

**JAMES C KARO  
ASSOCIATES  
LAND SERVICES**

**OIL AND GAS LAND SERVICES**  
1750 Lafayette Street  
Denver, Colorado 80218  
303.279.0789  
james@jameskaro.com

June 19, 2012

Chesapeake Energy Corp.  
6100 N. Western Avenue  
Oklahoma City, Oklahoma 73118  
Attn: Nick Watkins

VIA: ELECTRONIC MAIL

Re: **Exception Location Notice and Waiver**  
Jones 2-12-4-60 Well (Directional)  
SHL: NE/4NW/4 of Section 2, Township 4 North, Range 60 West  
BHL: NE/4SW/4 of Section 2, Township 4 North, Range 60 West  
Morgan County, Colorado

Mr. Watkins:

On or about the 1st day of August 2012, and subject to drilling rig availability, Esenjay Operating Inc. intends to drill the captioned well to a depth sufficient enough to test the J Sand.

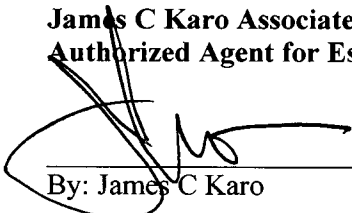
Said well is to be drilled approximately 1,963 feet from the West line and 2,304 feet from the South line of Section 2, Township 4 North, Range 60 West, 6<sup>th</sup> PM located in Morgan County, Colorado. This location is 282.29 feet from the lease line, which encroaches approximately 317.71 feet toward your mineral estate. The location is subject to Rule 318.a, which provides that a well deeper than 2500' be located no closer than 600' from the lease line.

Please acknowledge your understanding of this encroachment, your waiver of this 600' rule and your authority to proceed with the drilling of said well at the stated location, by signing below. This waiver is executed in connection with, and is subject to, that certain side letter agreement by and between Chesapeake Energy Corp. and Esenjay Operating, Inc., dated May 16, 2012, and is executed pursuant to Rule 318.c of the Colorado Oil and Gas Commission.

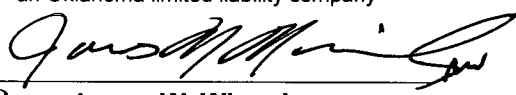
Feel free to contact me should you have any questions or comments at 303-279-0789.

Sincerely,

**James C Karo Associates**  
**Authorized Agent for Esenjay Operating, Inc.**

  
By: James C Karo

Chesapeake Exploration, L.L.C.  
an Oklahoma limited liability company

  
By: **James W. Wimmmler**  
Title: **Land Manager - Rockies** 