



Terry Frohnapfel  
Senior Landman

May 8, 2009

**To: Working Interest Owners**

**Re: Proposed Carter-Shipp Strawn Unit  
Covering well interests in  
SE SE of Section 21-T16S-37E  
NW of Section 27-T16S-37E  
NE of Section 28-T16S-37E  
All in Lea County, New Mexico**

Dear Working Interest Owner:

Chesapeake Exploration, L.L.C., will propose a secondary recovery unit in the captioned field. Courthouse records indicate that you may own a working interest in this field. We have scheduled a meeting on Thursday, May 28, 2009 at 10:00 A.M. to be held at:

Chesapeake Energy Corporation  
6100 N. Western Avenue  
Building 7, Room B-118  
Oklahoma City, Oklahoma 73118  
(see enclosed map)

At the meeting we will distribute a Unit Agreement and Unit Operating Agreement along with the proposed formula and Tract Participation Factors. Discussion will cover geological and engineering evaluation and our proposed schedule for unitization. We urge your attendance at this meeting.

We will be mailing out copies of the handouts after the meeting to all those that were unable to attend. Should you have any questions please feel free to contact us at the following number and leave a message (405) 935-2727.

Best regards

**Chesapeake Exploration, L.L.C.,**

  
Terry Frohnapfel  
Sr. Landman

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Case No.'s 14362 & 14363 ( Consolidated) Exhibit No. 8  
Submitted by:  
CHESAPEAKE OPERATING, INC.  
Hearing Date: September 16, 2009



Terry Frohnapfel  
Senior Landman

July 15, 2009

To: Mineral Interest Owners and  
Overriding Royalty Interest Owners

Re: Proposed Carter-Shipp Strawn Unit  
Covering interests in SE SE Section 21;  
NW Section 27 and NE Section 28 (360 acres)  
All in T16S-R37E, Lea County, New Mexico

Dear Interest Owner:

Chesapeake Exploration, L.L.C., (Chesapeake) is the owner of a majority of the active leases in the above referenced Carter-Shipp Strawn Field in Lea County, New Mexico. As an experienced waterflood operator, currently operating 11 waterflood units in four states, including five in New Mexico, Chesapeake is proposing the formation of the Carter-Shipp Strawn Unit. Chesapeake is seeking approval of all royalty and overriding royalty interest owners in order to form a unit and initiate an enhanced recovery program, with Chesapeake as operator.

Acreage in which you have a mineral or overriding royalty interest is located within the proposed unit boundary. The Unit Agreement is enclosed for your review and notification. Exhibit A reflects a map, outlining the unit boundary, along with the proposed tracts. Exhibit B, identifies your mineral/royalty interest in each tract. Exhibit C shows the tract participations.

This field has been depleted for some time as there currently is no production, active wells or primary drilling locations left. Chesapeake plans to re-enter several old wells that would once again become oil producers and other wells that would be used to inject water into the 11,000' deep formation. The entire unit area (360 acres) would be treated as one lease and all mineral/royalty owners would share in its production. If successful, Chesapeake anticipates the proposed unit to produce **THREE HUNDRED FIFTY-FIVE THOUSAND BARRELS OF OIL** through this secondary recovery process.


A successful waterflood injection program requires the cooperation of the various mineral and overriding royalty interest owners in their role of approving the unit. **AS YOU ARE AWARE, THERE IS NO COST TO THE MINERAL/ROYALTY INTEREST OWNER.** We urge you to review the enclosed information and if you are in favor of the unit, sign the Ratification and Joinder of Unit Agreement page provided you herein, have your signature notarized, and return it in the enclosed self-addressed envelope as soon as possible.

Plans are to make Application to the New Mexico Oil Conservation Division in late July 2009 with a hearing set for August, 2009 asking for a unit effective date of November 1, 2009.

Should you have any questions regarding the unitization process or any of the enclosed, please feel free to contact the undersigned at Chesapeake Exploration, L.L.C., 6100 N. Western Ave, Oklahoma City, OK 73154-0496, (405) 935-2727.

Best Regards,

Chesapeake Exploration, L.L.C.,

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

Terry Frohnapfel  
Landman

Enclosures: Unit Agreement with Attachments  
Signature Page (Ratification) to Sign and Return 3 originals



Terry Frohnapfel  
Senior Landman

July 17, 2009

To: Working Interest Owners

Re: Proposed Carter-Shipp Strawn Unit  
Covering interests in SE SE Section 21;  
NW Section 27 and NE Section 28 (360 acres)  
All in T16S-R37E, Lea County, New Mexico

Dear Working Interest Owner:

Chesapeake Exploration, L.L.C., (Chesapeake) is the operator of a majority of the active leases in the above referenced Carter-Shipp Strawn Field in Lea County, New Mexico. As an experienced waterflood operator, currently operating 11 waterflood units in four states, including four in New Mexico, Chesapeake is proposing the formation of the Carter-Shipp Strawn Unit for implementing a secondary recovery project, with Chesapeake as operator.

Acreage in which you have a working interest is located within the proposed unit boundary. The Unit Agreement and Unit Operating Agreement are enclosed for your perusal and notification. Exhibit A of the Unit Agreement reflects a map, outlining the unit boundary, along with the proposed tracts. Exhibit B, identifies your working interest in each tract. Exhibit C lists the tract participations. Exhibit D of the Unit Operating Agreement lists your interest in the proposed unit. All interests are subject to title verification.

It is Chesapeake's proposal to waterflood the Lower Strawn Formation the proposed unitized interval being 11,298' - 11,522'.

This field has been depleted for some time as there currently is no production, active wells or primary drilling locations left. Chesapeake plans to re-enter several old wells that would once again become oil producers and other wells that would be used to inject water into the 11,000' deep formation. If successful Chesapeake anticipates the proposed unit to produce THREE HUNDRED FIFTY-FIVE THOUSAND BARRELS OF OIL through this secondary recover process.

Total development costs required to complete secondary operations are estimated to be \$2,800,000.

A successful waterflood injection program requires the cooperation and approval of the various working interest owners. We urge you to review the enclosed information and, if you have any questions concerning the implementation and development of this unit, contact Everett Bradley, Senior Reservoir Engineer, in Oklahoma City, (405) 935-4625.


Plans are to make Application to the New Mexico Oil Conservation Division in late July, 2009 with a hearing set for August, 2009 asking for a unit effective date of November 1, 2009. 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 three copies and acknowledge.
- Election Ballot - Indicate your election choice, sign and return 1 copy.

Should you have any questions regarding the unitization process or any of the enclosed, please feel free to contact the undersigned at Chesapeake Exploration, L.L.C., P.O. Box 18496, Oklahoma City, OK 73154-0496, (405) 935-2727.

Best Regards,

Chesapeake Exploration, L.L.C.,



Terry Frohnepfel, CPL  
Sr. Landman

Enclosures: Unit Agreement with Attachments  
Unit Operating Agreement with Attachments  
Ratification Signature Page (Please return 3 copies)  
Election Ballot (Please return 1 copy)  
Feasibility Study