FLOTEK INDUSTRIES INC/CN/
Form 4
March 05, 2014

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
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(Print or Type Responses)

1. Name and Address of Reporting Person *
SNIVELY JOSHUA A

(Last) (First) (Middle)

10603 W. SAM HOUSTON PKWY N., SUITE 300

(Street)

HOUSTON, TX 77064

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
FLOTEK INDUSTRIES INC/CN/ [FTK]

3. Date of Earliest Transaction (Month/Day/Year)
03/03/2014

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
EVP, Chemistry Research

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock								13,174	D	
Common Stock	03/03/2014		S		20,000 (2)	D	$ 25.1	105,592	I	By Joshua A. Snively, Sr. and Heather B. Snively Revocable Trust (1)
Common Stock	03/03/2014		S		30,000 (2)	D	$ 25.11	173,934	I	By Joshua A. Snively,

Sr. Grantor Retained Annuity Trust (1)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SNIVELY JOSHUA A 10603 W. SAM HOUSTON PKWY N. SUITE 300 HOUSTON, TX 77064			EVP, Chemistry Research	

Signatures

/S/ Joshua A. Snively, Sr.	03/05/2014
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1)

Mr. Snively, Sr. is a trustee and beneficiary of the named trusts. Mr. Snively, Sr. disclaims beneficial ownership of such shares except to the extent of his pecuniary interests therein.

(2) Disposition of 20,000 common shares in revocable trust and 30,000 common shares in grantor retained annuity trust in open market sales, at average prices of $25.10 and $25.11, respectively.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. ">In-process mineral inventory 2,952,292 2,325,202

Current parts inventory

6,851,446 6,203,081

Inventory in transit

46,697 23,702

Total current inventory

16,431,130 20,994,887

Long-term parts inventory

4,167,401 3,371,180

Total inventory

$20,598,531 $24,366,067

Parts inventories are shown net of obsolescence reserves of $819,354 and $668,154 as of September 30, 2007 and December 31, 2006, respectively. No obsolescence or other reserves were deemed necessary for the product inventories.

6. Commitments and Contingencies:

Marketing Agreements Effective April 1, 2004, NM and Potash Corporation of Saskatchewan (PCS) entered into a marketing agreement appointing PCS the exclusive sales representative for potash export sales, with the exception of those to Canada and Mexico, and appointing PCS a non-exclusive sales representative for potash sales into Mexico. This agreement is cancelable with thirty days written notice. The commission to PCS is variable, based on the net price realized.

Effective August 1, 2004, Wendover and Envirotech Services, Inc. (ESI) entered into a sales agreement appointing ESI the exclusive distributor for magnesium chloride, with the exception of up to 15,000 tons per year sold for applications other than dust control, de-icing, and soil stabilization. This agreement is cancelable with two year s written notice, unless a breach or other specified special event has occurred. Sales prices were specified to ESI in the agreement subject to cost-based escalators. Wendover also participates in excess profits, as defined by the agreement, earned by ESI upon resale. No excess profits were earned in 2006, 2005, or 2004.

Sinking Fund The Moab reclamation sinking fund, a restricted deposit, is included within Other long term assets and had balances of $3,025,122 and $2,857,510 as of September 30, 2007 and December 31, 2006. Assuming an approximate annual return of 6.5%, Intrepid has invested enough in the sinking fund to meet Moab s expected reclamation cost inclusive of inflation. Intrepid is allowed to invest the sinking fund as the

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Members deem appropriate. Unrealized gains of $129,838 and $202,167 were recorded in the statements of income for the nine months ended September 30, 2007 and 2006 respectively, on the marketable securities held for trade by the sinking fund.

Future Lease Commitments Intrepid has certain operating and capital leases for mining and other operating equipment, an airplane, offices, railcars, and vehicles, with terms ranging up to one hundred and twenty months.

Rental and lease expenses were $3.7 million and $1.8 million for the nine months ended September 30, 2007 and 2006, respectively. These figures exclude lease payments for railcars, approximately $0.3 million for both 2007 and 2006, used to deliver product and recorded as a distribution cost. These figures also exclude lease payments for an electrical substation of approximately $0.1 million recorded as a cost of electricity for both 2007 and 2006.

7. Financial Instruments:

Intrepid has managed through the use of interest rate derivative contracts a portion of its floating interest rate exposure. Intrepid s forward LIBOR-based contracts reduce Intrepid s risk from interest rate movements as gains and losses on such contracts offset losses and gains on its variable-rate debt. The counterparty to the contracts is a large commercial bank and therefore credit risk of counterparty non-performance is unlikely.

Intrepid has managed through the use of natural gas derivative contracts a portion of its exposure to movements in the market price of natural gas. Intrepid s forward Permian-basis contracts reduce Intrepid s risk from movements in the cost of gas consumed as gains and losses on such financial contracts offset losses and gains on its variable-cost supply contracts. The counterparties to the contracts are credit worthy trading houses and therefore credit risk of counterparty non-performance is unlikely.

The fair value of financial instruments as of September 30, 2007 and December 31, 2006 are depicted below.

Fair value of financial instruments at	**September 30, 2007**	**December 31, 2006**
Current Assets	$ 157,120	$ 93,060
Long-Term Assets		340,500
Current Liabilities	794,877	2,194,198
Long-Term Liabilities	429,313	132,946

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Members

Intrepid Mining LLC:

We have audited the accompanying consolidated balance sheet of Intrepid Mining LLC and subsidiaries (the Company) as of December 31, 2006 and the related consolidated statements of income, members equity (deficit) and comprehensive income, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Intrepid Mining LLC and subsidiaries as of December 31, 2006 and the results of their operations and their cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

KPMG LLP

Denver, Colorado

December 19, 2007

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Members

Intrepid Mining LLC

Denver, Colorado

We have audited the accompanying consolidated balance sheet of Intrepid Mining LLC and subsidiaries (the Company) as of December 31, 2005, and the related consolidated statements of income, members equity and comprehensive income, and cash flows for the years ended December 31, 2005 and 2004. These consolidated financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provided a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Intrepid Mining LLC and subsidiaries as of December 31, 2005, and the results of their operations and their cash flows for the years ended December 31, 2005 and 2004, in conformity with U.S. generally accepted accounting principles.

Hein & Associates LLP

Denver, Colorado

April 7, 2006

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INTREPID MINING LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31, 2006	December 31, 2005
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 285,947	$ 157,373
Accounts receivable:		
Trade	15,954,150	12,228,149
Insurance and other	12,011,316	
Related parties	302,097	70,925
Inventory, net	20,994,887	14,327,341
Prepaid expenses and other current assets	1,304,975	1,511,147
Current assets of discontinued operations		829,117
Total current assets	50,853,372	29,124,052
Property, plant and equipment, net	42,370,980	35,244,274
Mineral properties and development costs, net	24,328,989	25,237,277
Oil & gas properties unproved, at cost, using the full-cost method of accounting	886,121	
Long-term parts inventory, net	3,371,180	3,767,427
Other assets	7,503,664	7,600,180
Non-current assets of discontinued operations		5,532,705
Total Assets	$ 129,314,306	$ 106,505,915
LIABILITIES AND MEMBERS EQUITY (DEFICIT)		
Current Liabilities:		
Accounts payable	$ 6,232,090	$ 5,494,572
Accrued liabilities	11,255,201	9,802,046
Current liabilities of discontinued operations		1,796,734
Current installments of long-term debt	3,808,701	100,947
Current portion of asset retirement obligation		500,000
Other current liabilities	2,816,008	1,367,339
Total current liabilities	24,112,000	19,061,638
Long-term debt, net of current installments	128,380,788	37,055,377
Accrued pension liability	943,959	1,938,074
Asset retirement obligation, net of current portion	7,202,611	5,966,144
Other non-current liabilities	132,946	
Total liabilities	160,772,304	64,021,233
Commitments and Contingencies		
Members Equity (Deficit)	(31,457,998)	42,484,682
Total Liabilities and Members Equity (Deficit)	$ 129,314,306	$ 106,505,915

See accompanying notes to these consolidated financial statements.

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IN TREPID MINING LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	For the Years Ended December 31,		
	2006	**2005**	**2004**
Sales	$ 154,290,512	$ 153,013,851	$ 114,325,534
Freight and other distribution costs	14,685,561	12,064,859	13,292,871
Cost of goods sold	113,949,239	99,051,024	68,913,126
Gross Margin	25,655,712	41,897,968	32,119,537
Selling and administrative	10,052,671	7,529,077	7,065,299
Accretion of asset retirement obligation	541,022	328,993	326,558
Business interruption insurance settlements	(4,926,988)		
Operating Income	19,989,007	34,039,898	24,727,680
Other Income (Expense)			
Interest expense	(2,906,842)	(1,473,426)	(1,801,851)
Insurance settlements in excess of property losses	6,664,842		
Other income	350,829	47,670	195,429
Income from Continuing Operations	24,097,836	32,614,142	23,121,258
Discontinued Operations			
Income from operations of discontinued oil and gas activities	2,407,327	1,848,909	1,277,078
Gain from sale of discontinued oil and gas assets	9,517,279		
	11,924,606	1,848,909	1,277,078
Net Income	$ 36,022,442	$ 34,463,051	$ 24,398,336

See accompanying notes to these consolidated financial statements.

