

July 1, 2008

To: Working Interest Owners

Re: Quail Queen Unit
ORDER NO. R-12952
Covering interests (840 acres) in parts of
Sections 11, 13 & 14, T19S-R34E
Lea County, New Mexico

Dear Working Interest Owner:

Please find enclosed a copy of the recently approved application of Chesapeake Exploration, L.L.C., for Statutory Unitization of the Quail-Queen Unit Area, Lea County, New Mexico, Order No. R-12952. The hearing for this application was held November 1, 2007 and the New Mexico Oil Conservation Division released an approved Order on June 2, 2008.

The NMOCD Examiner, William V. Jones has recommended incorporating several changes to the final versions of the Unit Agreement and Unit Operating Agreement into this Order. All of his recommended changes are listed within the attached Order No. R-12952.

Chesapeake has agreed to all recommended changes and has incorporated them into the Agreements. Please sign and return the extra pages of the following in the self-addressed envelope as soon as possible.

- Signature page to both Unit Agreement and Unit Operating Agreement (Ratification and Joinder of Unit Agreement and Unit Operating Agreement) Please execute both copies and acknowledge.
- Election Ballot - Indicate your election choice, sign and return 1 copy.

Chesapeake actively pursues opportunities to increase our reserve base through the acquisition of oil and gas properties. Should you wish to sell or exchange your interest in the captioned property or other properties, please contact the undersigned at Chesapeake Exploration, L.L.C., P.O. Box 18496, Oklahoma City, OK 73154-0496, (405) 810-2727.

Best Regards,

Chesapeake Exploration, L.L.C.,

Terry Frohnappfel, CPL
Sr. Landman

Enclosures: Order No. R-12952
Unit Agreement with Attachments
Unit Operating Agreement with Attachments
Ratification Signature Page (please return 1 copy)
Election Ballot