

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

APPLICATION OF OGX RESOURCES LLC  
FOR APPROVAL OF A NON-STANDARD OIL  
SPACING AND PRORATION UNIT AND  
COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.

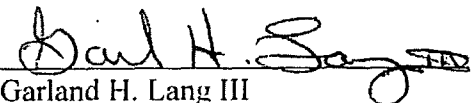
Case No. 14,661

AFFIDAVIT OF GARLAND H. LANG III

COUNTY OF MIDLAND    )  
  ) ss.  
STATE OF TEXAS        )

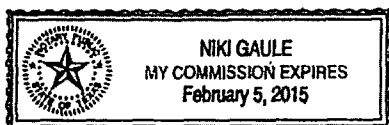
Garland H. Lang III, being duly sworn upon his oath, deposes and states:

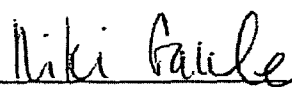
1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am Land Manager for OGX Resources LLC ("OGX").
3. Attached hereto as Exhibit 1 is e-mail correspondence between OGX and Chesapeake Exploration LLC ("Chesapeake") over the last five months regarding OGX's proposed wells in Townships 26S-28E and 26S-29E.
4. OGX requested a copy of the Marshalyn McGahey lease from Chesapeake, but has not yet received it.
5. Chesapeake has not submitted to OGX a proposed term assignment of its acreage.

  
Garland H. Lang III

SUBSCRIBED AND SWORN TO before me this 22<sup>nd</sup> day of June, 2011 by Garland H. Lang III.

My Commission Expires: 2-5-2015



  
Notary Public

Oil Conservation Division  
Case No. B 14661  
Exhibit No. B

**Gary Lang**

---

**From:** Gary Lang  
**Sent:** Wednesday, February 02, 2011 2:03 PM  
**To:** 'Justin Zerkle'  
**Subject:** FW: Well Proposal  
**Attachments:** AVG Certification.txt; 2011\_02\_02\_13\_56\_27.pdf

Justin, please see the attached well proposal for the Diamondback21StateCom #1H Well.

---

**From:** Hunter Kennedy  
**Sent:** Wednesday, February 02, 2011 1:59 PM  
**To:** Gary Lang  
**Subject:**

EXHIBIT

1

## Gary Lang

---

**From:** Justin Zerkle [justin.zerkle@chk.com]  
**Sent:** Tuesday, March 01, 2011 3:26 PM  
**To:** Gary Lang  
**Subject:** RE: Copperhead 31 Fed Com #1H Well  
**Attachments:** "AVG certification".txt

Thanks Gary.

---

**From:** Gary Lang [mailto:glang@OGXResources.com]  
**Sent:** Tuesday, March 01, 2011 9:19 AM  
**To:** Patrick Sparks@oxy.com; Justin Zerkle  
**Subject:** Copperhead 31 Fed Com #1H Well

Gentlemen, on February 9, 2011 we sent you a well proposal for the subject well. Since that time we have adjusted the anticipated cost of the well. Please replace the attached AFE for the one send to you on February 9, 2011. We plan to spud this well in May of 2011.

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**Gary Lang**

---

**From:** Gary Lang  
**Sent:** Thursday, March 10, 2011 10:54 AM  
**To:** 'Justin Zerkle'  
**Subject:** Copperhead "31" Fed Com #1H  
**Attachments:** 2011\_03\_10\_10\_50\_54.pdf

Justin, see attached, you should receive the full JOA in the mail today or tomorrow.