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INTREPID MINING LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF MEMBERS EQUITY (DEFICIT)

AND COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 AND 2004

	Accumulated equity (deficit)	Accumulated other comprehensive income (loss)	Total Members equity (deficit)
Balance, January 1, 2004	$ 8,128,108	$ (758,655)	$ 7,369,453
Net income	24,398,336		24,398,336
Minimum pension liability adjustment		(1,173,473)	(1,173,473)
Total comprehensive income	24,398,336	(1,173,473)	23,224,863
Capital distributions	(7,402,504)		(7,402,504)
Balance, December 31, 2004	25,123,940	(1,932,128)	23,191,812
Net income	34,463,051		34,463,051
Minimum pension liability adjustment		43,287	43,287
Total comprehensive income	34,463,051	43,287	34,506,338
Capital distributions	(15,213,468)		(15,213,468)
Balance, December 31, 2005	44,373,523	(1,888,841)	42,484,682
Net income	36,022,442		36,022,442
Minimum pension liability adjustment		990,838	990,838
Total comprehensive income	36,022,442	990,838	37,013,280
Redemption of Members interest	(100,431,384)		(100,431,384)
Capital distributions	(10,524,576)		(10,524,576)
Balance, December 31, 2006	$ (30,559,995)	$ (898,003)	$ (31,457,998)

See accompanying notes to these consolidated financial statements.

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INTREPID MINING LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	2006	**2005**	**2004**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 36,022,442	$ 34,463,051	$ 24,398,336
Items not affecting cash:			
Depreciation, depletion, amortization and accretion	8,027,549	5,493,062	3,521,995
Gain on sale of discontinued operations	(9,517,279)		
Loss on disposal of assets	332,468	126,579	77,783
Pension expense (income)	(3,277)	(66,194)	100,208
Financial instruments loss (gain)	2,771,388	(488,364)	(389,440)
Bond sinking fund unrealized gains	(388,224)	(161,499)	(81,950)
Changes in operating assets and liabilities:			
Trade accounts receivable	(3,322,406)	4,493,386	(4,391,926)
Insurance and other receivables	(12,011,316)		
Inventory	(5,615,744)	(4,423,680)	(3,873,123)
Prepaid expenses and other assets	230,902	(207,710)	(1,814,415)
Accounts payable and accrued liabilities	(365,204)	7,105,726	6,179,365
Discontinued operations	(407,795)	(7,794,426)	5,308,592
Other current liabilities	(962,783)	(709,039)	1,830,903
Total cash provided by operating activities	14,790,721	37,830,892	30,866,328
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of discontinued operations	18,652,962		
Additions to unproven oil and gas properties	(733,046)		
Additions to property, plant, and equipment	(12,150,223)	(17,586,731)	(3,527,144)
Additions to mineral properties and development costs	(241,381)	(4,145,563)	(5,408,691)
Acquisitions of assets of Mississippi Potash Inc. and Reilly Chemical			(38,473,082)
Additions to bond sinking fund	(51,055)	(150,681)	(391,144)
Additions to non-current assets of discontinued operations	(4,152,945)	(1,083,556)	(208,765)
Total cash (used in) provided by investing activities	1,324,312	(22,966,531)	(48,008,826)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from long-term debt	57,467,381	39,106,190	59,097,372
Repayments on long-term debt	(57,310,835)	(38,350,679)	(35,089,113)
Payments of capital leases	(123,381)	(13,264)	(24,968)
Redemption of Members Interest	(5,431,384)		
Members capital distributions	(10,588,240)	(17,618,629)	(5,123,836)
Total cash provided by financing activities	(15,986,459)	(16,876,382)	18,859,455
Net Change in Cash and Cash Equivalents	128,574	(2,012,021)	1,716,957
Cash and Cash Equivalents, beginning of year	157,373	2,169,394	452,437
Cash and Cash Equivalents, end of year	$ 285,947	$ 157,373	$ 2,169,394
Cash paid for interest	$ 2,911,049	$ 1,999,381	$ 2,160,878

SUPPLEMENTAL DISCLOSURE OF NON-CASH ITEMS:

In addition to paying $5,431,384 in cash, the Company issued a $95 million note for the redemption of Long Canyon s Membership Interest.

See accompanying notes to these consolidated financial statements.

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INTREPID MINING LLC AND SUBSIDIARIES

Notes to Financial Statements

1. Company Background:

Intrepid Mining LLC and its subsidiaries (Intrepid or the Company) produce muriate of potash (MOP or potassium chloride or potash). Intrepid has one operating segment as defined by FAS 131, the extraction and production of potash-related products. Intrepid s mining operations also extract one co-product, langbeinite, and various by-products including: salt, magnesium chloride, and metal recovery salt. As of December 31, 2006, Intrepid has five active potash production facilities; three in New Mexico and two in Utah.

Intrepid was formed as a Colorado limited liability company on January 26, 2000 for the purpose of acquiring all of the common stock of Moab Salt, Inc. (Moab) from PCS Phosphate Company, Inc. (PCS). Moab was acquired on February 22, 2000 for cash consideration of approximately $3 million, plus the assumption of certain liabilities and closing costs for total consideration of approximately $14.8 million. Moab owns and operates a potash and salt mine located along the Colorado River southwest of Moab, Utah. Moab was converted into a limited liability company on February 23, 2000 and was renamed Intrepid Potash Moab, LLC in June of 2004. Moab s potash reserves are extracted using solution mining techniques utilizing both vertical and horizontal wells and heated injection brine.

On February 29, 2004 Intrepid acquired substantially all of the assets of Mississippi Potash, Inc. (MPI) and Eddy Potash, Inc. for cash consideration of $28.4 million, plus the assumption of certain liabilities for total consideration of approximately $36.6. The assets acquired included two conventional, operating potash mines and two inactive potash mines in the Carlsbad, New Mexico area. The surface facility at one of the inactive mines is operating to compact, store, and ship product from one of the active mines. HB Potash, LLC (HB), a wholly owned subsidiary, was formed in 2004 to acquire one of the inactive mines. Intrepid Potash New Mexico, LLC (NM), also a wholly owned subsidiary, was formed in 2004 to acquire the two active mines and the second inactive mine.

Effective April 1, 2004, Intrepid purchased the potash assets of Reilly Chemical, Inc. (Reilly) for consideration of $10.7 million. Including liabilities assumed and closing costs, the total acquisition cost of approximately $12 million was recorded in Intrepid Potash Wendover (Wendover), another wholly owned subsidiary. Acquired assets included a natural brine and potash production facility on the Bonneville salt-flats of Utah.

In 2001, Intrepid formed Moab Gas Pipeline, LLC (Moab Pipeline) for the purpose of acquiring and operating the natural gas transmission line that services the Moab mine. The line was acquired from the local utility for the assumption of ongoing maintenance liabilities.

In 2004, Intrepid Aviation, LLC (Aviation) was formed to lease and operate an aircraft.

During 2006, Intrepid sold all of its producing oil and gas operations, owned by Intrepid s wholly owned subsidiary Intrepid Oil & Gas, LLC (IOG) for approximately $18.6 million net of transaction costs, resulting in a gain from sale of discontinued oil and gas operations of $9.5

million. The remaining unproven IOG assets were included in the December 31, 2006 balance sheet; and as an event subsequent to year-end, were distributed to the Members in 2007.

The cash flow and profitability of Intrepid s operations are affected by the market prices of potash, our other products, natural gas, and commodities such as chemicals and steel. These commodity prices can fluctuate widely and are affected by numerous factors beyond Intrepid s direct control.

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2. Summary of Significant Accounting Policies:

Principles of Consolidation The consolidated financial statements include the accounts of Intrepid and its wholly owned subsidiaries: Moab, IOG, NM, HB, Wendover, Moab Pipeline, and Aviation. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Intrepid bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Accordingly, actual results may differ significantly from these estimates under different assumptions or conditions.

