

Nearburg Producing Company

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
915/686-8235
Fax 915/686-7806

December 3, 1996

Mr. Jerry Sexton
State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Re: Maverick 16 State No. 1 Well
2300' FSL and 2310' FEL of Section 16,
T-20-S, R-32-E, NMPM, Lea County, New Mexico
Maverick Prospect

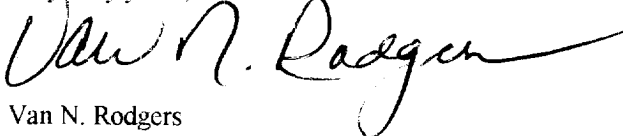
Dear Mr. Sexton:

I have been advised by Nearburg Producing Company's Hobbs office that you are in receipt of the Application for Permit to Drill concerning the captioned. In accordance with the State of New Mexico Oil Conservation Division Order No. R-111-P, enclosed herewith please find the following:

1. Copy of registered notification letter from Nearburg Producing Company to the potash lessee and to each potash operator holding potash leases within a radius of one (1) mile of the proposed well.
2. Copies of Certified Mail Receipts for the above notification letter.
3. Copy of letter from the potash lessee, IMC Kalium, to Nearburg Producing Company evidencing "no objection" to the drilling of a well at the subject location.
4. Copy of letter from Mississippi Potash, Inc. in conjunction with New Mexico Potash, which represents all owners of potash leases within the specified one (1) mile radius, offering no objection to the proposed location.

Thank you for your assistance in this matter. If you require additional information or have any questions please feel free to contact the undersigned.

Very truly yours,



Van N. Rodgers
Production Landman