# OGXResources LLC

P.O. Box 2064 • Midland, TX 79702 • (432) 685-1287 Fax (432) 686-7109

March 10, 2011

*Via email [justin.zerkle@chk.com](mailto:justin.zerkle@chk.com)*

Chesapeake Exploration LLC  
P.O. Box 18496  
Oklahoma City, Oklahoma 73154-0496

Attn: Mr. Justin Zerkle

Re: Well Proposal  
Copperhead "31" Fed Com #1H Well  
T-26-S, R-29-E, N.M.P.M.  
Section 31: Lot 7, NE $\frac{1}{4}$ NE $\frac{1}{4}$   
Section 30: SE $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$ , containing  
185.60 acres of land, more or less  
Eddy County, New Mexico

Gentlemen:

On March 9, 2011, OGX Resources LLC ("OGX") sent you an operating agreement covering the subject well. Since that time we have changed the unit size as set forth above and changed the operating agreement to reflect the change. In addition, we changed the AFE as to the lateral length and bottom hole location.

Enclosed herewith are the pages to the operating agreement that have changed and a copy of the AFE which has been changed.

Please insert the new pages into the operating agreement and replace all prior AFE's with the enclosed.

Please contact the undersigned if you have any questions or comments.

Sincerely,

OGX Resources LLC

Garland H. Lang III  
Land Manager

Enclosures

## Gary Lang

---

**From:** Gary Lang  
**Sent:** Thursday, March 10, 2011 11:00 AM  
**To:** 'Justin Zerkle'  
**Subject:** Cooperhead "31" Fed Com #1H  
**Attachments:** 2011\_03\_10\_10\_59\_12.pdf

Justin, here is a signed letter I previously sent you. Thanks

# OGXResources LLC

P.O. Box 2064 • Midland, TX 79702 • (432) 685-1287 Fax (432) 686-7109

March 10, 2011

*Via email [justin.zerkle@chk.com](mailto:justin.zerkle@chk.com)*

Chesapeake Exploration LLC  
P.O. Box 18496  
Oklahoma City, Oklahoma 73154-0496

Attn: Mr. Justin Zerkle

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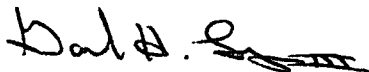
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Please contact the undersigned if you have any questions or comments.

Sincerely,

OGX Resources LLC



Garland H. Lang III  
Land Manager

Enclosures

## Gary Lang

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**From:** Gary Lang  
**Sent:** Thursday, April 14, 2011 2:00 PM  
**To:** 'Justin Zerkle'  
**Subject:** FW: Copperhead 31 Fed Com #1H Well  
**Attachments:** "AVG certification".txt

Justin, any progress on our well proposals?

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**From:** Justin Zerkle [<mailto:justin.zerkle@chk.com>]  
**Sent:** Tuesday, March 01, 2011 3:26 PM  
**To:** Gary Lang  
**Subject:** RE: Copperhead 31 Fed Com #1H Well

Thanks Gary.

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**From:** Gary Lang [<mailto:glang@OGXResources.com>]  
**Sent:** Tuesday, March 01, 2011 9:19 AM  
**To:** Patrick Sparks@oxy.com; Justin Zerkle  
**Subject:** Copperhead 31 Fed Com #1H Well

Gentlemen, on February 9, 2011 we sent you a well proposal for the subject well. Since that time we have adjusted the anticipated cost of the well. Please replace the attached AFE for the one send to you on February 9, 2011. We plan to spud this well in May of 2011.

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# OGXResources LLC

P.O. Box 2064 • Midland, TX 79702 • (432) 685-1287 Fax (432) 686-7109

*Squad 5-1-11 X  
" 6-20-11*

April 14, 2011

*mailed 4-15-11*

*Copperhead well  
HBP lease in  
W/2 of 32*

Mr. Justin Zerkle  
Chesapeake Exploration, L.L.C.  
6100 North Western Ave.  
Oklahoma City, OK 73118

Re: OGX Resources LLC Sidewinder Fee #1H Well, 126.00-acre proration unit comprised of Lots 1, 2, 3, 4, and the South 34 acres of the N/2 N/2 of Section 32, T26S-R29E, Eddy County, New Mexico

Dear Mr. Zerkle:

OGX Resources LLC is preparing to drill our Sidewinder Fee #1H well as referenced above. Gary Lang mailed you a well proposal letter on March 23, 2011. The proration unit for this well is comprised entirely of Fee leases owned as follows (please see attached Drilling Opinion):

Lots 3 and 4, and the South 17 acres of the N/2 NE/4 of Section 32, 62.6 acres, more or less:

OGX Resources LLC	All of 3/4 WI
-------------------	---------------

Lots 1 and 2, and the South 17 acres of the N/2 NW/4 of Section 32, 63.4 acres, more or less:

OGX Resources LLC	15.40865% of 3/4 WI
plus	28.17308% of 4/5 WI

Chesapeake Exploration, L.L.C.	16.02564% of 3/4 WI
plus	4.20673% of 4/5 WI

OGX Acreage Fund, LP	36.18590% of 3/4 WI
----------------------	---------------------

In order to pool all these leases, we have prepared the enclosed Designation of Pooled Unit and Declaration of Pooling for your review. In the event Chesapeake elects to join in the drilling of this well, or grant OGX Resources a Term Assignment, or execute a Farmout Agreement in favor of OGX Resources, we request that you execute the enclosed extra signature page, have a notary acknowledge your signature in the appropriate space, and return same to our office at your earliest convenience. The complete copy of the Designation is for your files.

Mr. Justin Zerkle  
April 14, 2011  
Page Two

Also enclosed is a copy of the Drilling Title Opinions dated March 30, 2011. We respectfully request that you furnish us sufficient documentation to cure the title requirements pertaining to the leases you will be contributing to this well.

If you have any questions, please feel free to contact our office. Thank you for your prompt attention to this matter.

Yours very truly,

OGX RESOURCES LLC

A handwritten signature in black ink, appearing to read "Kaye Smith". The signature is written in a cursive, flowing style.

Kaye Smith

Attachments

## Gary Lang

---

**From:** Justin Zerkle [justin.zerkle@chk.com]  
**Sent:** Friday, April 15, 2011 5:11 PM  
**To:** Gary Lang  
**Subject:** RE: Copperhead 31 Fed Com #1H Well  
**Attachments:** "AVG certification".txt

Hey Gary,

I'm hoping I'll have an answer from management sometime next week. I've sent some reminders around to management.

---

**From:** Gary Lang [mailto:glang@OGXResources.com]  
**Sent:** Thursday, April 14, 2011 2:00 PM  
**To:** Justin Zerkle  
**Subject:** FW: Copperhead 31 Fed Com #1H Well

Justin, any progress on our well proposals?

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**From:** Justin Zerkle [mailto:justin.zerkle@chk.com]  
**Sent:** Tuesday, March 01, 2011 3:26 PM  
**To:** Gary Lang  
**Subject:** RE: Copperhead 31 Fed Com #1H Well

Thanks Gary.

---

**From:** Gary Lang [mailto:glang@OGXResources.com]  
**Sent:** Tuesday, March 01, 2011 9:19 AM  
**To:** Patrick.Sparks@oxy.com; Justin Zerkle  
**Subject:** Copperhead 31 Fed Com #1H Well

Gentlemen, on February 9, 2011 we sent you a well proposal for the subject well. Since that time we have adjusted the anticipated cost of the well. Please replace the attached AFE for the one send to you on February 9, 2011. We plan to spud this well in May of 2011.

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## Kaye Smith

---

**From:** Kaye Smith  
**Sent:** Wednesday, April 20, 2011 12:44 PM  
**To:** justin.zerkle@chk.com  
**Cc:** Gary Lang; Richard Coats  
**Subject:** OGX Resources Diamondback 22 St Com #1 H Well

Justin: Gary Lang sent you a well proposal letter and AFE for the referenced well on February 2, 2011. I am preparing a Communitization Agreement for this well covering the Bone Spring formation in the W/2 E/2 of Section 22, T26S-R28E, Eddy County, NM. Can you please tell me if Chesapeake has acquired lease extensions of the following leases covering the SW/4 NE/4 and SE/4 NW/4 of Section 22?

