



IMC Potash Carlsbad Inc.
P. O. Box 71
1361 Potash Mines Road
Carlsbad, New Mexico 88221-0071
505.887.2871
505.887.0589 Fax

May 14, 2003
Mr. Jimmy D. Carlile
Fasken Oil and Ranch, Ltd.
303 West Wall Avenue, Suite 1800
Midland, Texas 79701-5116

RE: Proposed Gas Well: Laguna "16" State No. 1
Section 16, T20S-R32E, N.M.P.M.
660' SNL & 660' FEL
Lea County, New Mexico

Dear Mr. Carlile:

IMC Potash Carlsbad Inc. (IMC) received notice that Fasken Oil and Ranch, Ltd. intends to drill a deep well at the above referenced location. IMC is the tenant at will to a State Potash lease that is in the process of being approved on the East ½ of Section 16, and holds a Federal Potash lease on Sections 17 and 22. IMC **does object** to Fasken Oil drilling the well because the proposed location has measured potash reserves on it that were confirmed by core drilling. The area is inside IMC's "Life of Mine Reserves" LMR and will interfere with the development of potash resources controlled by IMC.

To prevent the waste of potash resources and provide a "buffer" between LMR ore and oil & gas activities, IMC suggests that Fasken consider a surface location for the proposed well in the West ½ of Section 16, at a point no more than 1650' FWL. The West ½ of Section 16 has several wells on it, and while an another hole adds additional risk, locating the well in the West ½ of Section 16 minimizes its affects on potash.

The above consideration is based on the best available information at this time; as more information becomes available our estimates of the extent of the potash resources in the area may change. Therefore, please consider the "objections offered" and "no objection offered" to the well locations to be valid for one year only. If you are still considering a well location that a potash operator has or has not objected to, more than one year prior, notify us again at that time so we can make the decision based on current information.

Sincerely,

John Purcell
Chief Mine Engineer

cc: Don Purvis Charlie High Lori Wroteneery, OCD
Dan Morehouse, Craig Cranston, BLM Betty Hill, BLM

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 14116 Exhibit No. 11
Submitted by:
FASKEN OIL & RANCH, LTD
Hearing Date: June 27, 2008