Significant estimates with regard to Intrepid s consolidated financial statements include the estimate of proved and probable mineral reserve volumes and the related present value of estimated future net cash flows. There are numerous uncertainties inherent in estimating quantities of proved and probable reserves, projecting future rates of production, and the timing of development expenditures. Future mineral prices may vary significantly from the prices in effect at the time the estimates are made. The estimate of proved mineral reserve volumes and the related present value of estimated future net cash flows can affect depletion and depreciation expenses, and the net carrying value of Intrepid s mineral properties.

The determination of reclamation liabilities also involve significant estimates, including the projections of future costs of the reclamation projects, the potentially changing scope of the projects, and the present value factors used to discount the future commitments. The estimates can affect the carrying value of the reclamation liability as well as the accretion expense. Salvage values are determined and recorded separately from reclamation liabilities, but involve related estimates including the projection of future recovery of material and the future salvage values of that material. Estimates of salvage value can affect the depreciation expense and carrying value of the assets.

Valuations of acquired businesses require us to make significant estimates, which are derived from information obtained from the management of acquired businesses, our business plans for the acquired business or intellectual property and other sources. Critical assumptions and estimates used in the initial valuation of mineral resources and other tangible and intangible assets include, but are not limited to:

Assessments of appropriate valuation methodologies in the circumstances;

Future expected cash flows from product sales and acquired intellectual property;

The acquired companies market position;

Assumptions about the period of time over which we will continue to use the assets; and

Discount rates.

Other significant estimates impacting the financial statements include post retirement benefits for certain pension holders and employees health care costs. The determination of product inventories, supply inventories, accounts receivable, property, plant and equipment and water rights also involve material estimates. The estimates involved include: the allocation of production costs, the value of byproducts, the determination of impairment, collectibility, the risk of obsolescence, the depreciable lives, and rates of depreciation, depletion, and amortization.

Revenue Recognition Revenue is recognized when evidence of an arrangement exists, risks and rewards of ownership have been transferred to customers, selling price is fixed and determinable, and collection is reasonably assured; which is when title passes. Title passes at the shipping point: the plant, a distribution warehouse, or a port. Title transfers for some shipments into Mexico at the border crossing, the port of exit.

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Prices are set at the time of or prior to shipment. Intrepid uses few sales contracts, so prices are based on Intrepid s current published prices or upon negotiated short-term purchase orders from customers. Sales are final with customers not having a right of return.

Sales are reported on a gross basis. Intrepid quotes prices to customers both on a delivered basis and on the basis of pick-up at Intrepid s plants and warehouses. Freight and other distribution costs are incurred and billed by Intrepid and apply to only a portion of the sales as customers often arrange and pay for freight and other distribution costs.

Byproduct credits When byproduct inventories are sold, a byproduct credit to Cost of goods sold is recognized.

Concentrations of Credit Risk Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties failed completely to perform as contracted.

Intrepid s products are marketed for sale into three primary markets: the agricultural market as a fertilizer, the industrial market as a component in drilling fluids for oil and gas exploration, and the animal feed market as a nutrient. Credit risks associated with the collection of accounts receivable are primarily related to the impact of external factors on our customers. Those factors include: soil nutrient levels, crop prices, weather, the type of crops planted, changes in diets, growth in population, the amount of land under cultivation, fuel prices and consumption, the demand for biofuels, government policy, and the relative value of currencies.

Concentrations of credit risk, whether on or off balance sheet, that arise from financial instruments exist for counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions

Intrepid maintains several cash accounts with several financial institutions. At times the balances in the accounts may exceed the $100,000 balance insured by the Federal Deposit Insurance Corporation.

Allowance for Doubtful Accounts Trade accounts receivable are recorded at their estimated net realizable value. The allowance for doubtful accounts is determined through an analysis of the past-due status of accounts receivable and assessments of risk regarding collectibility. If the financial condition of Intrepid s customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The consolidated balances of the allowance for doubtful accounts as of December 31, 2006 and 2005, respectively, were approximately $104,000 and $25,000.

Cash and Cash Equivalents Cash and cash equivalents consist of all cash balances and highly liquid investments with original maturity dates of three months or less.

Inventory and Long-Term Parts Inventory Inventory consists of product and byproduct stocks, which are ready for delivery to market, mined ore, MOP in evaporation ponds and parts and supplies inventory. Product and byproduct inventory cost is determined using the lower of average cost for the year or estimated net realizable value. Product inventory costs include direct costs, operational overhead, depreciation, depletion, amortization, and equipment lease costs applicable to the production process. Direct costs and operational overhead include labor.

Parts inventory, including critical spares, that is not expected to be utilized within a period of one year is classified as non-current. Parts and supply inventory cost is determined using the lower of average acquisition cost or estimated replacement cost.

Intrepid conducts detailed reviews related to the net realizable value of inventory, giving consideration to quality, slow-moving items, obsolescence, excessive levels and other factors. Parts inventories not having turned-over in more than a year, excluding parts classified as critical spares, are reviewed for obsolescence and included in the determination of an allowance for obsolescence.

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Financial Instruments Intrepid uses debt financing with variable interest rates, and Intrepid uses significant volumes of natural gas purchased at variable rates. Intrepid enters into financial derivative contracts to fix a portion of the costs for anticipated but not yet committed transactions when such transactions are probable and the significant characteristics and expected timing are identified. These derivative contracts are not designated as an accounting hedge, and changes in their fair market values are included in the Statement of Income . The realized and unrealized gains or losses resulting from the natural gas derivative contracts are recorded as a component of natural gas expense within production costs, while realized and unrealized gains or losses on interest-rate derivative contracts are shown within interest expense. Unrealized gains or losses resulting from investments constituting portions of security bonds or other sources are recorded as investment income and included in Other Income.

Property, Plant, and Equipment Cost of property, plant, and equipment are capitalized when having a future economic benefit and a useful and economic life of over a year. Property, plant, and equipment are stated at historical cost or at the allocated values determined upon acquisition of the business entities. Property, plant, and equipment are depreciated under the straight-line method using estimated useful lives. No depreciation is taken on construction in progress until placed in use. Gains and losses are recorded upon retirement, sale, or disposal of assets. Maintenance costs are expensed.

Exploration Costs Mineral exploration costs are expensed as incurred.

Mineral Properties and Development Costs Mineral properties and development costs include acquisition costs and development costs for proven and probable reserves. Depletion of mineral properties and development costs is determined using the units-of-production method over the estimated life of the proven and probable reserves. The lives of reserves used for accounting purposes are shorter than current reserve-life determinations due to uncertainties inherent in long term estimates and to correlate to estimated building and plant lives of 25 years, or less where appropriate. Internal labor and overhead directly incurred as a result of development is capitalized.

Oil and Gas Properties Intrepid used the full cost method of accounting for its oil and gas operations. All costs associated with property acquisition, exploration, and development activities were capitalized. Exploration and development costs included dry hole costs, geological and geophysical costs, direct overhead related to exploration, and development activities and other costs incurred for the purpose of finding oil and gas reserves. Capitalized costs were depleted using the units-of-production method based on estimated proven reserves.

Capitalized costs of oil and gas properties, net of accumulated depletion, was limited to an amount equal to the estimated future net cash flows from proved oil and gas reserves, discounted at 10%, using year-end pricing, plus the cost (net of impairment) of unproved properties as adjusted for related tax effects (the full cost ceiling test limitation). If capitalized costs exceeded this limit, the excess was charged to expense. The expense was not reversed in future periods, even if higher oil and gas prices subsequently increased the full cost ceiling limitation. Costs of acquiring and evaluating unproved properties were initially excluded from the costs subject to depletion. These unproved properties were assessed periodically to ascertain whether impairment had occurred. When proved reserves were assigned or the property was considered to be impaired, the cost of the property or the amount of the impairment was added to the costs subject to depletion.

Research and Development Expenditures Research and development costs are expensed as incurred. There were no research and development costs in the year ended December 31, 2006. Intrepid expensed $968,626 and $1,081,336 during the years ended December 31, 2005 and 2004 for costs incurred in developing new production equipment and processes; principally for its langbeinite product and on experimental drilling techniques for a new horizontal injection well in Moab.

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Impairment of Long Lived Assets Intrepid evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amount may not be recoverable. Impairment is considered to exist if the total estimated future cash flow on an undiscounted basis is less than the carrying amount of the related assets. An impairment loss is measured and recorded based on the discounted estimated future cash flows. Changes in significant assumptions underlying future cash flow estimates or fair values of assets may have a material effect on Intrepid s financial position and results of operations.

Non-compete Agreement The amount paid, $750,000, for the non-compete agreement, entered into with PCS as part of the 2000 Moab acquisition, was amortized over five years, the period of such agreement. Intrepid recorded amortization of $18,750 and $150,000 associated with the non-compete agreement in the years 2005 and 2004, respectively.

