



John L. McCartney  
Senior Landman

October 23, 2009

**VIA E-MAIL AND OVERNIGHT COURIER**

Ms. Steffanie Hayes  
Apache Corporation  
6120 S. Yale, Suite 1500  
Tulsa, OK 74136-4224

**RECEIVED**

**OCT 26 2009**

**TULSA  
LAND DEPT.**

Re: Rule 37 Exception Waiver of Protest  
Section 3, Block 17, UL Survey  
Ward County, Texas  
Rule 37 Case No. 0246643

Dear Ms. Hayes:

By waiver letter dated January 25, 2007, a copy is enclosed, Apache Corporation ("Apache") granted a waiver to Railroad Commission Rule 37 in order for Chesapeake Operating, Inc. ("Chesapeake") to horizontally drill the University 17-18 #1H Well in Section 18, Block 17, UL Survey, to test the Atoka formation. Enclosed is an as drilled plat showing the orientation of the resulting two (2) horizontal laterals drilled in the well. The first lateral was abandoned after only reaching 948 feet due to encountering drilling difficulties but was not plugged. The second lateral reached 3319 feet in length. Because there are two (2) laterals associated with this well the Railroad Commission has requested that Chesapeake secure another waiver from Apache as the offset leaseholder in Section 3, Block 17, UL Survey. Chesapeake agrees to reciprocate by waiving protest to a Rule 37 exception that may be filed in the future by Apache for drilling a similar well with a surface location no closer than 1320 feet of the East line of Section 18, Block 17, UL Survey.

Please acknowledge Apache's waiver of protest to a Rule 37 exception for the two (2) laterals drilled in the well by executing this letter in the spaces provided below and returning it to the undersigned via facsimile at (405) 935-4251 and the original by mail.

Chesapeake Energy Corporation

P.O. Box 18496 • Oklahoma City, OK 73154-0496 • 6100 N. Western Avenue • Oklahoma City, OK 73118  
405.935.4302 • fax 405.935.4251 • john.mccartney@chk.com

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Should you have any questions, please give me a call at (405) 935-4302 and thank you once again for your cooperation in this matter.

Sincerely,

**Chesapeake Operating, Inc.**

  
John L. McCartney

Apache Corporation does hereby waive protest to the application filed by Chesapeake Operating, Inc. for drilling the two (2) horizontal laterals in the University 17-18 #1H Well.

*sjh* By: James L. Sughru  
Print: James L. Sughru  
Title: Land Manager, Central Region  
Date: 11/10/2009