

7007 2680 0001 6451 0878 NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop Cabinet Secretary

Mark E. Fesmire, P.E. Director Oil Conservation Division .

Response Required - Deadline Enclosed

05-Aug-08

CHESAPEAKE OPERATING, INC.

PO Box 190

HOBBS.NM 88241-

LOV NO. 2-08-140

LETTER OF VIOLATION **Delinquent Regulatory Filings**

Dear Operator:

Oil Conservation Division ("OCD") records indicate that you failed to file the required reports identified below, or that your filings were incomplete or inaccurate.

NON-COMPLIANT WELL DETAIL SECTION

IMC 21 FEDERAL COM No.002H

Location: 21-23S-29E

30-015-36109-00-00

Original Well Type: Oil (Producing)

Well Status: New (Not Drilled / Complete

Determination or Violation Date: 8/5/2008

Delinquent Report or Filing(s): - Other Paperwork or Filing - Other

Monitoring and Reporting Violation

Comments: Failure to file completion documents. Rule 19.15.1.14. Sale of product without approved allowable. Rule 19.15.10.801. -

CORRECTIVE ACTION ON THIS WELL DUE BY: 9/4/2008

Please file or correct the reports identified above by the corrective action due date indicated. If you fail to file or correct the reports by that date, the OCD will take enforcement action that may include but is not limited to applying for an order assessing civil penalties and/or requiring you to plug and abandon the wells associated with those reports.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.