Asset Retirement Obligation Reclamation costs are allocated to expense over the life of the related assets and are periodically adjusted to reflect changes in the estimates of either the timing or amount of the reclamation and abandonment costs. The asset retirement obligation is based on when the spending for an existing environmental reclamation activity is expected to occur. Intrepid reviews, on at least an annual basis, the asset retirement obligation at each mine site to determine whether any adjustments are necessary.

While updating estimates in 2006, it was determined that the inactive HB mine would be reopened as a solution mine at a future date and that the activities related to the HB asset retirement obligation would not occur until the reopened solution mine s operations ceased. The change in the estimated timing of the related activities resulted in an adjustment to the estimated discounted fair value of the future retirement obligation. The HB obligation was previously undiscounted because reclamation was expected to be currently undertaken.

The carrying costs for mining properties, buildings, plant, and ponds; the assets most related to the retirement obligations, are adjusted based on changes in the asset retirement obligation.

Following is a table of the changes to Intrepid s asset retirement obligation for the years ended December 31, 2006 and 2005. Accretion in 2004 was $326,558.

	2006	2005
Asset retirement obligation at January 1,	$ 6,466,144	$ 6,458,354
Changes in estimated obligation	195,445	(297,952)
Payments reducing obligation		(23,251)
Accretion of discount	541,022	328,993
Total asset retirement obligation December 31,	7,202,611	6,466,144
Less current portion		(500,000)
Long-Term asset retirement obligation December 31,	$ 7,202,611	$ 5,966,144

Future Employee Benefits Intrepid accrues its obligations under a frozen defined-benefit plan for Moab and the related costs of administration as incurred and as determined periodically by independent actuaries. The plan is frozen in the sense that only employees hired before February 22, 2000 are eligible to participate and only pay and service through February 22, 2002 are included in the calculation of benefits.

Income Taxes As a limited liability company, Intrepid does not pay federal or state income taxes. The taxable income or loss of Intrepid will be included in the state and federal tax returns of the Members.

Comprehensive Income Comprehensive income consists of net income and accrued pension benefit obligations in excess of plan assets.

Fair Value of Financial Instruments Intrepid s financial instruments including cash and cash equivalents, restricted cash, accounts receivable and accounts payable are carried at cost, which approximate fair value due to

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the short-term maturity of these instruments. The revolving credit facility s recorded value approximates its fair value as it bears interest at a floating rate. Intrepid s interest rate and natural gas swaps are recorded at fair value.

Business Interruption Insurance Settlements In October 2006, heavy rain from the remnants of a hurricane caused abandoned utility lines to break loose from and block the mine shaft at the West Carlsbad, New Mexico site. The mine and mill were closed for 54 days to clean-out the shaft and all of the abandoned utility lines. Business interruption insurance did not cover the first 30 days, considered a deductible period, but did cover the next 24 days. The insurer agreed to reimburse Intrepid approximately $4.0 million for this 24 day period. Such amount is included within Business interruption insurance settlements .

Additionally, $884,182 of estimated lost gross margin on the product destroyed during the wind-shear incident, described below in Property Insurance Settlements , was paid by the insurer and included within business interruption insurance settlements.

Discontinued Operations In 2006, all of the operating properties of Intrepid Oil and Gas, LLC were sold. IOG operations and the sale of the oil and gas assets have been reclassified as discontinued operations in both 2005 and 2006. Initial drilling costs for a well-in-progress and certain unproved oil and gas rights were retained by IOG and are included in the balance sheets as of December 31, 2005 and 2006. As an event subsequent to December 31, 2006, the remaining IOG assets were distributed to the Members in 2007.

Property Insurance Settlements In April 2006, a wind-shear struck the product warehouse at the East Carlsbad, New Mexico site. The warehouse had a book value of $9,000. Its replacement cost is expected to be approximately $22 million. Damage to the warehouse, damage to the product stored in the warehouse, and alternative handling and storage costs are covered by Intrepid s insurance policies at replacement value, less a $1 million deductible. Insurance payments for property losses through January of 2007 to Intrepid of approximately $9.5 million less the deductible and related costs for a net gain of $6.7 million have been recognized as Insurance settlements in excess of property losses in 2006 as such payments are considered non-refundable. Additional insurance payments to reconstruct the warehousing facilities are contingent upon review by the insurer and therefore will be recognized in the future as settlements are agreed upon.

Redemption of Equity Interest On December 28, 2006, the Members of Intrepid agreed to redeem the Membership interest of Long Canyon, LLC, at the time representing 42.5% of the Membership interests of Intrepid for a total redemption cost of $100 million, which included a $95 million note paid in March 2007. The $100 million cost to redeem Long Canyon, LLC as well as costs of the redemption transaction were treated as distributions to Long Canyon, LLC resulting in Intrepid having a Members deficit as of December 31, 2006.

Annual maintenance Each operation typically shuts-down annually for maintenance. The NM operations typically shut-down for ten to fourteen days. Generally the Moab and Wendover operations cease harvesting potash from our solar ponds during one or more summer months to make the most of the evaporation season. During these summer shut-downs, annual maintenance is performed. Intrepid expenses the cost of the maintenance performed during the shut-downs when it occurs.

Leases Upon entering into leases, Intrepid evaluates whether they are operating or capital leases. Operating lease expense is recognized as incurred. If lease payments change over the contractual term, the total cost over the term is recognized on a straight-line basis.

Reclassifications Certain reclassifications have been made to the prior year consolidated financial statements to conform to the current year presentation. Such reclassifications had no effect on net income.

Impact of recent accounting pronouncements

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FASB Interpretation Number 48, or FIN 48, Accounting for Uncertainty in Income Taxes, an interpretation of FIN 109: In June 2006, the Financial Accounting Standards Board, or FASB, issued FIN 48, Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement Number 109, which provides criteria for the recognition, measurement, presentation and disclosure of uncertain tax positions. A tax benefit from an uncertain position may be recognized only if it is more likely than not that the position is sustainable based on its technical merits. The provisions of FIN 48 are effective for fiscal year 2007. Under our previous limited liability corporate structure, FIN 48 would not have an impact on our consolidated financial statements but under any corporate structure, the impact of adopting FIN 48 will need to be determined.

SFAS 157, Fair Value Measurements: In September 2006, the FASB issued SFAS 157, Fair Value Measurements. SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosure requirements regarding fair value measurement. Where applicable, this statement simplifies and codifies fair value related guidance previously issued within GAAP. SFAS 157 is effective for fiscal year 2008. We are currently evaluating the impact of the adoption of SFAS 157 on our consolidated financial statements.

SFAS 159, The Fair Value Option for Financial Assets and Financial Liabilities: In February 2007, the FASB issued SFAS 159, The Fair Value Option for Financial Assets and Financial Liabilities, which permits entities to choose to measure certain financial assets and liabilities at fair value. SFAS 159 is effective for years beginning after November 15, 2007. We have not determined whether we will adopt the fair value option permitted by SFAS 159.

3. Membership Interests and related parties:

The Members of Intrepid as of December 31, 2006 include Intrepid Production Corp. (IPC), whose sole shareholder is Robert P. Jornayvaz III (Jornayvaz), Harvey Operating and Production Company (HOPCO), whose sole shareholder is Hugh E. Harvey, Jr. (Harvey), and Robert P. Jornayvaz and Hugh E. Harvey Jr. as individual Members. Long Canyon, LLC, an entity controlled by Aspect Energy, LLC, (Aspect) was a Member until December 28, 2006 when their interest was redeemed.

In 2004, Intrepid had an informal arrangement with Aspect to share in a portion of Aspect s derivative contracts involving oil. Intrepid recorded losses of $382,636 in the year ended December 31, 2004 resulting from this agreement. The agreement was terminated in 2004.

At December 31, 2006 and 2005, the related parties accounts receivable balances of $302,097 and $70,924, respectively, consisted of advances to Members and employees. In addition, a contra-equity balance existed at December 31, 2006 and 2005 of $147,939 related to a receivable from Jornayvaz and Harvey for the purchase of Membership interests from Aspect in 2002. Non-business expenses initially paid by Intrepid and recognized as a receivable from Jornayvaz and Harvey were $361,319, $133,528, and $105,119 in 2006, 2005, and 2004, respectively.

Under Intrepid s policy, Jornayvaz and Harvey were allowed to use Intrepid s plane for non-business purposes, such use being treated as compensation to them at the federal standard rate for such travel. Additionally, Members may use the plane under dry-leases and reimburse Intrepid the lesser of the actual cost or the maximum amount chargeable under Federal Aviation Regulation 91-501(d). The amounts recognized as compensation and the reimbursements for the use by Members are recorded as offsets to the operating expenses of the plane. Personal use of the airplane is calculated based on occupied seat-miles, rather than flight miles. Flight segments may have passengers for both personal and business purposes. Each seat occupied for personal use is multiplied by the flight-segment miles to calculate the percentage of flight time reported as personal use. Non-business use of the plane treated as compensation was $32,718; $24,439; and $0 in 2006, 2005, and 2004, respectively. These figures are also included in the non-business expenses summarized in the prior paragraph.