Lessor: John C. Foley and Deanna K. Foley, husband and wife  
Date: June 17, 2008 (three-year term)  
Recording: Book 746, Page 531, Eddy County Records

Lessor: Catherine Ann Foley, a widow  
Date: June 17, 2008 (three-year term)  
Recording: Book 746, Page 534, Eddy County Records

Lessor: Suzanne Foley Jones, aka Suzanne M. Jones, aka Suzanne M. Foley Jones, ssp  
Date: June 25, 2008 (three-year term)  
Recording: Book 750, Page 956, Eddy County Records

If Chesapeake has extended these leases, please furnish me a copy of same to include in the Exhibit to the Com Agreement and the JOA. Thank you very much.

Kaye Smith  
OGX Resources LLC  
432-684-5824; 432-685-1287  
Fax 432-686-7109

## Gary Lang

---

**From:** Gary Lang  
**Sent:** Monday, April 25, 2011 4:47 PM  
**To:** 'Justin Zerkle'  
**Subject:** RE: Copperhead 31 Fed Com #1H Well

Any news?

---

**From:** Justin Zerkle [<mailto:justin.zerkle@chk.com>]  
**Sent:** Friday, April 15, 2011 5:11 PM  
**To:** Gary Lang  
**Subject:** RE: Copperhead 31 Fed Com #1H Well

Hey Gary,

I'm hoping I'll have an answer from management sometime next week. I've sent some reminders around to management.

---

**From:** Gary Lang [<mailto:glang@OGXResources.com>]  
**Sent:** Thursday, April 14, 2011 2:00 PM  
**To:** Justin Zerkle  
**Subject:** FW: Copperhead 31 Fed Com #1H Well

Justin, any progress on our well proposals?

---

**From:** Justin Zerkle [<mailto:justin.zerkle@chk.com>]  
**Sent:** Tuesday, March 01, 2011 3:26 PM  
**To:** Gary Lang  
**Subject:** RE: Copperhead 31 Fed Com #1H Well

Thanks Gary.

---

**From:** Gary Lang [<mailto:glang@OGXResources.com>]  
**Sent:** Tuesday, March 01, 2011 9:19 AM  
**To:** [Patrick.Sparks@oxy.com](mailto:Patrick.Sparks@oxy.com); Justin Zerkle  
**Subject:** Copperhead 31 Fed Com #1H Well

Gentlemen, on February 9, 2011 we sent you a well proposal for the subject well. Since that time we have adjusted the anticipated cost of the well. Please replace the attached AFE for the one send to you on February 9, 2011. We plan to spud this well in May of 2011.

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## Gary Lang

---

**From:** Justin Zerkle [justin.zerkle@chk.com]  
**Sent:** Wednesday, April 27, 2011 11:50 AM  
**To:** Gary Lang  
**Subject:** RE: Momb 24 Fed Com #1H, Diamondback 22 State Com #1H  
**Attachments:** "AVG certification".txt

Thanks Gary.

For clarification, I'm not showing CHK having an interest in the Momb 24, correct?

---

**From:** Gary Lang [<mailto:glang@OGXResources.com>]  
**Sent:** Wednesday, April 27, 2011 11:48 AM  
**To:** William Miller; Justin Zerkle; [Colin Barnett@oxy.com](mailto:Colin_Barnett@oxy.com)  
**Subject:** Momb 24 Fed Com #1H, Diamondback 22 State Com #1H

Gentlemen: attached is a revised page 14b to the 2 JOA's in which OGX has added the provision 6 which allows OXY USA Inc to take over as operator in the event OGX sells its interest in the leases covered by the OA or resigns as Operator. OGX entered into an exploration agreement with OXY prior to this agreement and the leases contributed by OXY to each of the proration units comprising 50% of each well unit and OXY has the largest interest in each well. Please replace page 14b in each agreement with the attached. If you have any questions, please let me know. Thank you.

