



Quest Cherokee, LLC
9520 N. May Avenue, Suite 300
Oklahoma City, Oklahoma 73120

January 10, 2007

Lynda Townsend
Chesapeake Exploration Limited Partnership
P.O. Box 18496
Oklahoma City, OK. 73154-0496

Re: Term Assignment of Operating Rights dated 10-21-2004
State of New Mexico Lease
NW/4 Section 9-18S-38E

Dear Ms. Townsend

Pursuant to our telephone conversation Quest Cherokee, LLC ("Quest"), successor in interest to Tierra Oil Company, LLC, respectfully requests a 90 day extension to the above captioned Term Assignment of Operating Rights dated 10-21-2004, as amended per Agreement dated September 20, 2006. The result of said requested extension would adjust the dates listed in Articles 4, 6 b) and 6 c) to read May 1, 2007.

In this regard, please evidence your acceptance and consent to the 90 day extension proposed above by signing the designated area below. Upon execution of this document, please return one copy to my attention at Quest.

If you have any questions or comments with regard to the foregoing, please contact me at (405) 488-1304 ext 27 or by email at cboecking@qrep.net. Thank you in advance for your kind cooperation in this matter.

Sincerely,

Oil Conservation Division
Case No. _____
Exhibit No. 7

Curt G. Boecking
Senior Landman

Acknowledged and Accepted this 22 day of January , 2007

Chesapeake Exploration Limited Partnership

By C. Michael Brown

C. Michael Brown, Geological Manager - Permian/Rockies
Chesapeake Operating, Inc., General Partner

between Tierra Oil Company, LLC, Chalcam Exploration, LLC, and Quest Cherokee LLC.

TO HAVE AND TO HOLD the same unto the ASSIGNEE, its successors, and assigns, according to the terms, covenants, and conditions of the Subject Leases, the ASSIGNEE to perform all such terms, covenants, and conditions thereof as to the Subject Lands, as well as all of the terms, covenants, and conditions hereof.

IN WITNESS WHEREOF, this instrument is executed as of the date set forth in the acknowledgment below, but **EFFECTIVE** for all purposes as of **October 1, 2006**.

ASSIGNOR:

Tierra Oil Company, LLC

By: W. Chris Barnhill
W. Chris Barnhill, President

ACKNOWLEDGMENTS

STATE OF Texas }

COUNTY OF Comal }

This instrument was acknowledged before me, this 13th day of Oct, 2006, by W. Chris Barnhill, President of Tierra Oil Company, LLC, a Texas limited liability company, on behalf of said company.

Alice Goebel



EXHIBIT "A"

Attached to and made a part of that certain Assignment of Oil & Gas Leases by and between Tierra Oil Company, LLC, ("Assignor") and Quest Cherokee LLC ("Assignee") effective October 1, 2006.

OIL & GAS LEASES:

All of the following lands are located in Township 18 South, Range 38 East, Lea County, New Mexico