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Intrepid s interim Chief Financial Officer is the primary owner of a firm of certified public accountants, Quinn & Associates, P.C. (Q&A) that provides accounting, consulting, and tax services to Intrepid. Q&A billed Intrepid based on actual hours incurred and at standard hourly rates. Q&A billings to Intrepid aggregated $468,456; $352,183, and $390,446 in 2006, 2005, and 2004, respectively.

Subsequent to December 31, 2006, the Members decided to distribute their remaining interests in IOG. The amount of the equity distribution was $937,532. While IOG continued as a related party, this distribution effectively separated IOG from Intrepid Mining LLC.

As an event subsequent to 2006, in June of 2007, a 20% membership interest was sold to an investment group, Potash Acquisition, LLC (PAL), controlled by Platte River Ventures, LLC, a then unrelated party, for a gross price of $39 million; or approximately $38.8 million net of transaction costs. Proceeds were used to reduce debt.

4. Notes Payable and Long-Term Debt:

The following summarizes Intrepid s long-term debt at December 31, 2006 and 2005:

	2006	2005
US Bank	$ 37,125,390	$ 37,053,128
Long Canyon, LLC Redemption Note	95,000,000	
Other	64,099	103,196
Total	132,189,489	37,156,324
Less current installments	(3,808,701)	(100,947)
Long-term debt	$ 128,380,788	$ 37,055,377

Intrepid has a credit agreement with a syndication of banks led by US Bank National Association (the Bank), as amended through October 12, 2007, to provide a total commitment from the Syndication of $175 million, inclusive of an initial $50 million term loan. On March 9, 2007, Intrepid and the Bank entered into a new credit agreement in part to retire the Note to Long Canyon, LLC issued in connection with the redemption transaction described in Note 2. The line of credit is also being used to fund capital projects and to meet working capital requirements. The Bank, with the full cooperation and agreement of Intrepid, formed a syndication of banks to assume the lender s responsibilities. Intrepid paid issuance costs of 1% of the $150 million line of credit under the new credit agreement of March 2007.

The Note to Long Canyon, LLC was $95 million. The Note was presented as long-term debt as of December 31, 2006 giving consideration to the refinancing with the Bank. This Note was retired in March of 2007 and the average interest rate for the period it had been outstanding was approximately 8%.

Under the Credit Agreement as amended through October 12, 2007, the $125 million revolving line terminates on March 9, 2012. The $50 million term loan requires a principal repayment of $1.25 million each quarter beginning June 29, 2007 and terminates with its outstanding balance due on March 9, 2014. Additionally, capital leases of up to $8 million and operating leases with annual payments of up to $10 million are permitted.

In 2004 and until July 1, 2005, interest on the loans was at either LIBOR plus between 2.75% and 3.25% or the Bank s prime rate plus between 0% and 0.5%, in each case dependent on the level of borrowings. From July 1, 2005 until March 9, 2007, interest on the loan was set at either LIBOR plus between 1.5% and 2.0% or the Bank s prime rate plus between 0% and 0.5%, in each case dependent on the level of borrowings. Effective March 9, 2007, interest on the loan was set at either LIBOR plus between 1.25% and 2.5% or the Bank s prime rate plus between 0% and 0.75%, in each case dependent on the level of borrowings. The LIBOR-based interest

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rate, including the Bank s margin, ranged from 7.12% to 7.51% at December 31, 2006 and was 6.27% at December 31, 2005. Outstanding prime-rate advances at December 31, 2006 and 2005 were at a rate of 8.5% and 7.5%, respectively.

A commitment fee has been charged Intrepid for the unused portion of the revolving line of credit since July, 1, 2005. The commitment fee has been 0.35% to 0.5%, dependent on the level of borrowings. Under the Credit Agreement of March 9, 2007, as amended through October 12, 2007, the commitment fee is 0.25% to 0.5%, dependent on the level of borrowings.

The Credit Agreement includes covenants requiring Intrepid to maintain a specified net working capital, a current ratio, cash flow and fixed charge coverage. Intrepid was in compliance with all covenants at September 30, 2007.

The Syndication has a security interest in substantially all of the assets of Intrepid. Obligations are cross-collateralized between all of Intrepid s legal entities, parent and subsidiaries.

The following summarizes the scheduled maturities of Intrepid s long-term debt as of the amendment dated October 12, 2007:

Years Ending December 31,	
2007	$ 3,808,701
2008	5,005,398
2009	5,000,000
2010	5,000,000
2011	5,000,000
2012 and thereafter	108,375,390
Total long-term debt, including current portion	$ 132,189,489

5. Inventory and Long-Term Parts Inventory:

The following summarizes Intrepid s inventory, recorded at the lower of average cost for the year or estimated net realizable value, as of December 31, 2006 and 2005:

	2006	2005
Product inventory	$ 12,442,902	$ 7,231,199
In-process mineral inventory	2,325,202	2,110,185
Current parts inventory	6,203,081	4,963,582
Inventory in transit	23,702	22,375
Total current inventory	20,994,887	14,327,341
Long-term parts inventory	3,371,180	3,767,427

Total inventory	$ 24,366,067	$ 18,094,768

Parts inventories are shown net of obsolescence reserves of $668,154 and $468,023 as of December 31, 2006 and 2005, respectively. No obsolescence or other reserves were deemed necessary for the product inventories.

6. Commitments and Contingencies:

Marketing Agreements Concurrent with the acquisition of Moab in 2000, Intrepid and PCS entered into a marketing agreement. Such marketing agreement gave PCS the exclusive right to sell Intrepid s potash production through December 31, 2004. PCS received a 5% commission on total net sales. Said marketing

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agreement was terminated effective April 1, 2004, without penalty, in conjunction with the acquisitions of NM, HB, and Wendover.

Effective April 1, 2004, NM and PCS entered into a marketing agreement appointing PCS the exclusive sales representative for potash export sales, with the exception of those to Canada and Mexico, and appointing PCS a non-exclusive sales representative for potash sales into Mexico. This agreement is cancelable with thirty days written notice.

Effective August 1, 2004, Wendover and Envirotech Services, Inc. (ESI) entered into a sales agreement appointing ESI the exclusive distributor for magnesium chloride, with the exception of up to 15,000 tons per year sold for applications other than dust control, de-icing, and soil stabilization. This agreement is cancelable with two year s written notice, unless a breach or other specified special event has occurred. Sales prices were specified to ESI in the agreement subject to cost-based escalators. Wendover also participates in excess profits, as defined by the agreement, earned by ESI upon resale. Excess profits of $41,134, $4,227 and $0 were earned in 2006, 2005 and 2004, respectively.

Reclamation Deposits, Surety Bonds and Sinking Fund From June 6, 2000 through February 2005, approximately $14.2 million in surety bonds was provided the State of Utah and the BLM for Moab reclamation through an agreement between Intrepid and an insurance company (Insurer). In February 2005, the amount of the required surety bonds was decreased by agreement with the State of Utah and the BLM to approximately $6.8 million. The terms of the surety-agreement include provisions governing the operation of the Moab mine; provide the Insurer a security interest in approximately 56% of the surface land owned by Moab; require the establishment and maintenance of a sinking fund; and require payment of an annual 1.5% premium which was $107,831, $106,316, and $248,765 in 2006, 2005, and 2004, respectively. The sinking fund is a restricted asset that provides security to the State of Utah and to the BLM, but its value is determined independently of the asset retirement obligations.

Through the first quarter of 2005 Intrepid funded the sinking fund through a monthly payment. Intrepid paid $90,000 and $360,000 into the sinking fund during the years ended December 31, 2005 and 2004, respectively. The sinking fund, a restricted deposit, is included within other long-term assets and had balances of approximately $2.9 million and $2.4 million as of December 31, 2006 and 2005. Assuming an approximate annual return of 6.5%, Intrepid has invested enough in the sinking fund to meet Moab s expected reclamation cost inclusive of inflation. Intrepid is allowed to invest the sinking fund as the Members deem appropriate. Unrealized gains of $388,224; $161,499; and $81,950 were recorded in the statement of income in 2006, 2005, and 2004, respectively, on the marketable securities held for trade by the sinking fund.

Intrepid had reclamation security deposits outstanding for the NM and HB facilities of $634,584 and $644,000 at December 31, 2006 and 2005. A security deposit related to the Wendover facility of $250,000 was outstanding at both December 31, 2006 and 2005. These restricted deposits were included within Other long term assets.

