

DOYLE HARTMAN
Oil and Natural Gas Operator
500 NORTH MAIN
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MIDLAND, TEXAS 79702

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(432) 682-7616 FAX

July 14, 2003

Via Facsimile (505) 476-3462 and Fed-Ex
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, NM 87505
Attn: Michael E. Stogner, Chief Hearing Officer
Lori Wrotenbery, Director

Via Facsimile (405) 879-9535, Fed-Ex and Certified Mail, Return Receipt Requested
Chesapeake Energy Corporation
6100 N. Western Avenue
Oklahoma City, Oklahoma 73118
Attn: Lynda F. Townsend, Landman
Andrew McCalmot, Engineer

Via Facsimile (505) 982-2047, Fed-Ex and Certified Mail, Return Receipt Requested
Kellahin and Kellahin, Attorney at Law
117 North Guadalupe
Santa Fe, New Mexico 87501
Attn: W. Thomas Kellahin, Attorney

Re: NMOCD Case 13101:
Amended Application of Chesapeake Operating, Inc.
For Compulsory Pooling or Non-Standard 120-ac P.U.
Section 8, T-20-S, R-37-E
Lea County, New Mexico

Ladies and Gentlemen:

Reference is made to Kellahin and Kellahin's letter of July 9, 2003, regarding Chesapeake's revised application, for approval of a 120-acre non-standard Tubb gas proration unit, for Chesapeake's proposed Barber-Adkins "8" No. 1 well re-entry.

In this regard, please be advised that Doyle Hartman has **no** objection to Chesapeake's Barber-Adkins "8" No. 1 well being assigned to a 120-acre Tubb gas proration unit, consisting of the W/2 NW/4 and SE/4NW/4 Section 8, T-20-S, R-37E, in the event that the Barber-Adkins "8" No. 1 well

New Mexico Oil Conservation Division, et.al.
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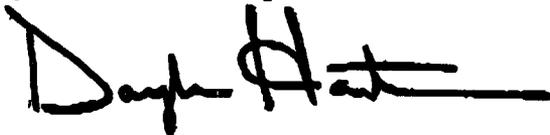
is indeed completed as a Tubb gas well.

However, as stated in our letter of June 23, 2003, and based upon the completion results of Marathon's near-by Bertha Barber Nos. 16 and 18Y as Monument Tubb oil wells (K-5-20S-37E and L-5-20S-37E), a 3160-3, NTL-6, and Cultural Resource Survey have been submitted to the BLM, for the re-entry and recompletion of our Britt "B-8" No. 2 well as a Tubb oil well (copies enclosed).

Therefore, based upon the documented completion results of the near-by Bertha Barbers Nos. 16 and 18Y, as Monument Tubb oil wells (production plots enclosed), we do object to our 40-acre tract, consisting of the NE/4 NW/4 Section 8, T-20-S, R-37-E, being compulsory pooled into a 160-acre gas proration unit consisting of the NW/4 Section 8, T-20-S, R-37-E, since such an application would preclude the recovery of oil reserves underlying our 40-acre tract, and would equate to waste.

Very truly yours,

Doyle Hartman, Oil Operator



Doyle Hartman
Owner

cc: Pogo Producing Company (formerly Arch Petroleum, Inc.)
300 N. Marienfeld, Suite 600
P.O. Box 10340
Midland, Texas 79702
Attn: J.A. Cooper, Executive VP/Regional Manager
R.L. Wright, Division Operations Manager
Terry Gant, Division Landman

J.E. Gallegos
Gallegos Law Firm
460 St. Michaels Dr., Bldg. 300
Santa Fe, NM 87505

Doyle Hartman, Oil Operator-Midland
Steve Hartman Sheila Potts
Linda Land Don Mashburn
John Allred

KELLAHIN & KELLAHIN
Attorney at Law

W. Thomas Kellahin
New Mexico Board of Legal
Specialization Recognized Specialist
in the area of Natural resources-
oil and gas law

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July 9, 2003

**TO: NOTICE OF THE HEARING OF THE FOLLOWING NEW
MEXICO OIL CONSERVATION DIVISION CASE:**

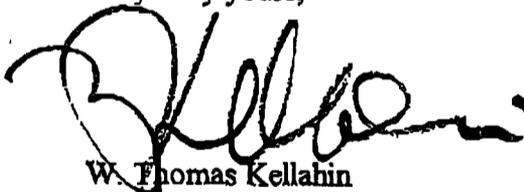
**Re: NMOCD CASE 13101:
First Amended Application of Chesapeake Operating, Inc.
for compulsory pooling or in the alternative for approval of a
120-acre non-standard gas spacing unit Lea County, New
Mexico**

On behalf of Chesapeake Operating, Inc., please find enclosed our application for an compulsory pooling order or, in the alternative, a non-standard gas spacing unit for its Barber Adkins "8" Well No. 1 which has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now been re-scheduled for August 7, 2003. The hearing will be held at the Division hearing room located at 1220 South Saint Francis Drive, Santa Fe, New Mexico, 87505.