LESSOR	LESSEE	LEGAL DESCRIPTION	LEASE DATE	TRM (YRS)	RECORDED BOOK / PAGE
Byron, Jeannine	Tierra Oil Company, LLC	Sec. 9 NW/4NE/4	3/12/04	3	1299 / 229 - 31
Hooper, Jimmy	Tierra Oil Company, LLC	Sec. 9 NW/4NE/4	3/12/04	3	1294 / 746 - 48
Mason, Beverly	Tierra Oil Company, LLC	Sec. 9 NW/4NE/4	2/20/04	3	1294 / 743 - 45
Carlin, Timothy	Tierra Oil Company, LLC	Sec. 9 NW/4NE/4	2/20/04	3	1289 / 369 - 71
Klein, Faye	Tierra Oil Company, LLC	Sec. 9 NW/4NE/4	2/20/04	3	1288 / 238 - 40
Moss, Ella	Tierra Oil Company, LLC	Sec. 9 NW/4NE/4	2/25/04	3	1289 / 372 - 73
Joy, Diane	Tierra Oil Company, LLC	Sec. 9 NW/4NE/4	1/30/04	3	1285 / 522 - 23
Gilkey, Julie	Tierra Oil Company, LLC	Sec. 9 NW/4NE/4	2/12/04	3	1288 / 241 - 42
Jobe, Phillip	Tierra Oil Company, LLC	Sec. 9 NW/4NE/4	2/25/04	3	1289 / 367 - 68
Cushing, Alice	Tierra Oil Company, LLC	Sec. 9 NW/4NE/4	12/22/03	3	1279 / 841 - 42
Jobe, William	Tierra Oil Company, LLC	Sec. 9 NW/4NE/4	2/25/04	3	1294 / 749 - 50
Hoyl, Robert	Tierra Oil Company, LLC	Sec. 9 NW/4NE/4	2/2/04	3	1285 / 520 - 521
Cushing, Tom	Tierra Oil Company, LLC	Sec. 9 NW/4NE/4	12/22/03	3	1279 / 837 - 38
Seed, Sally	Tierra Oil Company, LLC	Sec. 9 NW/4NE/4	12/22/03	3	1279 / 839 - 40
State of New Mexico	Tierra Oil Company, LLC	Sec. 8 NE/4	2/1/04	5	N/A
State of New Mexico	Chesapeake Permian, LP	Sec. 9 NW/4	2/1/04	5	N/A

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AMENDATORY AGREEMENT

STATE OF NEW MEXICO)
) §
COUNTY OF LEA)

This Amendatory Agreement is entered into this 20th day of September, 2006, but effective October 1, 2006, by and between Chesapeake Exploration Limited Partnership ("Assignor") and Tierra Oil Company, LLC ("Assignee").

Witnesseth:

WHEREAS, Assignor and Assignee have entered into that certain Term Assignment of Operating Rights ("Assignment"), dated October 21st, 2004, but effective October 1, 2004, as recorded in Book 1337, Pages 301-305 in the Lea County Clerk's Office, Lea County, New Mexico; and

WHEREAS, said Assignment pertains to the leases and lands located in the NW/4 of Section 9, Township 18 South, Range 38 East, N.M.P.M. under New Mexico Oil and Gas Lease VA-3080, dated February 1, 2004; and

WHEREAS, Assignor and Assignee desire to amend the Assignment; and

NOW, THEREFORE, in consideration of the mutual agreements, Assignor and Assignee hereby covenant and agree as follows:

I.

The first sentence of Article 4 of the Assignment shall be amended to read as follows: Assignee shall have the right, but not the obligation, to commence, or cause to be commenced, on or before February 1, 2007, the drilling of a well ("Test Well") for oil or gas at a lawful location of its selection in the Lands or lands pooled therewith, and thereafter prosecute the drilling of said well down to and into the Operating Zone.

II.

Article 6 b) of the Assignment shall be amended to read as follows: Within 180 days after reaching the total depth drilled in the last well commenced, or caused to be commenced, by Assignee on the Lands or lands pooled therewith or 180 days after February 1, 2007, whichever is later, Assignee shall have the right, but not the obligation, to commence a Continuous Drilling Program and to prosecute the same until such time as it has drilled a well on each Proration Unit of the Operating Zone.

III.

Article 6 c) of the Assignment shall be amended to read as follows: By February 1, 2007, or upon the expiration of the Continuous Drilling Program, whichever is the last to occur, this assignment shall terminate as to all lands not included within a Proration Unit for a well capable of production in commercial quantities, and Assignee agrees to reassign, by instrument suitable for recording, all of the Lands which are not included within a Proration Unit for an oil and gas well capable of production in commercial quantities.

This Amendatory Agreement shall be effective October 1, 2006, and except as herein amended, the Assignment, as heretofore amended, shall in all respects remain in full force and effect.

