



RECEIVED

PATRICK H. LYONS
COMMISSIONER

2010 JAN 26 PM 1 32 State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

January 25, 2010

Holland & Hart
P. O. Box 2208
Santa Fe, NM 87504-2208

Attn: Ms. Ocean Munds-Dry

Re: Voluntary Termination
Forehand Ranches State Exploratory Unit
Lea County, New Mexico

Dear Ms. Munds-Dry:

Your letter of January 21, 2010 has been received by this office. On behalf of Chesapeake Exploration, LLC as operator of the captioned unit, your letter requests the voluntary termination of the Forehand Ranches State Exploratory Unit Agreement.

Pursuant to Article 17 of the Forehand Ranches State Exploratory Unit Agreement, 75% of the working interest owners in the Unit have agreed to terminate said agreement.

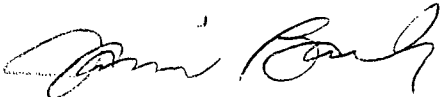
Please be advised that pursuant to your request, this office has terminated the Forehand Ranches State Exploratory Unit Agreement effective January 21, 2010.

Please notify all interested parties of this action.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas & Minerals Division
PL/JB/pm

pc: Reader File
NMOCD Attention: Mr. Ed Martin
TRD-Attention: Mr. Valdean Severson
RMD-Attn: Mr. Kurt McFall

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

UNIT NAME: FOREHAND RANCHES UNIT
OPERATOR: CHESAPEAKE ENERGY
COUNTY: EDDY

DATE APPROVED	OCD CASE NO. OCD ORDER NO.	TOTAL ACREAGE	STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
EFFECTIVE 1/8/2010	CASE NO. 14406 ORDER NO. R-13208	640.00	640	0	0	STRICT	5 YEARS SO LONG AS

APPROVALS

SLO-01/08/2010
OCD-12/28/2009

TOWNSHIP 25 SOUTH, RANGE 26 EAST
SECTION 36: ALL

TERMINATED
EFFECTIVE DATE 1-25-2010
APPROVAL DATE 1-25-2010



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December 11, 2009

Chesapeake Energy
P. O. Box 18496
Oklahoma City, OK 73154-0496

Attention: Mr. Justin Zerkle

Re: Preliminary Approval
Proposed Forehand Ranches State Exploratory Unit
Lea County, New Mexico

Dear Mr. Zerkle:

This office has received the unexecuted copy of the unit agreement, which you have submitted for the proposed Forehand Ranches State Exploratory Unit area, Lea County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands, who has this date granted you preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short-term leases, until final approval and an effective date have been given.

When submitting your agreement for final approval, please submit the following:

1. Application for final approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
2. Pursuant to Rule 19.2.100.51, applications for approval shall contain a statement of facts showing:
 - a. That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
 - b. That under the proposed unit operation, the State of New Mexico will receive its fair share of the recoverable oil and gas in place under its lands in the proposed unit area.
 - c. That each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the unit area.
 - d. That such unit agreement is in other respects for the best interest of the trust.
3. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.
4. Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.

-State Land Office Beneficiaries -


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5. Please submit two copies of the Unit Agreement.
6. A copy of the Unit Operating Agreement (if applicable).
7. Copies of all the well records for the initial unit well.
8. Please submit a filing fee in the amount of \$30.00.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas & Minerals Division
(505) 827-5744

PL/JB/pm

cc: OCD-Santa Fe, Attention: Mr. Ed Martin