As an interest owner who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division's Memorandum 2-90, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, August 1, 2003, with a copy delivered to the undersigned.

Very truly yours,



W. Thomas Kellahin

RECEIVED
DOYLE HARTMAN
OIL OPERATOR

JUL 14 2003

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION CASE NO. 13101
OF CHESAPEAKE OPERATING, INC.
FOR COMPULSORY POOLING, OR IN THE
ALTERNATIVE FOR A NON-STANDARD GAS
SPACING UNIT, LEA COUNTY, NEW MEXICO.**

APPLICATION

CHESAPEAKE OPERATING, INC. ("Chesapeake") by its attorneys, Kellahin & Kellahin, and in accordance with Section 70-2-17.C NMSA (1978) seeks an order pooling all mineral interests in the Tubb formations underlying the NW/4 of Section 8, T20S, R37E, NMPM, Lea County, New Mexico, forming a standard 160-acre gas spacing and proration unit for any production from the Tubb formation, including but not limited to the West Monument-Tubb Gas Pool. In the alternative, the application seeks approval of a 120-acre non-standard gas spacing unit consisting of the W/2NW/4 and the SE/4NW/4 for gas production from the Tubb formation. This unit(s) is to be dedicated to its Barber Adkins "8" Well No. 1 which is to be re-entered and tested in the Tubb formation at a standard well location in Unit D of this section. Also to be considered will be the costs of the re-entering said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in this well.

In support of its application Chesapeake states:

(1) Chesapeake has a working interest ownership in the oil and gas minerals from the Tubb formation underlying the W/2NW/4 of Section 8, T20S, R37E, NMPM, Lea County, New Mexico.

(2) Doyle Hartman has the operator and working interest owner in the NE/4NW/4 of this section and Arch Petroleum has a working interest ownership in the SE/4NW/4 of this section.

(3) The subject tract is located within the boundaries of the West Monument-Tubb Gas Pool.

(4) The Barber Adkins "8" Well No. 1 was originally drilled to the Ellenburger formation. Chesapeake plans to re-enter this wellbore to test the Tubb formation. The well is located at a standard gas well location in the Unit D of Section 8.

(5) Doyle Hartman as advised the applicant that he wants to be excluded from this proposed gas spacing unit based upon his belief that his Britt "B-8" Well No. 2 will be an oil well when he re-completes it.

(6) Chesapeake despite its efforts has been unable to obtain the voluntary agreement the remaining working interest owner(s) in the proposed 160-acre Tubb gas spacing unit as identified on Exhibit "A."

(7) If Chesapeake's Barber Adkins "8" Well No.1 is classified as an oil well, then in accordance with the Division's rules and orders, Chesapeake will dedicate an 80-acre standard oil spacing unit consisting of the W/2NW/4 of this section to this well (See Monument Tubb Oil Pool rules).

(8) Pursuant to Section 70-2-17.C NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, the applicant needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste. In the alternative, the applicant requested that the NE/4NW/4 of this section be excluded that that the Division approve a 120-acre non-standard gas spacing unit for any Tubb production from this well.

(9) In accordance with the Division's notice requirements, a copy of this application has been sent to the parties whose interest is to be pooled as listed on Exhibit "A" notifying each of this case and of the applicant's request for a hearing of this matter before the Division.

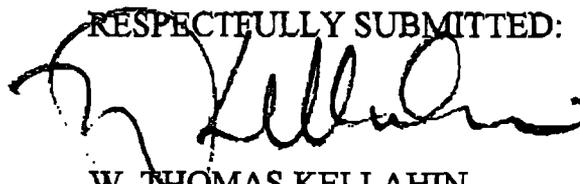
NMOCD Case 13101
Chesapeake's First Amended Application
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WHEREFORE, Chesapeake, as applicant, requests that this application be continued and set for hearing on August 7, 2003 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described in the appropriate spacing unit for this well at a standard well location upon terms and conditions which include:

- (1) Chesapeake Operating, Inc. be named operator;
- (2) Provisions for applicant and all working interest owners to participate in the costs of re-entering, completing, equipping and operating the well;
- (3) In the event a mineral interest or working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200%;
- (4) Provision for overhead rates per month drilling and per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS;
- (5) For such other and further relief as may be proper.

In the alternative, the applicant requests that the Division approve a 120-acre non-standard Tubb spacing unit consisting of the W/2NW/4 and SE/4NW/4 of this section to be dedicated to the Barber Adkins "8" Well No 1.

RESPECTFULLY SUBMITTED:



W. THOMAS KELLAHIN
KELLAHIN & KELLAHIN
P. O. Box 2265
Santa Fe, New Mexico 87504
Telephone: (505) 982-4285
Fax: (505) 982-2047

Exhibit "A"

**Doyle Hartman
P.O. Box 10426
Midland, Texas 79702**

**Arch Petroleum, Inc.
P.O. Box 10340
Midland, Texas 79702**

KELLAHIN & KELLAHIN
ATTORNEYS AT LAW
EL PATIO BUILDING
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DOYLE HARTMAN
SOIL OPERATOR
RECEIVED

JUL 14 2003
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