TERM ASSIGNMENT OF OPERATING RIGHTS

THIS TERM ASSIGNMENT OF OPERATING RIGHTS, between CHESAPEAKE PERMIAN, LP, of PO Box 18496, Oklahoma City, OK, 73154-0496, hereinafter referred to as "Assignor," and TIERRA OIL COMPANY, LLC, of P.O. Box 700968, San Antonio, TX 78270-0968 hereinafter referred to as "Assignee;"

W I T N E S S E T H:

Assignor is the owner of record of an undivided interest in the "operating rights" as hereinafter defined, under the following described leases ("Leases") and lands ("Lands") located in Lea County, New Mexico:

- a) State of New Mexico Oil and Gas Lease VA-3080, dated February 1, 2004, underlying the following lands:

Township 18 South, Range 38 East, N.M.P.M.

Section 9: NW/4

containing 160 acres, more or less,

Assignor is desirous of conveying unto Assignee oil and gas operating rights (the phrase "Operating Rights" is defined to be the exclusive right of possession and occupancy for the purpose of exploring, developing, operating, producing and marketing oil and gas, and the Operating Rights are co-extensive with the rights granted to the lessee under the term of a lease) with respect to all horizons below the surface of the Earth, which intervals underlying the Lands under the terms of the Leases and all extensions and renewals thereof will hereinafter be collectively referred to as the "Operating Zone."

NOW, THEREFORE, in consideration of Ten and Other Dollars paid by Assignee, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby grant, bargain, sell and convey unto Assignee, and Assignee's successors and assigns, an undivided 100% interest in the Operating Rights in the Operating Zone, together with a like interest in all personal property located thereon or used or obtained for the production and marketing of oil and gas from the Operating Zone; subject to the following:

1. Assignee shall conduct operations in the Operating Zone in accordance with the terms and provisions of the Lease and all applicable rules and regulations. Assignee shall not intentionally do or perform any act or thing with respect to its interest in the Lands covered by the Lease that might cause the Leases to be forfeited or cancelled. Assignor shall promptly furnish Assignee with copies of all notices received from the State of New Mexico or the Bureau of Land Management with respect to the Leases.

2. Assignor shall pay the annual rental or minimum royalty that may be due and payable as to the Lands under the terms of the Leases, but Assignor shall not be liable for damages for the inadvertent failure to pay the same. Assignee shall have the right, but not the obligation, to pay any annual rental that may become due and payable under the terms of the Lease as to the Lands.

3. Assignor hereby excepts and reserves as to the Leases an overriding royalty equal to the difference between all existing burdens of record as of the effective date of this assignment and 20% of 8/8 of all oil, gas and other hydrocarbons that may be produced, saved and marketed from the Operating Zone under the terms of the Leases or any extensions or renewals thereof. The overriding royalty shall be computed and paid at the same time and in the same manner as royalties payable to the lessor under the terms of the Leases are computed and paid, and Assignor shall be responsible for its proportionate part of all taxes and assessments levied by governmental or taxing authority upon or against or measured by the production of oil and gas therefrom. The overriding royalty shall (a) be the total overriding royalty for which Assignee shall be obligated and shall include all existing overriding royalties and royalties payable out of production from said lands; (b) be proportionately reduced if this Assignment grants to Assignee less than the entire leasehold estate as to the Leases as to the Operating Zone; and (c) be subject to any governmentally approved cooperative or unit plan of development or operation or communitization or other agreement forming a well spacing or proration unit under the rules and regulations of the New Mexico Oil Conservation Division to which the Leases are now committed or may hereafter be committed and, in such event, the overriding royalty shall be computed and paid on the basis of the oil and gas allocated to the Lands under the Leases pursuant to the terms of the plan or agreement.

4. Assignee shall have the right, but not the obligation, to commence, or cause to be commenced, on or before two (2) years from the effective date hereof, the drilling of a well ("Test Well") for oil or gas at a lawful location of its selection in the Lands or lands pooled therewith, and thereafter prosecute the drilling of said well down to and into the Operating Zone. This Test Well and all other wells permitted under this Assignment shall be drilled and completed by Assignee within 120 days from the date of their commencement. Assignee shall test, as would a prudent operator, all zones encountered within the Operating Zone in any well permitted under this Assignment, which give indication of containing oil or gas in quantities sufficient to test. If Assignee does not commence the Test Well within the time period provided, or after having commenced the same does not drill it to the Operating Zone in the manner required herein and thereafter complete it within the time provided, either as a producer or as a dry hole, at Assignor's election, all of Assignee's right, title and interest under this Assignment in and to the Operating Zone shall ipso facto terminate, this being the only penalty applicable to Assignee hereunder. If Assignee does not commence the Test Well within the time period provided, or after having commenced the same does not drill it to the Operating Zone in the manner required herein and thereafter complete it within the time provided, either as a producer or as a dry hole, and Assignee has not drilled or cause to be drilled any wells in the NE/4 of Section 8-T18S-R38E within the same time period provided, then Assignor shall have the right but not the obligation to enter into a mutually agreed upon two year Term Assignment of Operating Rights with Assignee on Assignee's acreage located the NE/4 of Section 8-T18S-R38E.

