

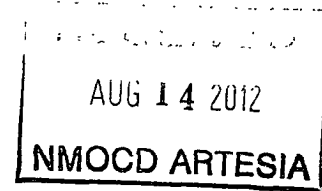


Mosaic Potash Carlsbad Inc.
PO Box 71
1361 Potash Mines Road
Carlsbad, NM 88220
www.mosaicco.com

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

August 14, 2012

Mr. Bryan Arrant
Regulatory Specialist II
Chesapeake Energy Corporation
PO Box 18496
Oklahoma City, OK 73154-0496



30-015-40371

Dear Mr. Arrant:

We are in receipt of your letter dated June 5, 2012 concerning an APD for a gas well 150' FNL & 660' FWL of Section 36, T-23-S, R-30-E. Mosaic Potash Carlsbad Inc. does have a potash lease 150 feet north of this location.

Your request is to drill the Los Medanos 36 23 30 State 1H test well to the Bone Springs formation and therefore a "deep gas well" according to the OCD definition. Mosaic Potash's LMR as designated in accordance with NMOCC Order R-111-P encompasses an area within ¼ mile to the NNE of this location. This well's ½ mile buffer would impact a substantial quantity of potash reserve. Mosaic objects to the location of this well for this reason.

As more information becomes available, our estimates of the extent of potash resources in any given area may change. 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 a new 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: Bill Boyer

Terry Morrow

Jim Rutley