



# COMMUNITY TIES

A quarterly publication from Chesapeake Energy Corporation for the benefit of community leaders



Big Brothers Big Sisters mentors work hard to help children realize and reach their full potential.



Big Brothers Big Sisters operates mentor programs in all 50 states and 12 countries around the world.

## GIVING BIG TO THE 'LITTLES'

### BIG BROTHERS BIG SISTERS (BBBS)

has had a direct and lasting impact on a vast number of young people for more than a century through its positive one-on-one mentoring programs for children ages 6 through 18. According to BBBS, children, often referred to as "littles," involved in their program are:

- More confident in their schoolwork performance
- Able to get along better with their families
- 46% less likely to begin using illegal drugs
- 27% less likely to begin using alcohol
- 52% less likely to skip school

■ **TEXAS** Over the past year, Chesapeake has increased its partnership with BBBS in a variety of ways throughout its operations areas. Pledging \$100,000 over the next five years to the North Texas Chapter, Chesapeake's contribution will help fund the creation of the T. Boone Pickens Mentoring Hall of Fame and will make new, year-long matches possible for 675 children currently on the regional office's waiting list.

"Chesapeake's generous donation and continued partnership ensure that the benefits of the Barnett Shale have a far-reaching effect on our communities and our children," said Charles Pierson, Big Brothers Big Sisters CEO. "Their donation will not only provide mentors to children on our waiting list, but will also ensure that mentoring maintains a well-deserved place in history through our T. Boone Pickens Mentoring Hall of Fame."

■ **WEST VIRGINIA** Chesapeake's Charleston, West Virginia, office sponsors a number of BBBS events including the Bowl for Kids Sake fundraiser, as well as providing tickets for kids and their mentors to attend area baseball games.

■ **OKLAHOMA** Earlier this year, the company significantly raised its commitment to the organization's Oklahoma Chapter with a \$500,000 pledge over the next five years. This contribution will help the organization reach its goal of serving 5,000 children by 2010 – more than doubling the number of children currently served statewide.

A further partnership with the BBBS of Oklahoma City allows Chesapeake employees who currently mentor at Horace Mann Elementary School to take their relationship outside the classroom through the organization's community-based mentoring program.

"The new community-based program will allow Chesapeake employees the opportunity to spend time with their 'littles' outside of school," said Taylor Shinn, Chesapeake Corporate Development Associate and BBBS Board Member. "They can go to ball games or museums, catch a movie or just hang out together, allowing our mentors to have more active roles in the kids' lives and continue to be a positive influence for them as they grow up and leave Horace Mann. Mentoring is so important to our community because these children are our future."

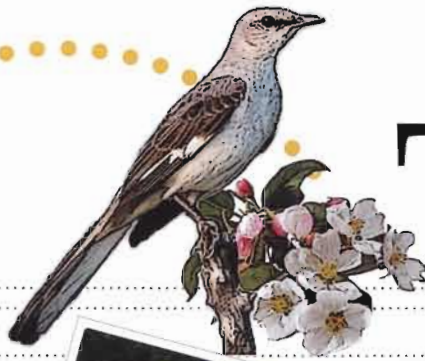
**"MENTORING IS SO IMPORTANT TO OUR COMMUNITY BECAUSE THESE CHILDREN ARE OUR FUTURE."**

### MAKING WISHES A REALITY



Chesapeake is making dreams come true with a \$135,000 donation to the Make-A-Wish Foundation's New Mexico chapter and a \$10,000 sponsorship of the organization's inaugural September Magic Carpet Ride Wish Ball in Oklahoma City. Above: Bob Biggers, President – Make-A-Wish Foundation, accepts the largest single-event donation in the New Mexico chapter's history from Chesapeake.

# The Nat



## Deep beneath the rich Arkansas soil lies an abundant supply of clean-burning, American natural gas – what many consider to be the fuel of the new millennium.

"Citizens of the Shale," a video newsmagazine produced by Chesapeake, takes a look at the people of Arkansas who have partnered with the natural gas industry to tap into this previously dormant resource located thousands of feet below the surface of north central Arkansas.

Featuring personal stories from Arkansans, viewers hear how lives have changed since natural gas production began in the state. Government officials also speak openly about the economic boom the industry has created and what it means to the cities and counties located within the Fayetteville Shale. Environmentalists talk candidly about the minimal impact the industry has had on the state's natural beauty.