5. THE EXPRESS REPRESENTATIONS OF ASSIGNOR CONTAINED IN THIS CONVEYANCE ARE EXCLUSIVE AND ARE IN LIEU OF ANY OTHER REPRESENTATIONS OR WARRANTIES. ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES AND ASSIGNEE HEREBY WAIVES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE QUALITY, QUANTITY OR VOLUME OF RESERVES OF OIL, GAS OR OTHER HYDROCARBONS, IF ANY, IN OR UNDER THE LEASES; THE ENVIRONMENTAL CONDITION, EITHER SURFACE OR SUBSURFACE, OR OTHER CONDITION OF THE INTERESTS (REAL OR PERSONAL) CONVEYED HEREIN; OR THE OWNERSHIP OR OPERATION OF THE LEASES AND INTERESTS (REAL OR PERSONAL) CONVEYED HEREIN OR ANY PART THEREOF. ASSIGNOR DOES NOT MAKE OR PROVIDE, AND

ASSIGNEE HEREBY WAIVES, ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONFORMITY TO SAMPLES, OR CONDITION OF THE LEASES AND INTERESTS (REAL OR PERSONAL) CONVEYED HEREIN OR ANY PART THEREOF. ASSIGNOR DISCLAIMS AND NEGATES, AND ASSIGNEE HEREBY WAIVES, ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS, IMPLIED OR STATUTORY. THE PERSONAL PROPERTY, EQUIPMENT, IMPROVEMENTS, FIXTURES AND APPURTENANCES CONVEYED HEREIN ARE SOLD AND ASSIGNEE ACCEPTS SAME "AS IS, WITH ALL FAULTS."

6. In the event Assignee completes a well capable of production in commercial quantities from a formation for which the Proration Unit is less than all of the Lands, or if the Test Well is completed as a dry hole, this Term Assignment of Operating Rights shall be subject to the requirements of the "Continuous Drilling Program" as hereinafter set out.

a) As used in this Assignment, the phrase "Continuous Drilling Program" shall mean not more than 180 days shall elapse between the reaching of total depth in one well and the actual commencement of drilling operations on another well having an intended total depth in the Operating Zone; and the phrase "Proration Unit" shall mean the spacing or proration unit assigned to a well according to the rules of the New Mexico Oil Conservation Division.

b) Within 180 days after reaching the total depth drilled in the last well commenced, or caused to be commenced, by Assignee on the Lands or lands pooled therewith or 180 days after September 30, 2006, whichever is later, Assignee shall have the right, but not the obligation, to commence a Continuous Drilling Program and to prosecute the same until such time as it has drilled a well on each Proration Unit of the Operating Zone.

c) Two (2) years from the effective date of this Assignment or upon the expiration of the Continuous Drilling Program, whichever is the last to occur, this assignment shall terminate as to all lands not included within a Proration Unit for a well capable of production in commercial quantities, and Assignee agrees to reassign, by instrument suitable for recording, all of the Lands which are not included within a Proration Unit for an oil and gas well capable of production in commercial quantities.

