

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jim Noel
Cabinet Secretary
Karen W. Garcia
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



September 23, 2010

Chesapeake Operating, Inc.
PO Box 18496
Oklahoma City, OK 73154

LETTER OF VIOLATION

Dear Operator;

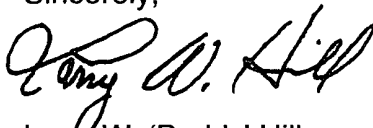
Oil Conservation Division (OCD) well files show that you have _3_ well(s) that have been plugged for more than one year without the sites being released. The well(s) are listed on the attachment.

OCD rule 19.15.25.10.D NMAC requires an operator to restore the well site as soon as practical but no later than one year after the completion of plugging operations. Within 30 days after restoring the well site the operator must file a form C-103 to report that the work has been completed. 19.15.25.11 NMAC.

Within thirty days of the date of this letter please clean the well sites according to the requirements set out in 19.15.25.10.D NMAC, and file a final sundry C-103 Subsequent Report of Well Plugging (available on OCD Online under "Forms") for each well to notify the district office that the sites are ready for inspection and release.

Your immediate attention to this matter is requested.

Sincerely;

A handwritten signature in black ink, appearing to read "Larry W. Hill".

Larry W. 'Buddy' Hill
NMOCD
District 1 Supervisor

Oil Conservation Division * 1625 N. French Dr.*

* Hobbs, New Mexico 88240

* Phone: (575) 393-6161 * Fax (575) 393-0720* <http://www.emnrd.state.nm.us>

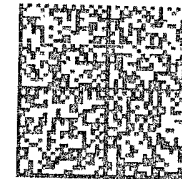


Well Selection Criteria Quick Print

(opno = 147179 and WL_STATUS Like 'H')

API Well #	Well Name and No.		Operator Name	Typ	Stat	County	Surf	UL	Sec	Twp	Rng	Ft N/S	Ft E/W	UICPrmt	Lst Insp Dt
30-025-37404-00-00	07 RANCH 2	001	CHESAPEAKE OPERATING, INC	O	H	Lea	P	G	2	12 S	38 E	1980 N	1920 E		
30-025-20030-00-00	J A AKENS A OIL COM	001	CHESAPEAKE OPERATING, INC.	O	H	Lea	P	U	3	21 S	36 E	990 S	376 W	ACOI-113	1/11/2010
30-025-27627-00-00	HUEY	001	CHESAPEAKE OPERATING, INC.	O	H	Lea	P	K	5	20 S	38 E	2080 S	1980 W		6/9/2010
30-025-27553-00-00	HERMAN	001	CHESAPEAKE OPERATING, INC	O	H	Lea	P	F	8	20 S	38 E	1650 N	1980 W		2/16/2010
30-025-23776-00-00	STATE M	001	CHESAPEAKE OPERATING, INC.	S	H	Lea	S	O	18	17 S	36 E	330 S	1650 E	R-5748	7/15/2009
30-025-23776-00-00	STATE M	001	CHESAPEAKE OPERATING, INC.	S	H	Lea	S	O	18	17 S	36 E	330 S	1650 E	R-5748	7/15/2009
30-025-23852-00-00	STATE L	002	CHESAPEAKE OPERATING, INC.	O	H	Lea	S	L	19	17 S	36 E	2310 S	330 W	1RP-749	7/15/2009

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER 017H15554612
\$0.449
09/23/2010
Mailed From 88240
US POSTAGE

CHESAPEAKE OPERATING, INC.
PO BOX 18496
OKLAHOMA CITY, OK 73154