As of December 31, 2005, two letters of credit issued through the Bank were outstanding with the State of Utah in the total amount of $165,000 as security for IOG activities. As of December 31, 2006, these same two letters of credit were outstanding, related to the unproven oil and gas properties, as well as a third letter of credit in the amount of $109,610 issued through the Bank to the State of Utah as security on a newly completed landfill site at Moab.

Intrepid may be required to post additional security to fund future reclamation obligations as reclamation plans are updated or as governmental entities change requirements.

Health Care Costs Intrepid is self-insured, subject to a stop-loss policy, for its employees health care costs. The estimated liability for outstanding medical costs has been based on the historical pattern of claim settlements. The medical-claims liability was $788,248; $525,706; and $226,617 as of December 31, 2006, 2005, and 2004. The estimated health care cost can affect the benefit expense and carrying value of Intrepid.

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Future Lease Commitments Intrepid has certain operating and capital leases for mining and other operating equipment, an airplane, offices, railcars, and vehicles, with terms ranging up to ten years.

The minimum future operating lease payments by year, inclusive of railcars and an electrical substation, are as follows:

Years Ending December 31,	
2007	$ 4,604,144
2008	4,403,039
2009	4,211,409
2010	3,381,774
2011	2,672,944
2012 and beyond	1,629,780

Payments on the operating lease for the airplane in 2009 through 2014, included above, will be adjusted based upon market interest rates in September 2009.

Rental and lease expenses were approximately $2.8 million; $1.5 million; and $1.0 million for the years ended December 31, 2006, 2005, and 2004, respectively. The rental and lease expenses exclude lease payments for railcars; approximately $0.4 million, $0.4 million, and $0.2 million in 2006, 2005, and 2004, respectively; used to deliver product and recorded as a distribution cost. Rental and lease expenses also exclude lease payments for an electrical substation, approximately $0.2 million in each of the three years, recorded as a cost of electricity. Rental and lease expenses are included within Cost of goods sold .

Intrepid had capital lease obligations totaling $64,099 and $8,843 at December 31, 2006 and 2005, respectively. The remaining capital lease matures at February 1, 2008. The lease obligations are collateralized by the related equipment, which had a net book value of $86,816 and $8,843 at December 31, 2006 and 2005, respectively.

The minimum future payments under the terms of the capital leases are as follows:

Years Ending December 31,	
2007	$ 64,915
2008	5,410
	70,325
Less interest	6,226
Future minimum principal payments	64,099
Less current portion	58,701
Long-term portion of capital lease obligations	$ 5,398

7. Future Employee Benefits:

A savings plan qualified under Internal Revenue Code Sections 401(a) and 401(k) was adopted in 2000. The 401K Plan is available to all eligible employees of all of the consolidated entities. Employees may contribute amounts as allowed by the U.S. Internal Revenue Service to the 401K Plan (subject to certain restrictions) in either before tax or after tax contributions. Intrepid matches employee contributions on a dollar for dollar basis up to a maximum of 3% or 5%, dependent on the site, and on the employee s base compensation. For the years ended December 31, 2006, 2005, and 2004, Intrepid contributed $794,411; $747,669; and $573,410, respectively, to the 401K Plan.

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In accordance with the terms of the Moab Purchase Agreement with PCS, in 2000 Intrepid established an Employee Defined Benefit Pension Plan (Pension Plan). Pursuant to the terms of the Moab Purchase Agreement, PCS calculated the present value of the future benefits under the Pension Plan as of February 22, 2000 to be approximately $1.5 million and transferred the funds to the Pension Plan. In February 2002, Intrepid froze the benefits to be paid under the Pension Plan; however, Intrepid is required to maintain the Pension Plan for the existing participants as of that date.

Accumulated other comprehensive gains and losses as of December 31, 2006, 2005, and 2004 were a $990,838 gain, a $43,287 gain, and a $1,173,473 loss, respectively, resulting from unrecognized actuarial gains and losses associated with the Pension Plan.

The following table provides a reconciliation of the changes in the Pension Plan s benefit obligations and fair value of assets for the years ended December 31, 2006, 2005 and 2004, as measured on those dates, and a statement of the funded status as of December 31, 2006, 2005, and 2004. Intrepid adopted FAS 158, Employers Accounting for Defined Benefit Pension and Other Postretirement Plans , effective December 31, 2006. There was no impact upon the financial results or position of Intrepid from adopting FAS 158.

		Qualified Pension Benefits	
	2006	**2005**	**2004**
Obligations and funded status at December 31:			
Change in benefit obligation:			
Benefit obligation at beginning of year	$ 3,862,494	$ 3,676,908	$ 2,238,948
Service cost			
Interest cost	208,813	197,078	204,168
Benefit payments	(82,081)	(71,342)	(70,230)
Actuarial losses (gains)	(781,219)	59,850	1,304,022
Benefit obligation at end of year	3,208,007	3,862,494	3,676,908
Change in plan assets:			
Fair value of plan assets at beginning of year	1,924,420	1,629,353	1,465,074
Actual return on assets (net of expenses)	194,794	79,088	91,594
Employer contributions	226,915	287,321	142,915
Benefit payments	(82,081)	(71,342)	(70,230)
Fair value of plan assets at end of year	2,264,048	1,924,420	1,629,353
Unfunded status	(943,959)	(1,938,074)	(2,047,555)
Items not yet recognized as a component of net periodic pension cost:			
Unrecognized transition obligation/(asset)			
Unrecognized prior service cost			
Unrecognized actuarial loss/(gain)	898,003	1,888,841	1,932,128
Sum of deferrals	898,003	1,888,841	1,932,128
Prepaid / (accrued) benefit cost	$ (45,956)	$ (49,233)	$ (115,427)
Accumulated other comprehensive income:			
Net loss/(gain)	$ 898,003	$ 1,888,841	$ 1,932,128
Prior service cost			
Total	$ 898,003	$ 1,888,841	$ 1,932,128

Assumptions used to determine benefit obligations as of end of fiscal year:		
Discount rate	5.75%	5.50%
Salary scale	N/A	N/A

Intrepid reviewed prevailing interest rates for high-quality fixed-income investments, those rated Aa or better. The duration of the Plan s liabilities as of December 31, 2006 was 12.9 years. Based on this review and the plans duration, Intrepid determined a reasonable discount rate for the benefit obligations as of December 31, 2006 was 5.75%.

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	2006	2005	2004
Components of net periodic benefit cost:			
Service cost	$	$	$
Interest cost	208,813	197,078	204,168
Expected return on assets	(138,501)	(115,273)	(102,342)
Amortization of transition obligation/(asset)			
Amortization of prior service cost			
Amortization of actuarial loss/(gain)	153,326	139,322	141,297
Net periodic benefit cost	$ 223,638	$ 221,127	$ 243,123
Other comprehensive income (loss)	$ 990,838	$ 43,287	$ (1,173,473)
Amounts included in AOCI expected to be recognized during the next fiscal year:			
Transition obligation/(asset)			
Prior service cost			
Actuarial loss/(gain)	$ 58,898		
Assumptions used in computing net periodic benefit cost:			
Discount rate	5.5%	5.75%	5.75%
Expected return on assets	7.00%	7.00%	7.00%
Salary scale	N/A	N/A	N/A

The discount rate determined on the benefit obligations as of December 31, 2005, 5.5%, was used in computing the net periodic benefit cost in 2006.

The basis used to determine the overall expected long-term rate of return on assets assumptions was an analysis of the historical rate of return for a portfolio with a similar asset allocation. The assumed long-term asset allocation for the plan is: 60% equity securities, 36% fixed income, and 4% cash.

Using historical investment returns, the Plan s expected asset mix, and adjusting for the difference between expected inflation and historical inflation, the 25th to 75th percentile range of annual rates of return is 7.0% 8.7%. Intrepid selected a rate of return of 7.00%, which reflects our judgment of the best estimate for this assumption based on the historical investment returns and expected future conditions. This rate is net of investment related expenses.

Plan Assets Moab Salt, L.L.C. Employees Pension Plan s weighted-average asset allocations at December 31 by asset category are as follows:

Asset Category	2006	2005
Equity securities	51%	55%
Fixed income	38%	15%
Cash	5%	30%
Real estate	6%	0%
Total	100%	100%

The investment policy for pension plan assets is to maximize the expected return for an acceptable level of risk. As the Plan has a long-term investment horizon, limited liquidity needs, and exposure to purchasing power risk, and little concern for income stability, Intrepid has set the following target asset allocation: 35% 82% equity securities, 25% 65% fixed income, and 0% 20% cash. The cash balance at December 31, 2005 was higher than the targeted range due principally to an investment decision to delay the acquisition of fixed income instruments until interest rates had increased.

