



October 27, 2008

Sent Via Email and Federal Express

Chesapeake Exploration, L.L.C.
P.O. Box 18496
Oklahoma City, OK 73154-0496

Attn: Jared I. Boren

RE: Agreement on 15S-31E
Chaves County, New Mexico

Gentlemen:

The following sets forth the terms of the agreement between Chesapeake Exploration, L.L.C. ("CHK") and COG Operating LLC ("COG") concerning the development of the lands described herein and the conduct of operations thereon:

1. CHK will drill and operate wells situated in the N2 of Section 10, the N2S2 of Section 14 and all of Section 13, all being situated in Township 15 South, Range 31 East, NMPM, Chaves County, New Mexico, and sometimes hereinafter respectively referred to as Contract Area "A", "B" and "C" (collectively, the "CHK Contract Areas").
2. COG will drill and operate wells situated in the S2 of Section 10, N2 of Section 14 and all of Section 15, all being situated in Township 15 South, Range 31 East, NMPM, Chaves County, New Mexico, and sometimes hereinafter respectively referred to as Contract Area "D", "E" and "F" (collectively, the "COG Contract Areas"). (COG Contract Areas with the CHK Contract Areas hereinafter collectively referred to as the "Subject Lands")
3. Effective November 1, 2008, COG and CHK agree to enter into a mutually acceptable Operating Agreement in the same form as attached hereto as Exhibit "A" and, upon CHK's review and acceptance, COG shall assign to CHK and CHK shall accept all rights and obligations in and to COG's Surface Use Agreement on the subject lands, but solely to the extent applicable to the CHK Contract Areas.
4. COG and CHK shall each drill a well at the location of their choosing within their respective Contract Areas within six (6) months of the effective date of the Operating Agreement. All wells drilled or other operations conducted on the CHK Contract Areas or the COG Contract Areas, as the case may be, thereafter shall be considered subsequent operations under the Operating Agreement and shall be subject to the subsequent operation provisions thereof.
5. Furthermore, to facilitate CHK's drilling of its initial test well, COG and CHK agree that they will take all necessary steps before the NMOCD to effectuate a transfer of COG's drilling permit to CHK

NMOCD Case No. 14323
August 20, 2009

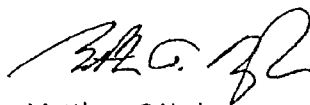
for the designated well, including the pooling of other parties. Upon CHK's spudding of its initial well, COG and CHK will prepare and submit the necessary paperwork to transfer to CHK all of COG's permits affecting CHK Contract Areas which are currently held by COG.

6. The parties agree that (i) neither shall directly or indirectly file, or otherwise support any protest, objection or other proceeding with the NMOCD, any other governmental authority or court contesting in any manner operations on the Subject Lands, except as may be necessary to enforce the rights and obligations of the parties hereunder; and (ii) all proceedings pending before the NMOCD concerning the Subject Lands and pending between CHK and COG shall be dismissed or amended to delete each other upon execution hereof.


If the terms and conditions set forth herein correctly reflect our agreement concerning the Subject Lands, please execute and date where indicated and return to the undersigned by October 29, 2008 one copy of this agreement and the Operating Agreement.

Very truly yours,

COG OPERATING LLC



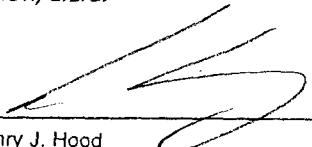
Matthew G Hyde

Vice President, Exploration and Land 

cc: Jan Spradlin
Ted Gawloski
David W. Copeland

AGREED TO AND ACCEPTED THIS 28th DAY OF OCTOBER, 2008.

Chesapeake Exploration, L.L.C.


Printed Name: Henry J. Hood
Title: Senior Vice President – Land and Legal and General Counsel

