



Terry Frohnapfel  
Senior Landman

March 29, 2010

**To: Working Interest Owners**

**Re: Proposed Chambers Strawn Unit  
Covering well interests in  
NE, NESE of Section 7-T16S-R36E;  
NWNW, S2NW, SW of Section 8-T16S-R36E  
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. Lea County records indicate that you may own a working interest in this field. We have scheduled a meeting on Thursday, April 15, 2010 at 10:00 A.M. to be held at:

Chesapeake Energy Corporation  
6100 N. Western Avenue  
Building 7, Room B-108  
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.

Should you have any questions please feel free to contact me at the following number (405) 935-2727.

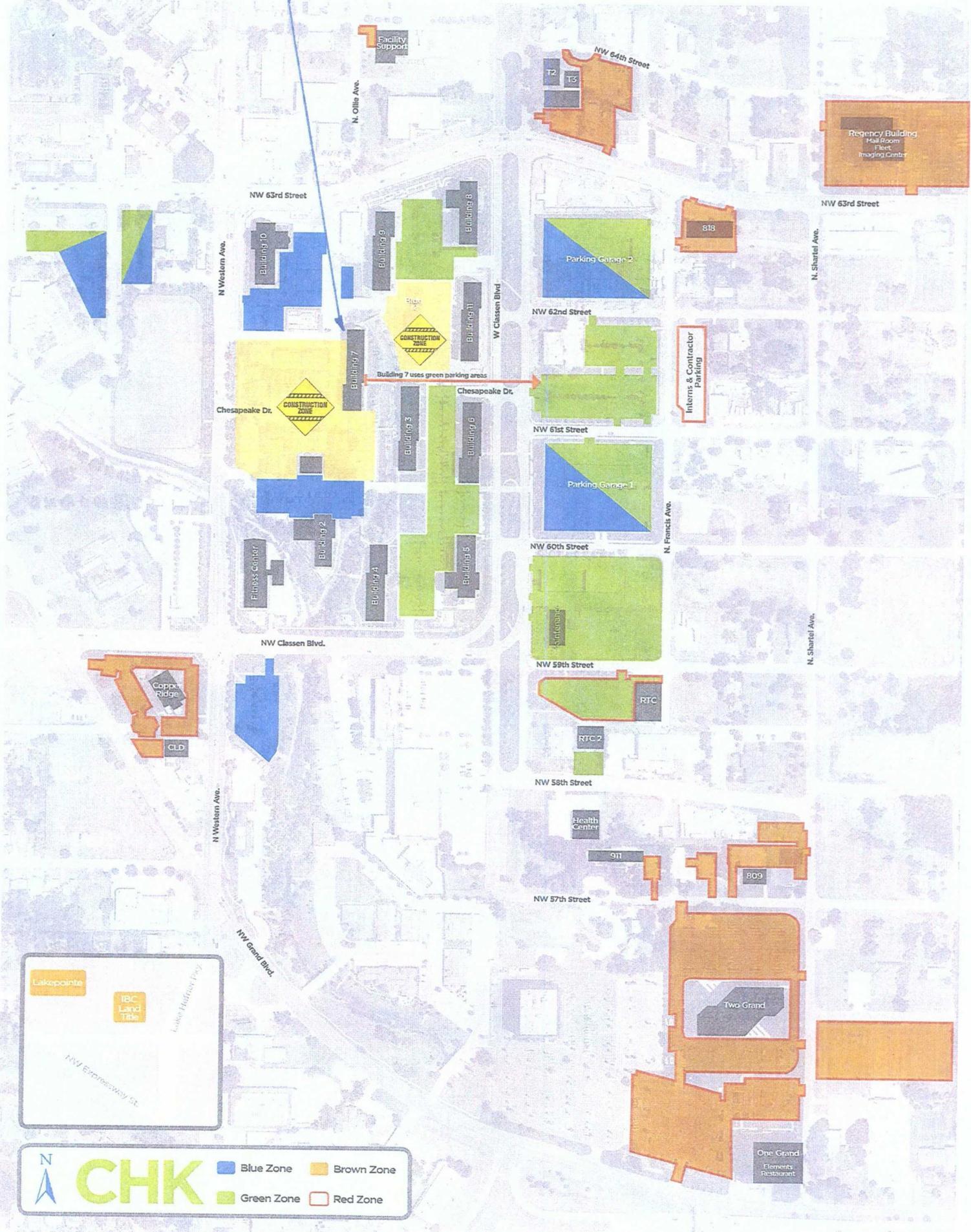
Best regards

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

Terry Frohnapfel  
Sr. Landman

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Consolidated Case No.'s 14477 & 14478 Exhibit No. 8  
Submitted by:  
CHESAPEAKE OPERATING, INC.  
Hearing Date: MAY 27, 2010

Building 7



Lakepointe  
IBC Land Title  
Lakes Highway Pkwy  
NW Expressway St.

**CHK**

- Blue Zone
- Green Zone
- Brown Zone
- Red Zone



Terry Frohnapfel  
*Senior Landman*

April 19, 2010

To: Mineral Interest Owners and  
Overriding Royalty Interest Owners

Re: Proposed Chambers Strawn Unit  
Covering interests in  
Section 7: NE/4, NE/4 SE/4;  
Section 8: NW/4 NW/4, S/2 NW/4, SW/4 (480 acres)  
All in T16S-R36E, 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 Chambers Strawn Field in Lea County, New Mexico. As an experienced waterflood operator, currently operating 10 waterflood units in four states, including six in New Mexico, Chesapeake is proposing the formation of the Chambers 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.

The wells in this field are all over 90% depleted and have been on decline for several years. By forming this unit, it would allow Chesapeake to convert wells to water injection which would help repressure the 11,000' deep producing Strawn formation. The entire unit area (480 acres) would be treated as one lease and all mineral/royalty owners would share in its production. If successful, Chesapeake anticipates this would result in an increase up to **SIX HUNDRED THOUSAND TO ONE MILLION ADDITIONAL BARRELS OF OIL** through this secondary recovery process. These are additional barrels that otherwise would not be produced.

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 April 2010 with a hearing set for May, 2010 asking for a unit effective date of August 1, 2010.

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 Frohnappel". The signature is written in a cursive, slightly slanted style.

Terry Frohnappel  
Landman

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



Terry Frohnapfel  
Senior Landman

April 19, 2010

To: Working Interest Owners

Re: Proposed Chambers Strawn Unit  
Covering interests in  
Section 7: NE/4, NE/4 SE/4;  
Section 8: NW/4 NW/4, S/2 NW/4, SW/4 (480 acres)  
T-16S-R36E, 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 Chambers Strawn Field in Lea County, New Mexico. As an experienced waterflood operator, currently operating 10 waterflood units, including six in New Mexico, Chesapeake is proposing the formation of the Chambers 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 Strawn Formation the proposed unitized interval being 11,442' - 11,738'.

The wells in this field are now over 90 percent depleted as production has steadily dropped over the past twelve years. Chesapeake plans to convert two wells to water injection wells that would be used to inject water into the 11,000' deep formation. If successful Chesapeake anticipates the proposed unit to produce SIX HUNDRED THOUSAND TO ONE MILLION ADDITIONAL BARRELS OF OIL through this secondary recovery process. These are additional barrels that otherwise would not be produced.

Total development costs required to complete secondary operations are estimated to be \$1,250,000.

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 April, 2010 with a hearing set in May, 2010 asking for a unit effective date of August 1, 2010. 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 Frohnapfel, 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