



IMC Kalium Carlsbad Potash Company  
P.O. Box 71  
1361 Potash Mines Road  
Carlsbad, New Mexico 88221 0071  
505.887.2871  
505.887.0689 Fax

November 26, 1996

Mr. Van Rodgers  
Production Landman  
Nearburg Producing Company  
3300 North "A" Street  
Building 2, Suite 120  
Midland, Texas 79705

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

Dear Mr. Rodgers:

IMC Kalium Carlsbad Potash Company has received your notice that Nearburg Producing Company intends to drill the above referenced oil well. IMC has no objection to Nearburg drilling a test no deeper than the base of the Delaware at this location.

Based on the best available information, the location of this well will not interfere with the development of our potash resources. As more information becomes available, our estimates of the extent of potash resources in the area may change. Therefore, please consider the "objection offered" or "no objection offered" to a well location 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 on information current at that time. Do not consider a "no objection offered" or an "objection offered" decision to be permanent.

IMC Kalium submits this letter in lieu of the forms requested.

Sincerely,

Peter N. Livingstone  
Chief Mine Engineer

PNL/NEARB3.DOC

cc: William Lemay Dick Manus Charlie High Ed Roberson  
Tim O'Brien William Calkins Don Purvis Joan Florez