

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL
CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

IN THE MATTER OF THE APPLICATION
OF CHESAPEAKE EXPLORATION, LLC
DOING BUSINESS THROUGH ITS AGENT
CHESAPEAKE OPERATING INC., FOR
STATUTORY UNITIZATION OF THE
CHAMBERS STRAWN UNIT AREA, LEA
COUNTY, NEW MEXICO

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 2
Submitted by:
CHESAPEAKE EXPLORATION, LLC
Hearing Date: December 1, 2011

CASE NO. 14477 (Reopened)
ORDER NO. R-13303-A

ORDER OF THE DIVISION

BY THE DIVISION:

This case was re-opened October 12, 2010, to supplement the record at Santa Fe, New Mexico before Examiner William V. Jones.

NOW, on this 20th day of October, 2010, the Division Director, having considered the evidence,

FINDS THAT:

1. Due public notice has been given and the Division has jurisdiction of this case and its subject matter.
2. On September 9, 2010, the Division in Order No. R-13303 in Case No. 14477, granted Chesapeake Operating, Inc. ("Chesapeake's"), application to statutorily unitize the Chambers Strawn Unit Area with the provision that, after a necessary modification of the definition of the "Unitized Area", a finding be made in a subsequent order of the Division that at least 75 percent of owners have ratified the revised Unit Agreement (See Ordering Paragraph 5).
3. In addition, Applicant's attorney has pointed out that the legal definition of the extent of the Unitized Area was incorrect in the Division Order (Ordering Paragraph 2) issued on September 9, 2010 and should be corrected *Nunc Pro Tunc*.
4. Chesapeake has proposed the revised Unit Agreement to the owners of the Chambers Strawn Unit and has obtained 75.8 percent approval from the Working Interest owners and 88.8 percent approval from the owners of non-expense bearing interests. As

required, the approvals were obtained within six months of the date of existing Division Order No. R-13303 and these agreements should now be in effect.

5. Ordering Paragraph 2 should be corrected *Nunc Pro Tunc* and should state the correct acreage within the Chambers Strawn Unit Area as it is correctly defined in Finding Paragraph 2 of Order No. R-13303.

IT IS THEREFORE ORDERED THAT:

1. Division Order No. R-13303, Ordering Paragraph 2, is hereby corrected to read as follows:

2. *The Chambers Strawn Unit shall comprise the following described 480 acres, more or less, of fee lands located in Lea County, New Mexico:*

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

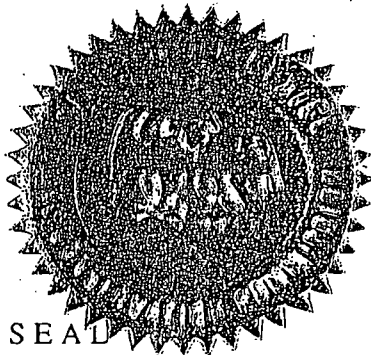
Section 7: NE/4, NE/4 SE/4

Section 8: NW/4 NW/4, S/2 NW/4, SW/4

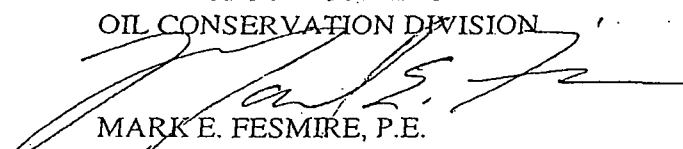
2. The Unit Agreement and Unit Operating Agreement have been ratified as required in the New Mexico Statutes governing unitization and Division Order No. R-13303, as amended by this order, is now in effect. These agreements are incorporated by reference into this order.

3. All provisions of Division Order No. R-13303 not modified by Ordering Paragraphs 1 and 2 of this Order shall remain in full force and effect.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


MARK E. FESMIRE, P.E.
Acting Director