

December 13, 2016

RE: JHN 3&34-14-15 1H ALT
Property Number: 656392
HA RA SU XX Unit, HA RA SU 55 Unit
DE SOTO, LA

Dear Owner:

Chesapeake Operating, LLC ("Chesapeake") has drilled and completed the JHN 3&34-14-15 1H ALT well. The well is producing as a cross unit horizontal well from the above referenced units, and as such, its production must be attributed to or allocated across those units. Each unit, its legal description and gross acres is shown below.

The method used for calculating the production attributable to each unit is determined in accordance with the State of Louisiana's Office of Conservation Order Numbers 191-H-215 and 289-R-140, a copy of which is attached. The calculations for the JHN 3&34-14-15 1H ALT well result in the following allocations; shown below as Production Allocation Factor(s):

Operator: Chesapeake Operating, Inc.
Well Name: JHN 3&34-14-15 1H ALT
Property No: 656392

Unit Name(s)	Unit Gross Acres	Legal Description(s)	Production Allocation Factor(s)
HA RA SU XX	645.56	Section 3-14-15	.58625915
HA RA SU 55	638.761	Section 35-15-15	.41374085
		Total	1.00000000

Please see the attachment for an example of how to calculate your individual interest in a cross unit horizontal well. As everyone's interest is different, the example is a generic one.

If you have any questions, a representative is available to help you. Please contact Chesapeake's Owner Inquiry Department at (877) 245-1427.

Sincerely,

Division Orders

EXHIBIT "A"

Cross Unit Horizontal Well - Interest Calculation Example:

UNIT "A"

Production Allocation Factor Calculation (Percentage of Lateral Length in Unit "A"):

- $300' \text{ (Lateral Length in Unit "A")} / 1200' \text{ (Total Lateral Length in Both Units)} = \underline{\underline{0.25}}$
(Production Allocation Factor in unit "A")

Interest Calculation – Owner X owns 5.00 acres in Unit A:

- $5.00 \text{ (Net Mineral Acres)} / 640.0000 \text{ (Unit Gross Acres)} = .0078125 \times .125 \text{ (1/8 or 12.5\% lease royalty)} = \underline{\underline{.00097656}}$ (Unit "A" Unit Interest)
- $0.00097656 \text{ (Unit "A" Unit Interest)} \times .250000 \text{ (Unit "A" Allocation Factor)} = \underline{\underline{0.00024414}}$ (Total Unit "A" Unit Interest)

UNIT "B"

Production Allocation Factor Calculation (Percentage of Lateral Length in Unit "B"):

- $900' \text{ (Lateral Length in Unit "B")} / 1200' \text{ (Total Lateral Length in Both Units)} = \underline{\underline{0.75}}$
(Production Allocation Factor in Unit "B")

Interest Calculation – Owner Z owns 5.00 acres in Unit B:

- $5.00 \text{ (Net Mineral Acres)} / 640.0000 \text{ (Unit Gross Acres)} = .0078125 \times .125 \text{ (1/8 or 12.5\% lease royalty)} = \underline{\underline{.00097656}}$ (Unit "B" Unit Interest)
- $0.00097656 \text{ (Unit "B" Unit Interest)} \times .750000 \text{ (Unit "B" Allocation Factor)} = \underline{\underline{0.00073242}}$ (Total Unit "B" Unit Interest)

Cross Unit interest calculation for Unit "A" and "B":

$0.00024414 \text{ (Total Unit "A" Interest)} + 0.00073242 \text{ (Total Unit "B" Interest)} = \underline{\underline{0.00097656}}$ (Total Unit Interest in the cross unit horizontal wellbore)

* Please note that your interest in the cross unit horizontal well will be referred to as "Unit Interest" on your Division Order. Chesapeake's Division Order is wellbore specific and has already had the Production Allocation Factors applied to it.