---

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## Gary Lang

---

**From:** Justin Zerkle [justin.zerkle@chk.com]  
**Sent:** Tuesday, May 03, 2011 4:56 PM  
**To:** Gary Lang  
**Subject:** RE: Copperhead 31 Fed Com #1H Well  
**Attachments:** "AVG certification".txt

No it is not.

---

**From:** Gary Lang [mailto:glang@OGXResources.com]  
**Sent:** Tuesday, May 03, 2011 9:32 AM  
**To:** Justin Zerkle  
**Subject:** RE: Copperhead 31 Fed Com #1H Well

Justin, we got an AFE on the Diamondback 22 State Com #1H which was signed by Trey Petersen. Is this Chesapeake's?

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**From:** Justin Zerkle [mailto:justin.zerkle@chk.com]  
**Sent:** Friday, April 15, 2011 5:11 PM  
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Hey Gary,

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## Gary Lang

---

**From:** Gary Lang  
**Sent:** Thursday, May 05, 2011 1:23 PM  
**To:** 'Justin Zerkle'  
**Subject:** Diamondback 22 State Com #1H  
**Attachments:** 2011\_05\_05\_13\_09\_54.pdf

Justin, attached is a case from New Mexico that ruled on "drilling operations" and the conclusion was that building roads, drilling pad, etc. then drilling in a timely manner perpetuated the lease.

We discussed the other day that some of your leases in the SENE of section 22 will expire on June 16<sup>th</sup>. OGX plans to spud this well around July 1 and begin building the roads, drilling pad around the 1<sup>st</sup> or 2<sup>nd</sup> week of June. I believe that performing these operations and starting the well around July 1<sup>st</sup> will perpetuate your leases. We do need to file the pooling designation since your leases are not the drill site tract. I believe Kay Smith with our office sent you one for your company's execution. We need to file this before the expiration date of your leases. Talk with your group about this and get back with me. Thanks.

## Gary Lang

---

**From:** Gary Lang  
**Sent:** Thursday, May 05, 2011 1:24 PM  
**To:** 'Justin Zerkle'  
**Subject:** FW: Diamondback 22 State Com #1H  
**Attachments:** 2011\_05\_05\_13\_09\_54.pdf

Did not know whether the first e-mail went through.

---

**From:** Gary Lang  
**Sent:** Thursday, May 05, 2011 1:23 PM  
**To:** 'Justin Zerkle'  
**Subject:** Diamondback 22 State Com #1H

Justin, attached is a case from New Mexico that ruled on "drilling operations" and the conclusion was that building roads, drilling pad, etc. then drilling in a timely manner perpetuated the lease.

We discussed the other day that some of your leases in the SENE of section 22 will expire on June 16<sup>th</sup>. OGX plans to spud this well around July 1 and begin building the roads, drilling pad around the 1<sup>st</sup> or 2<sup>nd</sup> week of June. I believe that performing these operations and starting the well around July 1<sup>st</sup> will perpetuate your leases. We do need to file the pooling designation since your leases are not the drill site tract. I believe Kay Smith with our office sent you one for your company's execution. We need to file this before the expiration date of your leases. Talk with your group about this and get back with me. Thanks.

## Gary Lang

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**From:** Justin Zerkle [justin.zerkle@chk.com]  
**Sent:** Friday, May 06, 2011 3:09 PM  
**To:** Gary Lang  
**Subject:** RE: Diamondback 22 State Com #1H  
**Attachments:** "AVG certification".txt

Thanks Gary. I'll review it with the team and get back with you.

