

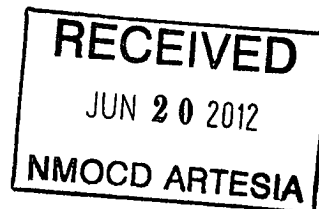


Regulatory Department

June 12, 2012

Mr. Craig Cranston or To Whom It May Concern:

RE: LOS MEDANOS 36 23 30 STATE 1H
SEC. 36, UNIT D, T-23-S R-30-E
150' FNL & 660' FWL
EDDY CO., NM
API # 30-015-40371



Please find an approved APD from the Oil Conservation Division and notice to Mosaic Potash of our intent to drill a Bone Spring well which lies in R-111-P.

Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise whether or not this application is within an established Life-of Mine area. If not, please advise whether it is within the buffer zone established by this order.

In LMR Yes _____
In Buffer Zone Yes _____

No _____
No _____

Comments:

*CONFIDENTIAL INFORMATION; CANNOT RELEASE
TO OPERATOR WITHOUT CONSENT OF POTASH OPERATOR*

Signature:

Date:

Thank You
Bryan Arrant

Bryan Arrant
Regulatory Specialist II
Chesapeake Energy Corporation
Office: (405) 935-3782
Mobile: (903) 263-8984
Fax: (405) 849-3782
E-mail: bryan.arrant@chk.com



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 E. Greene St.
Carlsbad, NM 88220-6292



In Reply Refer To:
Chesapeake Operating, Inc. "Los Medanos 36 23 30 State

June 18, 2012

Oil Conservation Division
Attn: Randy Dade
811 S. First St.
Artesia, New Mexico 88210



RE: Los Medanos 36 23 30 State

Attention: Randy Dade

Chesapeake Energy's Bryan Arrant has sent both an e-mail and a letter inquiring about whether their well is within a LMR and or Buffer. The form is very similar to the one that is sent by your office to the BLM. The LMR information is also confidential. Attached is the letter requesting LMR information from Mr. Arrant of Chesapeake.

I have been with the BLM for almost five years and I have never received this request or a form this close in exactness to your form.

If you have any questions, please contact me at 575-234-5904 or jrutley@blm.gov.

Sincerely,

James S. Rutley
Geologist

Date

June 18, 2012



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



June 13, 2012

BUREAU OF LAND MANAGEMENT
ATT: Potash
620 E Greene Street
Carlsbad, NM 88220

STATE LAND OFFICE
ATT: Joe Mraz
PO BOX 1148
Santa Fe, NM 87505

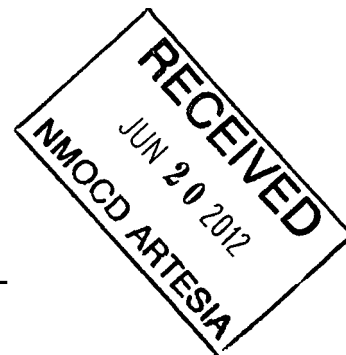
RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: **Cheasapeake Operating, Inc.**

LEASE NAME: **Los Medanos 36 23 30 State**

PROPOSED LOCATION: **Lot D U/L D Sec 36 T23S R30E 150' FNL 660' FWL**

PROPOSED DEPTH: **14,068' MD**



Gentleman:

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuant to the provisions of Oil Conservation Division Order R – 111 - P, please advise this office whether the location is within an established Life-of-Mine-Reserve are filed with and approved by your office. If not, please advise whether it is within the buffer zone established by the order.

Thank you for your assistance. Please Return as soon as possible.

Very truly yours,

OIL CONSERVATION DIVISION


Randy Dade
Supervisor, District II

RESONSE:

The above referenced location is in LMR (2012 year) ----- Yes _____ No ☒

The above referenced location is within the Buffer Zone ----- Yes ☒ No _____

Signed _____

Printed Signature JAMES RUTLEY

Representing BLM-CFO