The program began airing in mid-July on Little Rock's four network television affiliates: KARK (NBC), KATV (ABC), KLRT (Fox) and KTHV (CBS). Check your local listings for days, times and channels.

## Future bright for new Sunshine

Building Blocks for a Brighter Future, a program for t received a boost with a \$10,000 donation from Chesapeake 12 classrooms, a large multipurpose room, therapy facilitie



Building for the future – Sunshine school students Caleb Cook and Bobby Whaley, along with Mary Lou Dunn – School Director and Danny Games, Director - Corporate Development.

old and outdated," said Mary Lou Dunn – Sunshine Schoo new building will allow us to better handle present needs:

## Book colors in answers to dr

**AS DRILLING RIGS DOT THE SKYLINE ABOVE THE FAYETTEVILLE SHALE, THERE ARE MANY QUESTIONS ABOUT NATURAL GAS OPERATIONS IN A**

To help children better understand the evolving induc ed a coloring book as a fun way to learn about the expl "Chesapeake Charlie," a friendly beagle, guides reader of gas production – from seismic testing all the way to the

Throughout the book, children also learn about the i of natural gas as a clean-burning, affordable, abundant an "Chesapeake Charlie" coloring books will be distribut ed in elementary schools throughout the Fayetteville Shale and will also be available at a variety of other locations.



Seeing is believing – Fairfield community leaders get a firsthand look at the natural gas industry.

## FIRSTHAND LOOK

Few people in the Fayetteville Shale have had the opportunity for an up-close and personal look at how drilling rigs actually work. Recently, more than 20 Fairfield Bay community leaders were given a firsthand look at what drilling for natural gas is all about.

"We arranged a rig tour so these city leaders could see for themselves that we are an experienced operator conducting business in a responsible, environmentally sound manner," said Danny Games, Director of Corporate Development – Arkansas.

Field Superintendent Mark Bottrell guided the group through the rig tour, explaining each process involved in drilling operations. The group then boarded a bus to view a completed Chesapeake wellsite and its aesthetic impact on the area.

Chesapeake is currently planning to locate drillsites in Fairfield Bay that will minimize disruption of the surrounding areas and allow for maximum safety and security measures to be implemented. Special considerations will be given to access, gathering lines and preservation of the environment.

# rural State



## the School facility

the Sunshine School in Searcy, Arkansas. The new facility will include classrooms, office and conference room and a large playground.

The school is a nonprofit organization serving students of all ages with developmental disabilities from Augusta, Pangburn, Kensett, Pleasant Plains, Beebe, Jud-Plazens, Bradford and McCrory. Sunshine School receives state and federal funding and tuition from public schools. There is no associated cost for students or guardians for a student.

"We have been working with students at our current facility since 1973 and though it has served us well, it is time to plan for the future."

## Industry brings state millions

Individual residents of Arkansas are not the only ones benefiting from the natural gas industry. Numerous public entities are also taking advantage of this new financial opportunity that the industry has brought to the state. Most recently, Chesapeake announced a 11,000 acre royalty owner partnership with the Arkansas Game and Fish Commission that included a \$29.5 million signing bonus.

Since its entry into the Fayetteville Shale, the company has made royalty payments of more than \$34 million to school districts and state, county and local governments, including the cities of Searcy and Pangburn, White County, and the Searcy and Clinton school districts. Royalty payments create unanticipated surplus revenues that can be used to pay for projects or services that may have languished as a result of fiscal budget restraints.

"This additional up-front money is providing some much-needed operating funds and helping us meet some of our capital needs," said Searcy Mayor Belinda LaForce. "We look forward to future opportunities with Chesapeake that will be financially beneficial for both parties."

The payoff from the natural gas industry does not end there. Earlier this year, the University of Arkansas' Center for Business and Economic Research released a study on the industry's economic impact in Arkansas which projected that local, county and state governments will receive at least an additional \$1.75 billion in tax revenues between now and 2012.