Thank you,

*Justin Zerkle*  
Landman  
Chesapeake Energy Corporation  
Phone: 405-935-4925  
Fax: 405-935-4251  
Email: [justin.zerkle@chk.com](mailto:justin.zerkle@chk.com)

---

**From:** Gary Lang [<mailto:glang@OGXResources.com>]  
**Sent:** Thursday, May 05, 2011 1:23 PM  
**To:** Justin Zerkle  
**Subject:** Diamondback 22 State Com #1H

Justin, attached is a case from New Mexico that ruled on "drilling operations" and the conclusion was that building roads, drilling pad, etc. then drilling in a timely manner perpetuated the lease.

We discussed the other day that some of your leases in the SENE of section 22 will expire on June 16<sup>th</sup>. OGX plans to spud this well around July 1 and begin building the roads, drilling pad around the 1<sup>st</sup> or 2<sup>nd</sup> week of June. I believe that performing these operations and starting the well around July 1<sup>st</sup> will perpetuate your leases. We do need to file the pooling designation since your leases are not the drill site tract. I believe Kay Smith with our office sent you one for your company's execution. We need to file this before the expiration date of your leases. Talk with your group about this and get back with me. Thanks.

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## Gary Lang

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**From:** Gary Lang  
**Sent:** Thursday, May 12, 2011 9:43 AM  
**To:** 'Justin Zerkle'  
**Subject:** Mongo 25 Fed Com #2H Com Agreement

Justin, I was mistaken when I said we sent you an agreement. Kay Smith is going to send you one. The reason we did not is that Rubicon was the record title holder and still is until you file the record title assignment. Also, we have sent you a com agreement for the Copperhead 31 Fed Com #1H and a Pooling Designation for the Sidewinder #1H. The com agreement for the Diamondback 22 State Com #1H has not been sent but will be. Thanks.

## **Gary Lang**

---

**From:** Gary Lang  
**Sent:** Wednesday, May 25, 2011 4:32 PM  
**To:** 'Justin Zerkle'  
**Subject:** Copperhead 31 Fed Com #1H, Sidewinder #1H, Copperhead 31 Fee A #1H well proposals

Justin, do you if you are going to participate in the above wells. I like Santa Fe but if we don't need to go that would be better.

## Gary Lang

---

**From:** Justin Zerkle [justin.zerkle@chk.com]  
**Sent:** Wednesday, May 25, 2011 5:29 PM  
**To:** Gary Lang  
**Subject:** RE: Copperhead 31 Fed Com #1H, Sidewinder #1H, Copperhead 31 Fee A #1H well proposals  
**Attachments:** "AVG certification".txt

I agree. Unfortunately, I don't know yet. I'm pushing to get a decision.

Have you decided on the Diamondback about a possible spudder?

---

**From:** Gary Lang [mailto:glang@OGXResources.com]  
**Sent:** Wednesday, May 25, 2011 4:32 PM  
**To:** Justin Zerkle  
**Subject:** Copperhead 31 Fed Com #1H, Sidewinder #1H, Copperhead 31 Fee A #1H well proposals

Justin, do you if you are going to participate in the above wells. I like Santa Fe but if we don't need to go that would be better.

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Kaye Smith

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From: Kaye Smith  
Sent: Thursday, June 02, 2011 3:53 PM  
To: justin.zerkle@chk.com  
Cc: Gary Lang; Richard Coats  
Subject: Designation of Pooled Unit & Declaration of Pooling - Sidewinder #1 H - Sec 32 T26S-R29E, Eddy Co., NM

Importance: High

Justin: I mailed you the referenced Pooling Designation on April 15, 2001, for execution by Chesapeake. Can you please tell me if this has been executed yet? We plan to spud this well very soon and need to get this instrument recorded in Eddy County immediately.

Kaye Smith  
OGX Resources LLC  
432-684-5824; 432-685-1287  
Fax 432-686-7109



## Kaye Smith

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**From:** Kaye Smith  
**Sent:** Thursday, June 02, 2011 4:29 PM  
**To:** Justin.zerkle@chk.com  
**Cc:** Gary Lang; Richard Coats  
**Subject:** Com Agmt on Copperhead 31 Fed Com #1H, Sec 31 and Sec 30, T26S-R29E, Eddy Co., NM

**Importance:** High

Justin: A Com Agmt on the referenced well was sent to Chesapeake on 3/29/11 for execution. Can you please tell me if this has been executed (or if it is going to be executed)? I know Jim Bruce sent Chesapeake another 30-day ltr to amend the proration unit from the original force pooling application. Please let me know as soon as possible as this well is drilling now. Thanks.

