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JUL 06 2005

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

06/28/05

CHESAPEAKE PERMIAN, L.P.
P. O. BOX 18496
OKLAHOMA CITY, OK 73154

RE: Assignment of Lease# V07063-0001

Dear Sir or Madam:

This letter is in response to your request to execute an assignment of the above mentioned lease.

We have approved the assignment of the following land to Lease# V07063-0002 , totalling 160.00 acres:

Township Range Section Land Description

21S 35E 04 SW4

Please be aware that, before you commence exploration or drilling operations on the leased lands, all surface improvement damage requirements must be met. Failure to do so may result in possible cancellation of your lease. Thank you, if you have already complied with this requirement.

If you should need additional bond information, please contact Anna Villa at (505) 827-5789.

Very truly yours,

Patrick H. Lyons
COMMISSIONER OF PUBLIC LANDS

By:
Jami Bailey, Director
Oil, Gas & Minerals Division
(505) 827-5744

PL/jb/av

BEFORE THE
OIL CONSERVATION DIVISION
Case # 13492&13493 Exhibit No. ____
Submitted By:
Chesapeake Inc.
Hearing Date: August 22, 2005

-State Land Office Beneficiaries-

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

CHK 000261

NEW MEXICO STATE LAND OFFICE

ASSIGNMENT OF OIL AND GAS LEASE

Chesapeake Exploration Limited Partnership

FOR VALUE RECEIVED, Rubicon Oil & Gas I, LP, OGRID No. 212466

Name (include name of spouse, if any, or type of business entity)

("Assignor" whether one or more), assigns and conveys to: Chesapeake Permian, L.P. OGRID No. 234363

("Assignee" whether one or more), whose mailing address is P. O. Box 18496
Oklahoma City, OK 73154

the entire interest and title in and to Oil and Gas Lease No. V07063 ("the Lease") initially made by the New Mexico State Land Office to:
Rubicon Oil & Gas I, LP, dated May 1, 2004 insofar as the Lease covers the following land in Lea County, New Mexico:

T21S-R35E, Section 4: SW/4

Containing 160 acres, more or less

together with the rights incident thereto, and improvements thereon, if any.

Assignee assumes and agrees to perform all duties and obligations to the Commissioner of Public Lands including payment of rentals and royalties, and to do such other acts as are required by the Lease, to the same extent and in the same manner as if the provisions of the Lease were fully set out herein.

Assignor warrants the leasehold estate herein assigned, except as to any valid overriding royalty, production payment, operating agreement or sub-lease, if any, now of legal record, and covenants to the Assignee and the Commissioner of Public Lands that the leasehold estate assigned is valid, and that all rentals and royalties due under the Lease have been paid in full, and that all other Lease obligations presently due have been fully performed.

EXECUTED this 27th day of April, 2005, but effective February 1, 2005

By: Douglas J. Jacobson Senior Vice President
Chesapeake Exploration Limited Partnership
By: W. Brett Smith, Vice President of Rubicon Oil & Gas, LLC,
General Partner
By: Chesapeake Operating, Inc., General Partner
ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF MIDLAND

The foregoing Assignment was acknowledged before me this 27th day of April, 2005, by W. Brett Smith, Vice President

My commission expires:



Notary Public

ASSIGNEE'S ACCEPTANCE

The undersigned Assignee named above hereby agrees to be bound by all of the terms, covenants, and conditions of the Lease and this Assignment and shall succeed to the rights and benefits under the Lease.

Chesapeake Permian, L.P. by
Chesapeake Operating, Inc., General Partner

By: Douglas J. Jacobson
Douglas J. Jacobson, Senior Vice President

STATE OF OKLAHOMA
COUNTY OF OKLAHOMA

The foregoing Assignee's Acceptance was acknowledged before me this 3 day of May, 2005, by Douglas J. Jacobson, Senior Vice President.