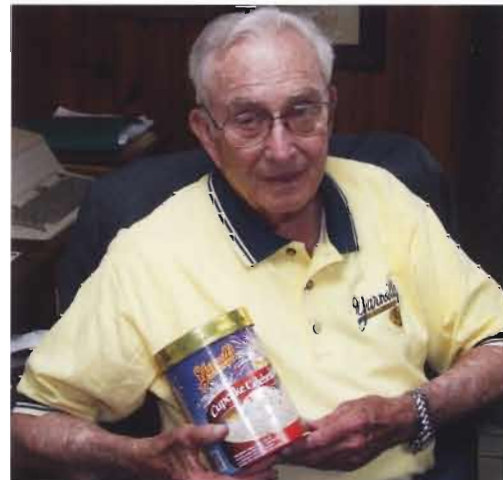


## ROYALTY OWNER ALBERT YARNELL

Albert Yarnell is an Arkansas business legend, and as such he knows a thing or two about building a successful company. For him, success starts with your taste buds.

Yarnell owns and operates one of the last remaining family-owned ice cream manufacturing companies in the U.S. Located in downtown Searcy, the business has been in the family more than 75 years.

"We have been successful because we make better ice cream than anyone else," said Yarnell. "We only use the best ingredients and make sure our people are skilled ice cream makers."



How sweet it is – Albert Yarnell, Chesapeake's newest White County royalty owner, holds an ice cream carton of his company's newest flavor, Cupcake Celebration.

## Drilling questions

### FAYETTEVILLE SHALE, ADULTS AND CHILDREN ALIKE IN ARKANSAS.

Industry activity around them, Chesapeake has promoted exploration for and production of natural gas. Through a step-by-step explanation of the process, the arrival of natural gas in their homes for heating, the important environmental and economic attributes and American fuel.

## Scholarships fuel petroleum technology certification

Four petroleum technology students at Arkansas State University's Heber Springs campus were awarded scholarships from Chesapeake and the local District 6150 Rotary Club.

Anson Garcia, Chris Kerlin, Jeremy Monk and Latashia Williams each received a scholarship to put toward their education in the energy industry.

Students who complete the training at ASU – Heber Springs can receive a certificate of proficiency in petroleum technology. The program helps students learn procedures involved in the exploration, drilling and production of natural gas and obtain a working knowledge of rig equipment and drilling components.



Jeremy Monk, Quitman



Chris Kerlin, Locust Grove



Latashia Williams, Drasco



Anson Garcia, Villoria



Learning can be fun – Chesapeake Charlie educates children about the natural gas industry.

Ice cream isn't the only sweet financial deal for Yarnell. His family owns an interest in two natural gas wells in White County. While his premium ice cream is doing well, Yarnell says it's nice to have the added sense of financial security for his children and grandchildren.

Any money Yarnell receives from the wells is simply the cherry on top of his ice cream sundae. More important, he says, is what the natural gas industry has meant to his hometown.

"My family and I have been blessed by the arrival of the natural gas industry," Yarnell commented. "It has kept the recession from reaching White County. Sales tax revenues are already more than 20% ahead of projections for Searcy and White County and people are using their leasing bonuses and royalty checks to pay off debt."

## DOING THE GREEN THING

It's not always easy to do the "green" thing, but Chesapeake understands that it is imperative to protect and preserve beauty and serve as an environmental steward in the areas where we operate. Employees take pride in the fact that the company's operations are ensuring a bright, clean future for generations to come. Here are some ways Chesapeake is committed to doing the green thing.

**1. The Nature Conservancy:** The Nature Conservancy preserves plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive. Chesapeake is a large supporter of wetlands mitigation in Oklahoma and Eddy Grey, Chesapeake's Director of Regulation Compliance in the Eastern Division, is a member of The Nature Conservancy Board of Trustees in West Virginia.

**2. Water resource management:** In the Barnett Shale, Chesapeake is evaluating opportunities to utilize wastewater effluent from municipalities and industries in our operations. Recycling and treatment systems for our produced water continue to be evaluated as well. Use of municipal and industrial wastewater and implementation of treatment technologies decreases our use of freshwater resources in the area.

Look for ways Chesapeake is Doing the Green Thing in each issue of Community Ties.



### THE CALL FOR ALTERNATIVE-FUELED TRANSPORTATION IS BECOMING MORE AND MORE PROMINENT AS PRICES AT THE PUMP REACH RECORD HIGHS. POWERED BY AN ABUNDANT, AFFORDABLE, AMERICAN ENERGY SOURCE, NATURAL GAS VEHICLES (NGVS) MAY BE THE ANSWER.

According to recent academic and government agency studies, North America has a 120-year supply of natural gas with new reserves being discovered every day. Already meeting a quarter of the nation's primary energy consumption, natural gas provides a cheaper, environmentally friendly option over gasoline.

