



Mosaic Potash Carlsbad Inc.
PO Box 71
1361 Potash Mines Road
Carlsbad, NM 88220
www.mosaicco.com

Tel 505-887-2871
Fax 505-887-0589

July 16, 2007

30 - 015 - 35678

J. W. Melloy Associates, Inc.
508 West Wall, Suite 700
Midland, TX 79701

Dear Mr. Melloy:

We have received your letters dated May 25, 2007 and June 29, 2007 requesting a total of 9 well locations in Section 2 of T-23-S, R-31-E. In general these location are not detrimental to potash production as they are outside our know reserves. However, Well #6 located 660 FNL & 660 FWL is in a corridor designated for access around WIPP needed to mine reserves to the north. Mosaic has no objection to wells #1, #2, #3, #4, #5, #7, #8, or #9 at their indicated locations but we must currently object to the location of the #6 well.

As more information becomes available, our estimates of the value and extent of potash resources in any given area (as well as the mine plan to access reserves) may change. Therefore, please consider this "objection" to this location and these "no objection" to the remaining locations to be valid for one year only. If you are still considering these well locations at a date later than one year from today, notify us again at that time so we can make the decision on information current at that time. Do not consider a "no objection offered" or an "objection offered" decision to be permanent.

Sincerely,

Dan Morehouse
Mine Engineering Superintendent

cc: Don Purvis Pete Livingstone Bryan Arrant