



PENNZOIL PLACE • P. O. BOX 2967 • HOUSTON, TEXAS 77252-2967 • (713) 546-4000

May 12, 1987

Lundberg Industries, Ltd.
3071 Potash Mines Road
Carlsbad, New Mexico 88220

Attention: Bob Kruehl

Re: Your Potash Lease M 873-3
covering N/2 & NE/4 SE/4 of
Sec. 36 - 19S - 33E
Lea County, New Mexico
PZL Unit No. 66708-00

Gentlemen:

Our records indicate that you are record title owner of the above referenced potash lease.

Pursuant to special rules and regulations as set out by R-111-A, please be advised that Pennzoil Company is planning to drill a 13,500' Morrow test 660' FEL and 1980' FSL of Sec. 36-19S-33E in Lea County, New Mexico.

Should you have any objections to our drilling said well, please advise the undersigned in writing at the above letterhead address and advise the State of New Mexico in writing at P. O. Box 1980, Hobbs, New Mexico 88241-1980 within ten (10) days from receipt of this letter.

Failure to notify the undersigned and the State of New Mexico of your objections within ten (10) days from receipt of this letter shall be construed to mean that you have no objections to our drilling said well.

Should you have no objections, please sign below in the space provided and return one (1) fully executed copy of this letter to the undersigned and one (1) fully executed copy of this letter to the State of New Mexico as soon as possible.

We have enclosed herewith for your review a plat showing our proposed location and the location of your potash lease. We have also enclosed Form C-101 and Form C-102 being our application to drill and our well location and acreage dedication plat.

RECEIVED
MAY 18 1987
OCD
HDBS OFFICE