



December 4, 1996

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

RE: Application for Permit to Drill in Accordance with the  
State of New Mexico, Oil Conservation Division  
Order No. R-111-P at the following location:

Nearburg Producing Company  
Maverick 16 State No. 1 Well  
2,300' FSL & 2,310' FEL  
Section 16, T20S, R32E, NMPM  
Lea County, New Mexico

Dear Mr. Rodgers:

Mississippi Potash Corporation has received your letter, dated November 27, 1996, proposing a change of location regarding the oil and/or gas well referenced above.

It is hereby noted that this drilling location is within the Known Potash Area (KPA), as designated by OCD Order R-111-P, and is within one mile of the open mine workings of the Mississippi Potash (National Potash) Lea Mine.

Under the provisions set forth in Division Order R-111-P and in the spirit of cooperation between our two industries, Mississippi Potash Corporation, in conjunction with New Mexico Potash and National Potash, offer no objections to the new drilling location proposed by Nearburg Producing Company for the above referenced well.

Due to the proximity of our mining operations and future plans to recover potash reserves in this area, strict observance of the casing requirements as outlined in Division Order R-111-P is mandatory. Please contact me if you have any additional questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mel Pyeatt".

Mel Pyeatt  
Mine Operations Manager

copies: File

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