

HOLLAND & HART LLP



Ocean Munds-Dry
omundsdry@hollandhart.com

December 11, 2007

HAND-DELIVERED

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505


RECEIVED
2007 DEC 11 PM 4:45

Re: Amended Application of Chesapeake Operating, Inc. for compulsory pooling, Lea County, New Mexico.

Dear Mr. Fesmire:

Enclosed is the amended application of Chesapeake Operating, Inc. in the above-referenced case as well as copies of a legal advertisement and notice. Chesapeake Operating, Inc. requests that this matter be placed on the docket for the January 10, 2008 Examiner hearings.

Sincerely,


Ocean Munds-Dry
Attorney for Chesapeake Operating, Inc.

Enclosures

cc: Ed Birdshead, Chesapeake Operating, Inc.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻

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

**IN THE MATTER OF THE APPLICATION
OF CHESAPEAKE OPERATING, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 14027

AMENDED APPLICATION

CHESAPEAKE OPERATING, INC., (“Chesapeake”) through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests from 4,000 feet to 15,751 feet (Ellenburger formation) in the following described spacing and proration units located in the N/2 of Section 21, Township 22 South, Range 36 East, N.M.P.M., Lea County, New Mexico:

Section 21 for all formations and/or pools developed on 640-acre spacing which includes but is not limited to the Jalmat-Tansill-Yates-Seven Rivers Gas Pool; the N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Langley-Devonian Gas Pool and the Langley-Ellenburger Gas Pool; and the W/2 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not limited to the South Eunice-Seven Rivers-Queen Pool, the Langely-Strawn Pool or the Undesignated Southwest Arrowhead-Grayburg Pool. In support of its application, Chesapeake states:

1. Chesapeake is a working interest owner in the N/2 of said Section 21 and has the right to drill thereon.
2. Chesapeake proposes to dedicate the above-referenced spacing or proration units to its Langley Greer Well No. 3H. This well is located in Section 21, Township 22 South, Range 36 East, N.M.P.M., and will be drilled to test the Devonian formation, Langley-Devonian

Gas Pool, from an unorthodox surface location 2440 feet from the South line and 660 feet from the West line, intersecting the Devonian formation at an unorthodox penetration point 2310 feet from the North and West line, and to a standard bottomhole location 660 feet from the North and West lines of said Section 21, Lea County, New Mexico.

3. Chesapeake has sought and been unable to locate and obtain a voluntary agreement for the development of these lands from certain interest owners in the subject spacing units. These owners are identified on **Exhibit A** to this application.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit Chesapeake to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Chesapeake should be designated the operator of the well to be drilled.

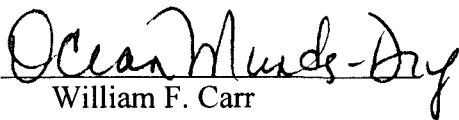
WHEREFORE, Chesapeake Operating, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 10, 2008 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units;
- B. designating Chesapeake Operating, Inc. operator of these units and the well to be drilled thereon;
- C. authorizing Chesapeake Operating, Inc. to recover its costs of drilling, equipping and completing the well;
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

- E. imposing a penalty for the risk assumed by Chesapeake Operating, Inc. in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 
William F. Carr
Ocean Munds-Dry
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

Attorneys for Chesapeake Operating, Inc.

EXHIBIT A

**AMENDED APPLICATION OF
CHESAPEAKE OPERTING, INC.
FOR COMPULSORY POOLING
N/2 OF SECTION 21, TOWNSHIP 22 SOUTH, RANGE 36 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO.**

Alann P. Bedford Trust (Madeleine Alann
Peckham Bedford)
Charlotte Lange, Trustee
1235 Kingston Ave
Alexandria, VA 22302-3809

Baren Healey 1988 Trust
Baren Healey, Trustee
P.O. Box 888
Davis, OK 73030

Beverly Bowen DeLucia
8454 Day Street
Sunland, CA 91040

Black Stone Minerals Co. LP
P.O. Box 201709
Houston, TX 77216-1709

Charles R. Wiggins
P.O. Box 10862
Midland, TX 79702

Clarence W. Johnson &
Steven D. Johnson, JTWS
HC 1 Box 46
Coalings, CA 93210

Dorchester Minerals LP
3838 Oaklawn Avenue, Suite 300
Dallas, TX 75219-4541

Elisabeth B. Butler
Declaration Of Trust
221 Avenida Princessa
San Clemente, CA 92672

Ellen Anne W. Williams, Trustee
The Williams Revoc. Living Trust
1801 Crestmont Court
Glendale, CA 91208-2619

Elyse S. Patterson, Trustee (Elyse Saunders
Patteson Trust Investment L.L.C.)
c/o Farmers Natl Co Agent
Commerce Bank NA, Co-Trust
Oil & Gas Dept.
P.O. Box 3480
Omaha, NE 68103-0480

