

February 10,1993

Ms. Maria L. Perez, Production Assistant

Meridian Oil Inc.

P.O. Box 51810

Midland, Texas 79710-1810

RE: Notification of Intent to Drill

New Mexico State Order R-111-P

Dear Ms. Perez:

By this letter, New Mexico Potash Corporation formally expresses no objections to the six(6) proposed well locations for Meridian Oil Inc. referenced below.

Hat Mesa State No. 1-K; 1980' FSL & 1980' FWL; Sec. 32, T20S, R33E Hat Mesa State No. 2-N; 660' FSL & 1980' FWL; Sec. 32, T20S, R33E Hat Mesa State No. 4-H; 1835' FNL & 2310' FEL; Sec. 32, T20S, R33E Hat Mesa State No. 5-F; 2310' FNL & 2310' FWL; Sec. 32, T20S, R33E Hat Mesa State No. 10; 1980' FNL & 1420' FWL; Sec. 32, T20S, R33E Proposed re-entry of Exxon's P&A well FH State Com No. 1

However, please note that these locations are within our current Life of Mine Reserve "LMR" as designated by New Mexico State Order R-111-P which governs the drilling of oil and gas wells within the "Known Potash Area". Due to the density of existing wells in this area no objection to the above locations will be filed. Please contact me if you have any further questions.

Sincerely,

New Mexico Potash Corporation

Tim Woomer

Chief Mine Engineer

copies: File