

November 16, 2010

**VIA HAND DELIVERY**

Mark E. Fesmire, PE, JD  
Acting Director  
Oil Conservation Division  
New Mexico Department of Energy, Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

RECEIVED OOD  
2010 NOV 16 P 3:00

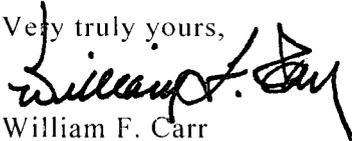
Re: Oil Conservation Commission Order No. R-13196: Application of Chesapeake Operating, Inc. for approval of a waterflood project and qualification of the Project Area of the Carter-Shipp Strawn Unit for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico.

Dear Mr. Fesmire:

By Order No. R-13196, dated December 7, 2010, the Oil Conservation Division granted the application of Chesapeake Operating, Inc. for authorization to institute enhanced recovery operations within the Carter-Shipp Strawn Unit Area by injection of produced water into the Unitized Formation of the Northeast Lovington-Upper Pennsylvanian Pool through two wells located in Sections 27 and 28 of Township 16 South, Range 37 East, NMPM, Lea County New Mexico. This order provided that the injection authority granted by this order shall terminate one year after the date of this order if the operator has not commenced injection into at least one of these wells, provided that the Division upon written request, may grant an extension for good cause shown.

The purpose of this letter is to request and extension of Order No. R-13196. Chesapeake plans to commence enhanced recovery operations in this unit area but has encountered delays obtaining necessary rights of way for water lines to the unit. Accordingly, injection will not commence prior to December 7, 2010. Chesapeake therefore requests that this order be extended for an additional year to December 7, 2011.

Your attention to this request is appreciated.

Very truly yours,  
  
William F. Carr  
Attorney for Chesapeake Operating, Inc.

cc: Mr. Terry Frohnafel  
Chesapeake Operating Inc.



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