

May 26, 1995

To: New Mexico Oil Conservation Division
Energy & Minerals Department
P.O. Box 1980
Hobbs, New Mexico 88241

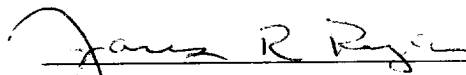
Fr: Mr. James R. Ryan, Vice President
Eddy Potash, Inc.
P.O. Box 31
Carlsbad, New Mexico 88220

Re: Waiver of Objections
Phillips-State Well No. 1
990' FSL & 1980' FWL Section 27,
Township 21 South, Range 33 East,
Eddy County, NM

Gentlemen:

Please be advised that Eddy Potash, Inc., as Potash Lessee of Record in Section 27, Township 21 South, Range 33 East, Eddy County, New Mexico, has no objections to the proposed location and drilling of the Phillips-State Well No. 1 at a legal location 990' FSL and 1980' FWL of Section 27, Township 21 South, Range 33 East, N.M.P.M., Eddy County, New Mexico.

Eddy Potash, Inc.



JAMES R. RYAN
VICE PRESIDENT
MAY 26, 1995