NGVs operate using the same principles as gasoline-powered automobiles and can power the same variety of vehicles as gasoline and diesel fuel – light-, medium- and heavy-duty; on-road and off-road – while using less fuel. In fact, most existing gasoline-powered vehicles can be converted to run on compressed natural gas (CNG).

### MOST EXISTING GASOLINE-POWERED VEHICLES CAN BE CONVERTED TO RUN ON COMPRESSED NATURAL GAS (CNG).

The cleanest of all fossil fuels, natural gas emits a much smaller quantity of the harmful pollutants known to cause global warming. According to the Environmental Protection Agency, when compared to traditional vehicles, NGVs reduce carbon monoxide emissions 90 to 97% and carbon dioxide emissions by 25%.

Use of natural gas as a vehicle fuel is growing with more than eight million NGVs on the road worldwide. City, state and federal governments, as well as public transportation fleets, are making the switch to NGVs in record numbers, while companies such as Honda are introducing consumer models such as the Civic GX. Chesapeake has ordered 100 of the Civics. The introduction of at-home NGV refueling systems is making the process simpler. At the same time, state and federal income tax credits are already being offered for alternative-fueled vehicles.

Together, these changes are making NGVs a practical and realistic alternative mode of transportation.



The Honda Civic GX is the first commercially available car powered by natural gas in the U.S.

## SAY HELLO TO THE NGV

## CHK UNVEILS CHESAPEAKE CONTACT CENTER

**AS THE NATION'S MOST ACTIVE DRILLER, CHESAPEAKE VALUES OUR RELATIONSHIP WITH ROYALTY OWNERS AS A KEY ELEMENT OF OUR SUCCESS.** As a result, Chesapeake is proud to announce the opening of the Chesapeake Contact Center. The center was launched in June to provide a live-call hotline for royalty owner inquiries.

Chesapeake representatives can be reached by calling the toll-free number, 1-877-CHK-1GAS, Monday through Friday from 8 a.m. – 5 p.m. Chesapeake representatives are available to answer royalty owner questions or quickly and correctly route calls to the proper departments.

When royalty owners call, the hotline immediately prompts them to enter their personal royalty owner identification number (if known). This feature accesses the center's state-of-the-art system and retrieves a caller's Chesapeake information and previous call history for operators on screen. It also allows Chesapeake representatives to quickly and effectively address any outstanding inquiries, as well as familiarize themselves with the caller's needs.

The center has had a successful start, fielding more than 8,200 calls since its opening in June. The center is continuing to expand its staff and areas of expertise to meet the needs of Chesapeake's valued royalty owners.



## LOUISIANA CUISINE FUELS SCHOLARSHIP FUND

The Shreveport-Bossier area of Louisiana got "A Taste of Southern Cooking" from Chesapeake and other local sponsors during the Gentleman's Cooking Classic. The ninth annual event not only provided attendees with delicious food, but raised more than \$25,000 for the Southern University Shreveport's scholarship foundation.

Celebrity and amateur chefs created some of their favorite culinary dishes for attendees to enjoy as they competed for the honor of being named the best chef in the Ark-La-Tex region.

Event sponsors also got in on the act, serving up some traditional Louisiana-style dishes. Kevin McCotter, Director – Corporate Development, Louisiana, prepared his specialty, Louisiana jambalaya, at the Chesapeake booth.

"The annual event has become a staple in the Shreveport-Bossier City area over the last decade," said McCotter. "Not only does it provide attendees a chance to sample a lot of great food, but it's for a terrific cause. More than \$175,000 has been raised since the event's inception eight years ago."



Cajun cooking – Tari Bradford, Deputy State Director for U.S. Senator Mary Landrieu, and Kevin McCotter serve Louisiana jambalaya at the fundraiser.

**COMMUNITY TIES** is designed and published quarterly by the Creative Services Department of Chesapeake Energy, P.O. Box 18128, Oklahoma City, OK 73154-0218. Telephone 405-879-8339. Submit story ideas and photos to [publications@chk.com](mailto:publications@chk.com). Community Ties is available online at [www.chk.com](http://www.chk.com) under Media Resources.

**Editors:** Laura Bauer/ Brandi Wessel  
**Publications Manager:** Cheryl Hudak  
**Contributing Writers:**  
Maribeth Anderson – Eastern Division  
Mark Raines – Arkansas  
Mary Martin – Barnett Shale