My commission expires: 6.11.07



Notary Public

APPROVAL OF THE COMMISSIONER

Office of the Commissioner of Public Lands
Santa Fe, New Mexico

I hereby certify that this Assignment was filed in my office on

MAY 10 2005

, and was approved by me

and shall be effective as to the State of New Mexico on

JUN 27 2005

Robert H. Lyons
COMMISSIONER OF PUBLIC LANDS

INSTRUCTIONS AND INFORMATION

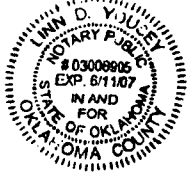
1. ANNUAL RENTAL: The annual rental for the land in this Assignment is 1.00 per acre. The rental is due in advance and shall be paid to the Commissioner of Public Lands on the anniversary date of the original Lease agreement. The date of this Assignment does not change the annual rental due date. For any Assignment of any Lease initially issued prior to June 15, 1985, the annual rental shall not be less than six dollars (\$6.00). For any Assignment of any Lease initially issued after June 14, 1985, or of any Lease which has been stipulated to the new ten year Lease, the minimum rental is forty dollars (\$40.00).
2. FIXED TEN-YEAR LEASE: This Lease provides for a fixed ten-year term, and for so long as oil or gas is produced in paying quantities. The ten-year period is divided into a primary term of five years, followed by a secondary term of five years. If no production is had during the primary term, the rental for the secondary term is double the rental of the primary term, or equal to the highest prevailing rental rate in the district, whichever is higher. Rentals continue even though production is had.
3. FIXED FIVE-YEAR LEASE: This Lease provides for a fixed five-year term, and for so long as oil and gas is produced in paying quantities. The fixed five-year Lease has no secondary term. Rentals continue even though production is had.
4. FILING: All Assignments must be filed in the State Land Office in triplicate, with original signatures on all three copies, within one hundred days from the date of signing, and must be accompanied by the recording fee.
5. RECORDING FEE: The recording fee for each Assignment is thirty dollars (\$30.00). If, however, the Assignment is filed more than one hundred days from the date of signing, an additional fee of seventy-five dollars (\$75.00) is charged.
6. PERSONAL CHECKS: When an Assignment is accompanied by a personal check, the Commissioner of Public Lands reserves the right to withhold approval of the Assignment until the check is paid.
7. ASSIGNMENT DISAPPROVAL: An Assignment will not be approved when it is made:
 - A. to more than two persons;
 - B. for less than a regular subdivision. "Regular subdivision" means forty acres or a tract described by lot number, which tract may be more or less than forty acres;
 - C. for an undivided interest;
 - D. in the name of a trusteeship, unless the trust document is attached or on file, and not more than two persons are named as trustee;
 - E. after a lis pendens is filed;
 - F. including any change or addition to the language contained in the Assignment form;
 - G. where surety requirements have not been met; or
 - H. where the lease is not in good standing; provided, however, that approval by the Commissioner does not waive any rights or claims the Commissioner may have to rentals, royalties, or other obligations due to the Commissioner. Approval of the assignment by the Commissioner does not constitute a finding by the Commissioner that the lease is in good standing. Assignees must perform their own due diligence.
8. COMPLETE ADDRESS: An Assignment must show the complete post office address of the Assignee.
9. ACKNOWLEDGMENT: An Assignment must be executed before an officer authorized to take acknowledgments of deeds. Persons executing on behalf of a corporation or other business entity must indicate title or authority to execute.
10. MARITAL STATUS: An Assignment must show whether the Assignors are married or single; if married, both husband and wife must sign the Assignment. The Certificates of Acknowledgment must show the marital status of the Assignors.
11. BLANKET ASSIGNMENTS: Must have an Exhibit A attached that includes lease number, original lessee of record, lease issue date, county, and land description. Provide a copy of the original assignment form and the exhibit for every lease.
12. BLANKET ASSIGNMENTS: Will only be approved for record title. All other types of assignments (operating rights, depth limitations, undivided interests, etc.) will be filed as miscellaneous instrument documents for record purposes only.
13. COMMUNICATIONS: All official business, letters and communications must be addressed directly to the Commissioner of Public Lands, Oil, Gas, & Minerals Division.
14. PAYMENT: Make all payments for annual rental, recording, and approval of fees to:

COMMISSIONER OF PUBLIC LANDS
P.O. Box 1148
Santa Fe, NM 87504-1148

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) §
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on this 20 day of June, 2005 by Douglas Jacobson, Senior Vice President of Chesapeake Operating, Inc., as General Partner of Chesapeake Exploration Limited Partnership, an Oklahoma limited partnership, on behalf of said limited partnership.



Linn D. Vojcsek
Notary Public

Commission No.: 03008905
Commission Expires: 6.11.07