



Thursday, January 21, 2010

To: Mark Fesmire, P.E.
New Mexico Oil Conservation
Division

Fax : (505) 476-3462
Phone:

From: Ocean Munds-Dry

Fax : (505) 983-6043
Phone: (505) 988-4421

Re: Chesapeake Exploration, LLC Forehand Ranches State Exploratory Unit, Eddy
County, New Mexico

No Confirmation Copy

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Attorney Number: 5208	Client/Matter:	Time Deadline:
Operator Initials:	Date Transmitted:	Time Transmitted:

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January 21, 2010

HAND-DELIVERY

Commissioner of Public Lands
New Mexico State Land Office
Attn: Mr. Pete Martinez
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

**Re: Chesapeake Exploration, LLC Forehand Ranches State Exploratory
Unit, Eddy County, New Mexico**

Dear Mr. Martinez:

Chesapeake Exploration, LLC seeks approval from the Commissioner of Public Lands to approve the termination of the Unit Agreement for the Forehand Ranches State Exploratory Unit, Eddy County, New Mexico. Pursuant to Section 17 of the Unit Agreement, more than 75% of the working interest owners in the Unit have agreed to terminate said Agreement. See Exhibit B (Schedule of Ownership) to the Unit Agreement.

Chesapeake respectfully requests the Commissioner approve termination of the agreement as soon as possible. The underlying leases are set to expire February 1, 2010 and Chesapeake still intends to develop these leases.

Thank you for your time and attention to this matter.

Sincerely,

Ocean Munds-Dry
Attorney for Chesapeake Exploration, LLC

cc: New Mexico Oil Conservation Division
(Reference Order No. R-13205)

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