

# MILLER STRATVERT

PROFESSIONAL ASSOCIATION

Ranne B. Miller  
Alice T. Lorenz  
Stephen M. Williams  
Stephan M. Vidmar  
Seth V. Bingham  
Timothy R. Briggs  
Rudolph Lucero  
Deborah A. Solove  
Gary L. Gordon  
Lawrence R. White  
Virginia Anderman  
Marte D. Lightstone  
J. Scott Hall\*  
Thomas R. Mack

Thomas M. Donme  
Ruth O. Pregeuer  
Jeffrey E. Jones  
James J. Widland  
Bradley D. Tepper\*\*  
Robin A. Goble  
James R. Wood  
Dana M. Kyle  
Kirk R. Allen  
Ruth Fuess  
H. Brook Laakey  
Paula G. Maynes  
Michael C. Ross  
Gary Risley

M. Dylan O'Reilly  
Jennifer D. Hall  
Todd A. Schwarz  
Neil Graham Sale  
Scott P. Hatcher  
Leonard D. Sanchez  
Kelsey D. Green  
Marcy Baysinger  
Caroline Blankenship  
Matthew S. Rappaport  
Karen E. Wootton  
Somer K. Chyz  
Michael G. Duran  
Roxanna M. Chacon

Joseph L. Romero  
Kelly A. Stone

Counsel

James B. Collins  
Terri S. Beach  
Robert D. Taichert  
Douglas A. Echols

Of Counsel

William K. Stratvert  
Sharon P. Gross

Reply to Santa Fe

150 Washington Ave., Suite 300  
Santa Fe, NM 87501

Mailing Address:  
P.O. Box 1986  
Santa Fe, NM 87504-1986

Telephone: (505) 989-9614  
Facsimile: (505) 989-9857

Writer's Direct E-Mail:  
shall@mstlaw.com

\* New Mexico Board of Specialization Recognized Specialist in Natural Resources - Oil & Gas Law  
\*\* New Mexico Board of Specialization Recognized Specialist in Real Estate Law

May 9, 2005

**VIA FACSIMILE**

Mark Fesmire, Director  
New Mexico Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico

Re: NMOCD Case No. 13492; Application of Mewbourne Oil Company for Cancellation of a Drilling Permit and Approval of a Drilling Permit, Lea County, New Mexico and NMOCD Case No. 13493; Application of Chesapeake Permian, L.P. For Compulsory Pooling, Lea County, New Mexico

Dear Mr. Fesmire:

I have previously entered my appearance on behalf of Kaiser-Francis Oil Company in Case No. 13492 and by separate letter, will also do so in Case No. 13493.

As you know, Kaiser-Francis Oil Company, Samson Resources Company and Mewbourne Oil Company have consolidated their interests under State of New Mexico Oil and Gas Lease No.s V-7054 (Lots 9, 10, 15 & 16) and B-1481-14 (SE/4) under that Communitization Agreement dated April 1, 2005 and approved by the Commissioner of Public Lands on April 27, 2005 covering the E/2 S/3 of Section 4 T21S, R35E forming a stand-up gas spacing and proration unit. This same acreage is also the subject of that Operating Agreement entered into by the parties dated March 25, 2005. By agreement of the parties, Samson Resources Company is now the designated operator under the Communitization Agreement and the Operating Agreement.

On approximately April 27, 2005, Chesapeake Operating, Inc. began drilling the KF "4" State Well No. 1 located 990' FEL and 660' FSL of Section 4.

LAW OFFICES

ALBUQUERQUE  
(505) 842-1950

FARMINGTON  
(505) 326-4521

LAS CRUCES  
(505) 523-2481

SANTA FE  
(505) 989-9614

WST 5/10/05

Mark Fesmire  
May 9, 2005  
Page 2

My client has requested me to inform the Division that (1) Kaiser-Francis will support the request for relief set forth in the Application in Case No. 13492 to rescind Chesapeake Operating's APD for the referenced well, and (2) Kaiser-Francis will also oppose the efforts of Chesapeake Permian to form a S/2 unit pursuant to its application for compulsory pooling in Case No. 13493.

Very truly yours,

MILLER STRATVERT P.A.



J. Scott Hall

JSH/glb

cc: W. Thomas Kellahin, Esq.  
Michael Feldewert, Esq.  
Gail MacQuesten, Esq.