Kaye Smith  
OGX Resources LLC  
432-684-5824; 432-685-1287  
Fax 432-686-7109

## Gary Lang

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**From:** Justin Zerkle [justin.zerkle@chk.com]  
**Sent:** Sunday, June 05, 2011 10:57 AM  
**To:** Gary Lang  
**Subject:** Diamondback 22  
**Attachments:** "AVG certification".txt

Hey Gary,

Is OGX going to be able to get a spudder for this well?

Thank you,

*Justin Zerkle*  
Landman  
Chesapeake Energy Corporation  
Phone: 405-935-4925  
Fax: 405-935-4251  
Email: [justin.zerkle@chk.com](mailto:justin.zerkle@chk.com)

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## Kaye Smith

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**From:** Kaye Smith  
**Sent:** Tuesday, June 07, 2011 2:48 PM  
**To:** 'justin.zerkle@chk.com'  
**Cc:** Gary Lang; Richard Coats  
**Subject:** FW: Com Agmt - Diamondback 22 St Com #1H - W/2 E/2 Sec 22, T26S-R28E, Eddy Co., NM  
**Attachments:** Com Agmt - Diamondback 22 St Com #1H.doc

Justin: Please be advised the effective date of this Com Agmt has been changed to 6/15/11 instead of 7/1/11.

Kaye Smith  
OGX Resources LLC  
432-684-5824; 432-685-1287  
Fax 432-686-7109

---

**From:** Kaye Smith  
**Sent:** Monday, June 06, 2011 4:31 PM  
**To:** 'justin.zerkle@chk.com'  
**Cc:** Gary Lang; Richard Coats  
**Subject:** Com Agmt - Diamondback 22 St Com #1H - W/2 E/2 Sec 22, T26S-R28E, Eddy Co., NM

Justin: Attached is the Com Agmt on the referenced well. If possible, please print off 3 copies of the signature and notary pages, have them executed, and return to our office by overnight mail. Thanks.

Kaye Smith  
OGX Resources LLC  
P. O. Box 2064, Midland, TX 79702  
400 N. Marienfeld, Suite 200, Midland, TX 79701  
432-684-5824; 432-685-1287  
Fax 432-686-7109

## **Gary Lang**

---

**From:** Gary Lang  
**Sent:** Thursday, June 09, 2011 2:50 PM  
**To:** 'Justin Zerkle'  
**Cc:** 'jamesbruc@aol.com'  
**Subject:** Marshalyn R. McGahey lease

Justin, according to Patrick McGahey the son of Marshalyn R. McGahey they leased her 1/18<sup>th</sup> (5.555%) mineral interest to Chesapeake covering Lots 1,2, 3, NE/4 NW/4 and NW/4 NE/4 of Section 31 containing 167.64 gross acres. Your attorney at the hearing today asked me to get a copy of the lease from you, which I am now doing. Thanks.

# OGXResources LLC

P.O. Box 2064 • Midland, TX 79702 • (432) 685-1287 Fax (432) 686-7109

June 13, 2011

Via e-mail justin.zerkle@chk.com  
and Certified Mail RRR 7011 0110 0001 3284 0582

