## HOLLAND&HART.

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

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Number of pages including cover sheet:

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Attorney Number:

5208

Client/Matter:

Time Deadline:

Operator Initials:

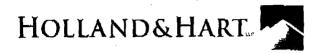
Date Transmitted:

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Ocean Munds-Dry
Associate
omundsdry@hollandhart.com

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)