

CHI ENERGY, INC.
P.O. BOX 1799
MIDLAND, TEXAS 79702

August 3, 2006

Kathy Blick
Chesapeake Energy Corporation
P. O. Box 18496
Oklahoma City, Oklahoma 73154

"Certified-Return Receipt"

**Re: Fed Com #2
T-21S-R-27E
Section 6: N/2
Eddy County, New Mexico
API # 30-015-33782**

Ms. Blick:

Concerning the Fed Com #2, located in T-21S-R-27 E, N/2 of Section 6, Eddy County, New Mexico. Chi Operating, Inc. will operate the Fed Com #2 in the N/2 proration unit, filing all the necessary paperwork with the State of New Mexico and BLM on the Fed Com #2. Chesapeake will operate their well in the same proration unit * and has no objections to Chi operating the Fed Com #2.

Should this meet with your acceptance, please sign in the space provided below and return to me for further handling.

Thanks and please call should you have any questions.

Sincerely,


John W. Qualls

JWQ/fh

Agreed and Accepted this 9th day of August, 2006.

Operating, Inc.
~~Chesapeake Energy Corporation~~

By: 

Name: Kevin Pfister

Title: Permian North - Land Manager

* , said well known as the Federal State Com #1, will continue to file all the necessary paperwork with the State of New Mexico and BLM on the Federal State Com #1,