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Cash Flows:

Contributions: Intrepid expects to contribute $121,000 to its pension plan in 2007.

Estimated future benefit payments: The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	Pension Benefits
2007	$ 84,000
2008	105,000
2009	130,000
2010	146,000
2011	182,000
Years 2012 2016	1,123,000

8. Financial Instruments:

Intrepid has managed through the use of interest-rate derivative contracts a portion of its floating interest rate exposure. Intrepid s forward LIBOR-based contracts reduce Intrepid s risk from interest rate movements as gains and losses on such contracts partially offset the impact of changes in Intrepid s variable-rate debt. The interest rate paid under Intrepid s credit agreement varies both with the change in the 3-month LIBOR rate and with Intrepid s leverage ratio. The counterparty to the contracts is a large commercial bank and therefore credit risk of counterparty non-performance is unlikely. Notional amounts for which the rate had been fixed as of December 31, 2006 ranged between $17.5 million for the year ending March 1, 2010 to $30 million for the two months ending March 1, 2007. The weighted average notional amount outstanding as of December 31, 2006 and the weighted average 3-month LIBOR rate locked-in via these derivatives were $22.5 million and 4.6%. At December 31, 2005, Intrepid had outstanding contracts through March 3, 2008 for notional amounts ranging between $29 and $39 million. The weighted average notional amount outstanding as of December 31, 2005 and the weighted average 3-month LIBOR rate locked-in via these derivatives were $30.3 million and 3.6%.

Intrepid has managed through the use of natural gas derivative contracts a portion of its exposure to movements in the market price of natural gas. Intrepid s forward Permian-basis contracts reduce Intrepid s risk from movements in the cost of gas consumed as gains and losses on such financial contracts offset losses and gains on its variable-cost supply contracts. The counterparties to the contracts are credit worthy trading houses and therefore credit risk of counterparty non-performance is unlikely. At December 31, 2006, Intrepid had outstanding financial contracts through December 31, 2007 for notional quantities of 1,200,000 MMBTU s at a weighted average cost of $8.12/MMBTU. At December 31, 2005, Intrepid had outstanding financial contracts through December 31, 2006 for notional quantities of 460,000 MMBTU s at a weighted average cost of $8.77/MMBTU.

The fair value of financial instruments included in the financial statements as of December 31, 2006 and 2005 are depicted below.

Fair value of financial instruments at December 31,	**2006**	**2005**
Current Assets	$ 93,060	$ 276,552

Long-Term Assets	340,500	601,252
Current Liabilities	2,194,198	
Long-Term Liabilities	132,946	

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9. CONCENTRATION INFORMATION:

Intrepid extracts, processes, and sells potash and langbeinite as well as byproducts; salt, magnesium chloride, and metal recovery salt. (See Note 2 regarding discontinuance of IOG operating activities in 2006.)

All assets reside in the United States, with the exception of $110,000 as of December 31, 2006 of langbeinite moved to a third-party warehouse in Ontario, Canada for sales in 2007.

Title to all products sold transferred in the United States. An approximate distribution of net sales by geographic destination follows. Sales from discontinued operations are also shown in the table below.

	Net Sales ($000 s)		
Region	**2006**	**2005**	**2004**
Mexico and Canada	$ 4,035	$ 3,760	$ 4,454
South and Central America, including the Caribbean	3,532	1,448	4,910
Asia			904
Export subtotal	7,567	5,208	10,268
United States	132,038	135,741	90,765
Total net sales, excluding discontinued operations	$ 139,605	$ 140,949	$ 101,033
United States oil sales from discontinued operations	$ 4,409	$ 3,718	$ 2,737

In 2006, 2005, and 2004, one customer (A), a distributor, accounted for 10.0%, 14.9%, and 11.3% of net sales, respectively. In 2006 and 2005, a second distributor (B), accounted for 10.9% and 10.2% of net sales, respectively.

10. PROPERTY, PLANT, EQUIPMENT AND MINERAL PROPERTIES:

Property, plant and equipment and Mineral properties and development costs were comprised of the following:

	For the Years Ended December 31,		Ranges of lives (years):	
	2006	**2005**	**Lower limit**	**Upper limit**
Buildings	$ 9,436,988	$ 8,154,500	5	25
Machinery & equipment	33,000,849	24,682,677	3	10
Vehicles	4,911,501	2,339,041	3	7
Office and other equipment	150,397	118,672	5	7
Computers	775,025	431,511	3	5

Software	1,014,132	886,538	3	3
Leasehold improvements	331,734	78,273	1.5	10
Ponds & land improvements	899,705	988,048	18	25
Construction in progress	3,340,176	3,545,720	N/A	N/A
Land	427,457	427,457	N/A	N/A
Accumulated depreciation	(11,916,984)	(6,408,163)	N/A	N/A
	$ 42,370,980	$ 35,244,274		
Mineral properties and development costs	28,037,851	27,666,161		
Accumulated depletion	(3,708,862)	(2,428,884)		
	$ 24,328,989	$ 25,237,277		

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Mineral properties and development costs include $1,466,782 and $2,221,957 at December 31, 2006 and 2005, respectively, as the balances held by the inactive HB mine. Pending reopening as a solution mine, no depletion is recognized on this portion of the mineral reserves.

11. Depreciation, Depletion, Amortization and Accretion:

Intrepid incurred the following costs for depreciation, depletion, and amortization, which included costs capitalized into inventory.

	2006	2005	2004
Depreciation	$ 5,541,897	$ 3,419,843	$ 1,474,592
Depletion	1,837,691	1,614,224	1,466,451
Amortization	106,939	130,002	254,394
Accretion	541,022	328,993	326,558
Total incurred	$ 8,027,549	$ 5,493,062	$ 3,521,995

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Appendix A

GLOSSARY OF TERMS

Brownfield: A brownfield mine is a project which is constructed on previously developed land. An example of a brownfield project is our planned addition of new horizontal caverns at our Moab Mine.

Effective Capacity: As estimated by Intrepid Potash, the amount of potash production a facility can achieve based on the amount and quality of ore that can currently be mined, milled and/or processed assuming no modifications to the system and a normal amount of scheduled down-time.

Greenfield: A greenfield mine is a project constructed on previously undeveloped land. An example of a greenfield mine is Rio Tinto s proposed potash mine in the Rio Colorado region of Argentina.

Imperial Ton: A long ton or gross ton, a measurement of mass equal to 2,240 pounds.

Magnesium Chloride ($MgCl_2$): An effective de-icing and de-dusting agent that is sold primarily into the Mountain West and Pacific Northwest regions.

Metal Recovery Salt: Potash combined with salt in various ratios chemically enhances the recovery of aluminum in aluminum recycling processing facilities.

MMBtu: Million British Thermal Units.

Nameplate Capacity: Typically the maximum achievable production the potash mill can achieve assuming there is enough ore of a specified grade to maximize the processing rate. Nameplate capacities have not typically been adjusted over time in the potash industry for the depletion of ore resulting in lower ore grades to mills, losses in productivity that can result as facilities mature, or adverse events that materially reduce the amount of feed available to the mill.

PCS: Potash Corporation of Saskatchewan Inc. and its subsidiaries, including PCS Sales (USA), Inc., with whom Intrepid Potash has entered into an exclusive marketing agreement, and PCS Phosphate Company, Inc., from whom Intrepid Potash acquired Moab Salt, Inc.

Potash: A generic term for potassium salts (primarily potassium chloride, but also sulfate of potash magnesia or langbeinite, potassium nitrate and potassium sulfate) used predominantly and widely as a fertilizer in agricultural markets worldwide. Potash also has numerous industrial uses, including oil and gas drilling and stimulation fluids. Potash ore is commonly called sylvite. Unless otherwise indicated, references to potash in this prospectus refer to muriate of potash.

Potassium Chloride (KCl muriate of potash or MOP): The most abundant, least expensive source of potassium on a delivered K_2O basis and the preferred source of potassium for fertilizer use, currently accounting for approximately 95% of total fertilizer use of K_2O. Commercial grades for fertilizer use are typically 95-98% potassium chloride, containing about 60-62% K_2O. Potassium chloride is the primary raw material used to produce industrial potassium hydroxide and its derivative salts, the most commercially important of which are potassium carbonate, potassium chromate, potassium permanganate and the potassium phosphates. It is also used as an intermediate in chemical synthesis routes to potassium sulfate and potassium nitrate. Muriate of potash is either red or white in appearance, depending on how it is produced.

