land Details]
			M		40.00	[Land Details]
			N		40.00	[Land Details]
			O		40.00	[Land Details]
			P		40.00	[Land Details]
36	20S	30E	A		40.00	[Land Details]
			B		40.00	[Land Details]
			E		40.00	[Land Details]
			F		40.00	[Land Details]
			G		40.00	[Land Details]
			H		40.00	[Land Details]
			I		40.00	[Land Details]
			J		40.00	[Land Details]
			K		40.00	[Land Details]
			L		40.00	[Land Details]
			M		40.00	[Land Details]
			N		40.00	[Land Details]
			O		40.00	[Land Details]
			P		40.00	[Land Details]
16	20S	31E	A		40.00	[Land Details]
			B		40.00	[Land Details]
			C		40.00	[Land Details]
			D		40.00	[Land Details]
			E		40.00	[Land Details]
			F		40.00	[Land Details]
			G		40.00	[Land Details]
			H		40.00	[Land Details]
			I		40.00	[Land Details]
			J		40.00	[Land Details]
			K		40.00	[Land Details]
			L		40.00	[Land Details]
			M		40.00	[Land Details]
			N		40.00	[Land Details]
			O		40.00	[Land Details]
			P		40.00	[Land Details]
32	20S	31E	A		40.00	[Land Details]
			B		40.00	[Land Details]
			C		40.00	[Land Details]
			D		40.00	[Land Details]