7. If Assignor should at any time desire to release or surrender all or any part of the Lease, Assignor shall tender to Assignee an assignment of the record title to the Leases as to the Lands sought to be surrendered. In such event, if Assignee shall fail to accept such assignment within 30 days from the time the same is tendered, Assignor shall be free to surrender or relinquish the Leases as to the Lands. In the event the assignment is accepted by Assignee, then Assignee shall save, hold and protect Assignor harmless from all liability of whatsoever character accruing under the Leases on account of Assignee's operations on the Lands or lands pooled therewith. Assignee shall pay no additional compensation for an assignment by Assignor under this paragraph and Assignor agrees to hold Assignee harmless for all liability of any kind accruing under the Leases and which is attributable to operations of Assignor on the Lands.

8. Assignee shall notify Assignor in writing of Assignee's intention to abandon any well in the Operating Zone. Assignor shall have 30 days after receipt of such notice of intention to abandon in which to elect to take over any well Assignee proposes to abandon that has produced oil and/or gas. With respect to any well Assignee intends to complete as a dry hole, Assignor shall have 48 hours (inclusive of Saturday, Sunday and legal holidays) after receipt of such notice of intention to abandon in which to elect to take over the well. For any well taken

over, Assignor shall pay to Assignee the reasonable market value of the salvageable materials in the well, less the cost of salvage. In the event Assignor elects not to take over the well within the time herein provided, Assignee shall plug and abandon the well in accordance with the applicable rules and regulations.

9. Any reconveyance of the Operating Zone provided for in this Assignment shall be made by Assignee, free and clear of all liens, encumbrances, overriding royalties and other burdens on production which are not in force on the effective date hereof.

10. All notices required or permitted by this Assignment shall be deemed to have been properly given if sent by regular mail, postage prepaid, overnight courier or express mail, with charges prepaid, addressed to the parties hereto at the addresses shown in the caption hereof, or facsimile transmission, with written knowledge of receipt, unless either party or any successor in interest to either party, shall have designated in writing another address.

11. The terms and conditions of this Assignment shall be construed as covenants running with the Lands and shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors and assigns.

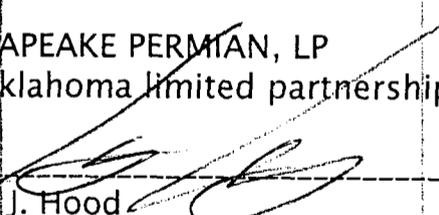
12. This Assignment constitutes the entire agreement between the parties with respect to the matters herein and the Lands, notwithstanding any prior oral or written promise or understanding to the contrary. This Assignment cannot be amended without the agreement thereto in writing by Assignor and Assignee. This Assignment is made without warranty of title, expressed or implied.

13. For any well drilled on the Leases and Lands covered by this Assignment, Assignor shall be entitled to daily drilling reports, a copy of all mud logs, electric logs, sample logs, and testing information. Assignor shall have the right to have one of its' employees or consultants on the drill site during the mud logging of any well drilled on the Leases and Lands.

IN WITNESS WHEREOF, Assignor has caused this Assignment to be executed this 21st day of October, 2004, but effective October 1, 2004.

"Assignor"

CHESAPEAKE PERMIAN, LP
an Oklahoma limited partnership


Henry J. Hood

Title: Senior Vice President - Land and
Legal Chesapeake Operating, Inc.,
General Partner

"Assignee"

TIERRA OIL COMPANY, LLC


W. Chris Barnhill, President

ACKNOWLEDGEMENTS

STATE OF Oklahoma
COUNTY OF Oklahoma) : SS.

This instrument was acknowledged before me on October 19, 2004,
by Henry J. Hood, acting as Senior Vice President and Legal Counsel of Chesapeake Operating, Inc. General Partner

My commission expires: April 17, 2007
Jami R. Brooks
Notary Public



STATE OF TEXAS)
COUNTY OF COMAL) : SS.

This instrument was acknowledged before me on October 21, 2004,
by W. CHRIS BOONHILL, as PRESIDENT of TIERRA OIL COMPANY, LLC

My commission expires: March 15, 2008
Alice Goebel
Notary Public



STATE OF NEW MEXICO
COUNTY OF LEA
FILED

OCT 26 2004
at 11:16 o'clock A M
and recorded in Book 1337
Page 301
Melinda Hughes, Lea County Clerk
By RH Deputy



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