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

APPLICATION OF CHESAPEAKE OPERATING, INC. FOR STATUTORY UNITIZATION LEA COUNTY, NEW MEXICO.

CASE NO. 13582

AFFIDAVIT OF TERRY FROHNAPFEL

STATE OF OKLAHOMA)) ss. COUNTY OF OKLAHOMA)

I, Terry Frohnapfel, being first duly sworn on oath, states as follows:

1. My name is Terry Frohnapfel. I reside in Oklahoma County, Oklahoma. I am the Landman employed by Chesapeake Operating, Inc. ("Chesapeake") who is familiar with the status of the lands and the interest owners in Section 15, 22, 23, 26, and 27, Township 12 South, Range 38 East, NMPM, Lea County, New Mexico.

2. Chesapeake seeks a supplemental order pursuant to the provisions of N.M.S.A. § 70-7-8 (2006 that the plan for unit operations has been approved by at least seventy-five percent of the working interest owners in the Trinity Burrus Unit and that the Unit can now become effective pursuant to Order No. R-12496.

3. By Order No. R-12496, entered on January 24, 2006, the Division approved the application of Chesapeake Operating, Inc. for statutory unitization of the Trinity Burrus Unit Area in Lea County, New Mexico. <u>See Attachment A.</u> In the order, the Division required that Exhibit G, Paragraph 3 of the Unit Operating Agreement be amended to correctly state the intentions of the working interest owners in the unit.

4. I amended Exhibit G to the Unit Operating Agreement and re-sent the agreement to be re-ratified by the working interest owners in the Unit. See Attachment \underline{B} .

5. Chesapeake has received the re-ratifications of approximately 80% of the working interest owners. <u>See Attachment C.</u> Claude Arnold Working Interest Oil & Gas Properties, LLC holds a 8.10% interest in the Unit, Blake Arnold Working Interest Oil & Gas LLC holds a 4.47% interest in the Unit, and Chesapeake and related entities hold a 65.39% interest in the Unit.

6. Pursuant to Section 70-7-8 and Paragraph 6, Page 8 of Order No. R-

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Case No. <u>13582</u> Exhibit No. 1 Submitted by: <u>CHESAPEAKE OPERATING, INC.</u> Hearing Date: April 13, 2006 12496, the Unit Operating Agreement has been re-ratified by the owners of at least seventy-five percent of the working interest in the Trinity Burrus Unit area.

7. Proof of publication is attached as <u>Attachment D.</u>

FURTHER AFFIANT SAYETH NOT.

- Deny Frohappel

SUBSCRIBED AND SWORN before me on this <u>// **</u> day of <u>April</u> 2006.

Mary Francesperers

My Commission Expires: <u>6/24/09</u>