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Potassium Nitrate (KNO_3 niter, saltpeter, nitrate of potash or sal prunella): A white crystalline salt. In the U.S., its use is limited but it is used as a nonchloride source of potash and nitrate nitrogen. The nutrient content of commercial, fertilizer-grade material is about 13-14% nitrogen and 44% K_2O. Although potassium nitrate does exist as such in nature, there are no known large deposits of concentrated potassium nitrate-containing minerals. Recovery of naturally occurring materials has been primarily from the crude sodium nitrate (caliche) beds in Chile.

Potassium Sulfate (K_2SO_4 sulfate of potash or SOP): A crystalline salt that is derived directly from brines or synthesized from other potassium salts and minerals. Commercial grades for fertilizer use are usually 93-95% potassium sulfate, containing 50-51% K_2O. Potassium sulfate accounts for 1-2% of total potash fertilizer use.

Probable (Indicated) Reserves: Reserves for which quantity and grade and/or quality are computed from information similar to that used for proven (measured) reserves, but the sites for inspection, sampling and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance of probable (indicated) reserves, although lower than that for proven (measured) reserves, is high enough to assume geological continuity between points of observation.

Proven (Measured) Reserves: Reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling, and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that the size, shape, depth and mineral content of the reserves are well established.

Reserve: That part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination.

Salt ($NaCl$ sodium chloride): The salt industry is a commodity business with a heavy emphasis on price competition, which results in market boundaries being defined by delivered costs.

Sulfate of Potash Magnesia ($K_2Mg_2(SO_4)_3$) langbeinite or potassium magnesium sulfate): A double salt containing potassium and magnesium sulfates. In the U.S., sulfate of potash magnesia, produced by refining langbeinite ore, accounts for approximately 3% of potash fertilizer. Commercial products typically contain 22% K_2O, 11% magnesium and 22% sulfur. In Europe, a variety of these mixed salts is made from different ores, in grades ranging from 12% to 42% K_2O, 2% to 5% magnesium and 3% to 7% sulfur. Langbeinite is marketed for sale as a low-chloride potassium, magnesium and sulfur-bearing fertilizer primarily for use in citrus, vegetable, sugarcane and palm applications and as an animal feed supplement.

Tailings: Salt and insoluble minerals that remain after potash is removed from ore during processing, typically disposed of in a tailings pile.

Ton: A short ton, a measurement of mass equal to 2,000 pounds. References to tons in this prospectus refer to short tons.

Tonne: A metric ton, a measurement of mass equal to 1,000 kilograms or 2,204.6 pounds.

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PART II

Information Not Required in Prospectus

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the various fees and expenses, other than the underwriting discounts and commissions, payable by Intrepid Potash, Inc., or the registrant, in connection with the sale of the shares of common stock being registered hereby. All amounts shown are estimates except for the SEC registration fee and the NASD filing fee.

	Amount
SEC registration fee	$ 3,070
FINRA filing fee	10,500
New York Stock Exchange listing fee	*
Blue sky qualification fees and expenses	*
Accounting fees and expenses	*
Legal fees and expenses	*
Printing and engraving expenses	*
Transfer agent and registrar fees	*
Miscellaneous expenses	*
Total	$ *

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers

Section 102 of the Delaware General Corporation Law, or the DGCL, grants us the power to limit the personal liability of our directors or our stockholders for monetary damages for breach of a fiduciary duty. Article of our restated certificate of incorporation eliminates the personal liability of directors for monetary damages for actions taken as a director, except for liability for breach of the duty of loyalty; for acts or omissions not in good faith or involving intentional misconduct or knowing violation of law; under Section 174 of the DGCL (unlawful dividends); or for transactions from which the director derived improper personal benefit.

Under Section 145 of the DGCL, a corporation has the power to indemnify directors and officers under certain prescribed circumstances against certain costs and expenses, actually and reasonably incurred in connection with any action, suit or proceeding, whether civil, criminal, administrative or investigative, to which any of them is a party by reason of his being a director or officer of the corporation if it is determined that he acted in accordance with the applicable standard of conduct set forth in such statutory provision. Article of our restated bylaws requires us to indemnify any current or former directors or officers to the fullest extent permitted by the DGCL, and to pay expenses incurred in defending any such proceeding in advance of its final disposition upon delivery to us of an undertaking, by or on behalf of an indemnified person, to repay all amounts so advanced if it should be determined ultimately that such person is not entitled to be indemnified under this section or otherwise. Article also permits us to indemnify any current or former employees or agents to the fullest extent permitted by the

DGCL, and to pay expenses incurred in defending any such proceeding in advance of its final disposition upon such terms and conditions, if any, as we deem appropriate.

Section 145 of the DGCL authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation against any liability asserted

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against and incurred by such person in any such capacity, or arising out of such person s status as such. As permitted by Section 145 and Section of our restated bylaws, we intend to obtain insurance policies insuring its directors and officers against certain liabilities that they may incur in their capacity as directors and officers.

We intend to enter into separate indemnification agreements with each of our directors and officers, which may be broader than the specific indemnification provisions contained in the DGCL. These indemnification agreements may require us, among other things, to indemnify our directors and officers against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct. These indemnification agreements may also require us to advance any expenses incurred by the directors or officers as a result of any proceeding against them as to which they could be indemnified and to obtain directors and officers insurance, if available on reasonable terms.

We expect that the Underwriting Agreement to be filed as an exhibit to this registration statement will obligate the underwriters, under certain circumstances, to indemnify our directors and officers for certain liabilities, including liabilities arising under the Securities Act.

The indemnification rights set forth above shall not be exclusive of any other right which an indemnified person may have or hereafter acquire under any statute, provision of our restated certificate of incorporation or restated bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

Item 15. Recent Sales of Unregistered Securities

Except as set forth below, in the three years preceding the filing of this registration statement, the registrant has not issued any securities that were not registered under the Securities Act.

On December 7, 2007, in connection with the incorporation of the registrant, the registrant issued 1,000 shares of common stock to Intrepid Mining LLC in exchange for $1,000. The offer, sale and issuance of these securities was made in reliance upon the exemption from the registration requirements of the Securities Act provided for by Section 4(2) thereof for transactions not involving a public offering. Appropriate legends have been affixed to the securities issued in this transaction. The purchaser of the securities had adequate access, through business or other relationships, to information about us.

Item 16. Exhibits and Financial Statement Schedules

(a) Exhibits

The exhibits to this registration statement are listed on the exhibit index, which appears elsewhere herein and is incorporated by reference.

(b) Financial Statement Schedules

See the Index to Financial Statements included on page F-1 for a list of the financial statements included in this registration statement.

All schedules not identified above have been omitted because they are not required, are not applicable or the information is included in the selected consolidated financial data or notes contained in this registration statement.

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Item 17. Undertakings

(a) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(b) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Denver, Colorado, on February 12, 2008.

INTREPID POTASH, INC.

By: *
Name: **Robert P. Jornayvaz III**
Title: **Chairman of the Board and Chief Executive Officer**

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Name	Title	Date
* **Robert P. Jornayvaz III**	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	February 12, 2008
/s/ Hugh E. Harvey, Jr. **Hugh E. Harvey, Jr.**	Executive Vice President of Technology and Director	February 12, 2008
* **Patrick A. Quinn**	Interim Chief Financial Officer, Secretary and Treasurer (Principal Financial Officer)	February 12, 2008
* **Rodney D. Gloss**	Vice President and Controller (Principal Accounting Officer)	February 12, 2008
* **J. Landis Martin**	Director	February 12, 2008

*By: /s/ Hugh E. Harvey, Jr.
Attorney-in-fact

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EXHIBIT INDEX

Exhibit No.	Description
1.1**	Form of Underwriting Agreement.
3.1***	Certificate of Incorporation of Intrepid Potash, Inc.
3.2***	Bylaws of Intrepid Potash, Inc.
3.3**	Form of Restated Certificate of Incorporation of Intrepid Potash, Inc.
3.4**	Form of Restated Bylaws of Intrepid Potash, Inc.
4.1**	Specimen common stock certificate of Intrepid Potash, Inc.
5.1**	Opinion of Holme Roberts & Owen LLP regarding the validity of the common shares.
10.1**	Intrepid Potash, Inc. 2008 Equity Incentive Plan.
10.2**	Form of Employment Agreement (schedule of employees attached thereto).
10.3**	Form of Indemnification Agreement.
10.4**	Form of Registration Rights Agreement.
10.5**	Form of Director Designation and Voting Agreement.
10.6**	Form of Exchange Agreement.
21.1***	List of Subsidiaries.
23.1*	Consent of KPMG LLP.
23.2*	Consent of Hein & Associates LLP.
23.3**	Consent of Holme Roberts & Owen LLP (included in Exhibit 5.1).
23.4*	Consent of Agapito Associates, Inc.
24.1***	Power of Attorney (included on signature page).

* Filed herewith.
** To be filed by amendment.
*** Previously filed.