Chesapeake Exploration LLC  
P.O. Box 18496  
Oklahoma City, Oklahoma 73154-0496

Attn: Permian Land Manager

RE: Designation of Pooled Unit and Declaration of Pooling  
OGX Resources LLC - Sidewinder #1H Well  
T-26-S, R-29-E, N.M.P.M.  
Section 32: Lots 1, 2, 3 & 4, and  
the South 34 acres of the N $\frac{1}{2}$  N $\frac{1}{2}$ , containing 126 acres of land  
  
and

Designation of Pooled Unit and Declaration of Pooling  
OGX Resources LLC – Copperhead “31” Fed Com #1H Well  
T-26-S, R-29-E, N.M.P.M.  
Section 31: Lot 7, and NE $\frac{1}{4}$  NE $\frac{1}{4}$ ; and Section 30: E $\frac{1}{2}$  SE $\frac{1}{4}$   
and SE $\frac{1}{4}$  NE $\frac{1}{4}$ , containing 185.60 acres of land

Gentlemen:

Please find enclosed a Designation of Pooled Unit and Declaration of Pooling covering the above referenced Sidewinder #1H Well , recorded in Book 856, Page 449 of the Eddy County Records.

This agreement does not include the oil and gas leases owned by your company in the unit; therefore, you need to file a separate designation which includes your leases.

OGX Resources LLC (“OGX”) will spud the subject well this week.

In addition, please find enclosed a Designation of Pooled Unit and Declaration of Pooling covering the above referenced Copperhead “31” Fed Com #1H Well, recorded in Book 856, Page 455 of the Eddy County Records.

This agreement does not include the oil and gas leases owned by your company in the unit; therefore, you need to file a separate designation which includes your leases.

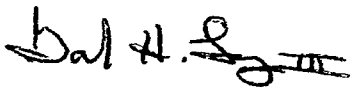
OGX is currently drilling the Copperhead “31” Fed Com #1H Well.

Chesapeake Explortion LLC Letter  
Designation of Pooled Units  
Sidewinder #1H and Copperhead "31" Fed Com #1H Wells  
June 13, 2011  
Page 2

If you have any questions, please contact the undersigned at (432) 685-1287.

Sincerely,

OGX Resources LLC

A handwritten signature in black ink, appearing to read "Garland H. Lang III", with a stylized flourish at the end.

Garland H. Lang III  
Land Manager

**Gary Lang**

---

**From:** Gary Lang  
**Sent:** Thursday, June 16, 2011 10:02 AM  
**To:** 'Justin Zerkle'  
**Attachments:** Diamondback22StateCom#1HWell.pdf

Justin, please see the attached.

# OGXResources LLC

P.O. Box 2064 • Midland, TX 79702 • (432) 685-1287 Fax (432) 686-7109

U.S. Mail and Email [justin.zerkle@chk.com](mailto:justin.zerkle@chk.com)

June 16, 2011

Chesapeake Exploration LLC  
P.O. Box 18496  
Oklahoma City, Oklahoma 73154-0496

Attn: Mr. Justin Zerkle

Re: Withdrawal of Well Proposal  
Diamondback "22" State Com #1H Well  
T-26-S, R-28-E, N.M.P.M.  
Section 22: W½E½  
Eddy County, New Mexico

Gentlemen:

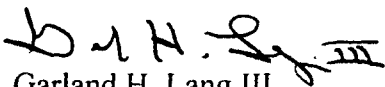
OGX Resources LLC ("OGX") hereby withdraws its proposal to drill the subject well.

In addition, attached is a copy of a letter sent to the New Mexico Oil Conservation Division requesting that they withdraw the pooling order Case 14638/Order No. R-13396.

If you have any questions, please contact the undersigned.

Sincerely,

OGX Resources LLC

  
Garland H. Lang III  
Land Manager

Enclosure



**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

June 15, 2011

Via fax

Jami Bailey, Director  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Case 14638/Order No. R-13396/OGX Resources LLC

Dear Ms. Bailey:

OGX hereby requests that the above order be withdrawn, since it does not anticipate commencing the well during the next several months. If OGX reconsiders drilling, it will re-file to pool the interest owners in the well.

Very truly yours,

James Bruce

Attorney for OGX Resources LLC

cc: Michael Feldewert (via fax)  
David K. Brooks