



MIDLAND PARTNERS  
 CARLTON BEAL  
 CARLTON BEAL, JR.  
 BARRY BEAL  
 SPENCER BEAL  
 KELLY BEAL

DENVER PARTNER  
 BARRY BEAL, JR.

BTA OIL PRODUCERS  
 104 SOUTH PECOS  
 MIDLAND, TEXAS 79701  
 AC 915-682-3753

ROCKY MOUNTAIN DIVISION  
 555-17TH STREET  
 SUITE 835  
 DENVER, CO 80202  
 AC 303-292-9299

May 24, 1991

In re: BTA 8705 JV-P Gem No. 5  
 Notice of Intention to Drill  
 Lea County, New Mexico

Noranda Exploration, Inc.  
 Suite 1300, Four King Street West  
 Toronto, Ontario M5H186  
 ATTN: Mr. Frank Condon

CERTIFIED MAIL

Gentlemen:

In accordance with the State of New Mexico's Oil Conservation Commission Order No. R-111-P, we enclose the following material:

- 1) Well location and acreage dedication plat.

According to the office of the Bureau of Land Management, Noranda Exploration, Inc. is the Lessee of a Bureau of Land Management potash lease covering the following lands:

All of Sections 11 and 12, T-20-S, R-33-E,  
 Lea County, New Mexico.

The drilling program will be the same as our 8705 JV-P Gem No. 4 well.

If you are agreeable that our drilling of the well will not interfere with your potash operations, please execute in the space provided below and return one (1) copy of this letter in the enclosed envelope to the undersigned at your earliest convenience.

Should you have any questions or need any additional information, please advise.

Yours truly,

*Win Farquhar*

WIN FARQUHAR  
 Manager Land Acquisitions

AGREED TO AND ACCEPTED THIS 3<sup>rd</sup> DAY OF JUNE, 1991.  
 NORANDA EXPLORATION, INC.

By: *[Signature]*

Title: DIRECTOR BUSINESS DEVELOPMENT

NOTE: LOCATION IS IN SECTION 2 T20S; R33E  
 OUTSIDE NORANDA'S LMR AND LEASE BUT  
 WITHIN R-111P BUFFER ZONE.