



April 9, 2009

CERTIFIED MAIL (7008 1140 0000 0547 2944)

Mr. Chuck Moran Yates Petroleum Corporation 105 S. 4th St. Artesia, New Mexico 88210-2122

Re:

Lost Tank 16 State 2 and 3 Section 16-T21S-R32E Lea County, New Mexico

Dear Mr. Moran:

This is a follow-up to our telephone call yesterday informing you of the Intrepid Potash, L.L.C. (Intrepid) decision not to oppose our permits for these two wells. It is quite possible that Yates Petroleum Corporation (Yates) could obtain the same from Intrepid in the NENE of section 17. This is due to the fact that potash mining would need a ½ mile buffer zone around a well deeper than 5,000'. Since Yates also owns the federal leases in sections 8 and 9, the SESE of section 8 and the SWSW of section 9 would fall into the same ½ mile buffer zone from our Lost Tank 16 State #4. Please refer to the attached plat showing the area that would fall under the ½ mile buffer zone based on existing wells deeper than 5,000'. Most of section 17 would be covered with these buffer zones.

We intend to file our letter and Intrepid's reply with our application for permits with a copy to Craig Cranston at the BLM.

When I was talking with Katie Keller at Intrepid Potash, L.L.C. the other day, she indicated that she didn't know why Yates hadn't done the same request to Intrepid not to oppose a permit near our Lost Tank 16 State #4. Looks like there is a good possibility Yates could get some permits near our well.

Sincerely,

Chesapeake Exploration, L.L.C.

Ed Birdshead Enclosures Before the Oil Conservation Division
Case 14301
Case 14301
Hearing June 2, 2009
Chesapeake Energy
Chesapeake Energy

		Y or of the state	12	AL S	É 75	Y WORK OF THE PARTY OF THE PART	25	Overgrave Lost Tank
The same	aveil some	1,			į,	2000	· [1]	Z Z Z Z Z Z Z Z Z Z Z Z Z Z Z Z Z Z Z
To a second				**************************************	17	i jerih dan mangunian menggapan menggapan menggapan menggapan menggapan menggapan menggapan menggapan menggapa	23	26
		E E	9:01 01		(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)			
Transferance of the second sec	\$\$ \$.	E.) (4) (4) (4) (4) (4) (4) (4) (4) (4) (4		[] []	y		2
	***************************************		Section 1	Tomore (T.) Working to A. (C.) Tomore (T.) Working to A. (C.) Tomore (T.) Tomore (T.) Tomore (T.)				28
						Table Transport (1987)	To the second se	29
9			The state of the s		18		0)	30
	activity in professional and a second a second and a second a second and a second a	er reversionelle mendelle en		EDDY		4.0	Legend Concoming The properties of the propert	Competitor Company to over Company to over Ent Exposure and Control Company to over Control Company to over Control Company to over Company to

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY.			
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	A Signature X B. Received by (Printed Name) C. Date of Delivery MELISSA STEWART D. is delivery address different from item 12			
Mr. Chuck Moran Yates Petroleum Corporation 105 S. 4 th St. Artesia, New Mexico 88210-2122	3. Spivice Type			
	Certified Mail			

Frances Jowers Chesapeake Operating, Inc. P.O. Box 18496 Oklahoma City, OK 73154-0496

PLEASE STAMP

7008 1140 0000 0547 2944





W:\Permian_North\Operated Wells\Lost Tank 2 & 3\Firm Delivery Receipt_20090413.doc