Fasken Foundation
P.O. Box 162786
Austin, TX 78716-2786

Glass Glen Burnie Foundation
James A. Arnold & David D Denham Co-Trsts
P.O. Box 587
Nowata, OK 74048-0587

Headington Royalty Inc.
Rebecca Tarrh Aif
P.O. Box 848495
Dallas, TX 75284-8495

Helen L. Bedford Family Trust
Edwin Learmont Bedford
P.O. Box 2047
Newport, OR 97365-0146

Henry D. Bedford Jr.
664 Fattig Creek Rd.
Roundup, MT 59072-6424

Hinkle Investment Co.
P.O. Box 967
King City, CA 93930

Hugh Corrigan III
P.O. Box 50460
Midland, TX 79710

Irene Fardon Glaister
Fardon House, Frog Lane
Milton-Under-Wynchwood
OXON OX7GJZ ENGLAND

J. Patrick Corrigan
P.O. Box 690068
Vero Beach, FL 32969

Jimmy D. Morey Revocable Trust dtd 2/22/89
Drawer No. 99084
Fort Worth, TX 76199-0084

John W. Phillips
Jwp-Mkp Trust, U/A Dtd 10/7/80
P.O. Box 1059
Menlo Park, CA 94026

June Danglede Speight
P.O. Box 1687
Lovington, NM 88260

Lyeth Oil Trust
Kanaly Trust Company
4550 Post Oak Place Dr. Ste. 139
Houston, TX 77027-3163

Lyman P. Anderson (Deceased)
Executor of Estate
P.O. Box 988
Port Lavaca, TX 77979

Maecenas Minerals LLP
P.O. Box 176
Abilene, TX 79604

Marilyn Hanson
1613 W. Pecan
Midland, TX 79705-7427

Marilyn M. Law Rev. Trust dtd 2/3/89
Drawer No. 99084
Forth Worth, TX 76199-0084

Mary H. Cypert
5235 Kingfisher
Houston, TX 77035

Mary Jane Andrews
3908 Lexington Dr.
Alexandria, LA 71303-3527

Exxon Mobil Corporation
New Mexico Inc.
P.O. Box 951027
Dallas, TX 75395-1027

Onez Norman Rooney Test. Trust
Dtd 3/28/77 Fbo James M Morey
P.O. Box 960031
Oklahoma City, OK 73196-0031

Paul & Betty Phillips Trust
Paul G, Paul M, and/or Mark Phillips, Co-
Trustees
6210 Mesita Dr.
San Diego, CA 92115

PETCO Ltd.
P.O. Box 911
Breckenridge, TX 76424-0911

Peter Francis Jones
1725 Neil Armstrong St #101c
Montebello, CA 90640-1918

Rachel B. Fardon
ADDRESS UNKNOWN

Randy Geiselman
2700 Racquet Club Dr.

Revelle Cristina Phillips
P.O. Box 4038
Santa Fe, NM 87502

Sappington Energy Interest Ltd.
P.O. Box 678365
Dallas, TX 75267-8365

Sue Saunders Graham
P.O. Box 987
Roswell, NM 88202

Susan Elisabeth Bowen
P.O. Box 584
Verdugo City, CA 91046-0584

Margaret's Trust
Bank of New York, Trustee
123 Main Street
White Plains, NY 10602.

Wendelin Jones
Renate Dymesich Guardian
P.O. Box 461
Cottonwood, CA 96022

Wilma M. Phillips Trust 11/11/85
Wilma M. Phillips, Trustee
P.O. Box 4539
Sedona, AZ 86340-4539

Windom Royalties LLC
c/o Noble Royalties
P.O. Box 660082
Dallas, TX 75266-0082

Gavin R. Garrett Revocable Trust
Gavin R. Garrett, Trustee 4780
Texas American Bank Ft. Worth Agt
P.O. Drawer 99033
Fort Worth, TX 76199-0033

R. D. Goodrich Asset Partners LP
P.O. Drawer 99084
Fort Worth, TX 76199-0084

Midland, TX 79701
Naruna Company
P.O. Box 630
Fort Worth, TX 76101-0630

Robert D. Goodrich Mineral Trust
Texas American Bank Ft. Worth Trust
P.O. Drawer 99033
Fort Worth, TX 76199-0033

Malloy Oil And Gas Properties, L.L.P.
P.O. Box 18414
Oklahoma City, OK 73154

Southland Royalty Company (Now
ConocoPhillips)
Attn: Thomas J. Scarbrough
ConocoPhillips Company
600 N. Dairy Ashford, 3WL-14066
Houston, TX 77079

Kathleen Cone Testamentary Trust fbo Tom R.
Cone's Children
Tom R. Cone Childrens Trust
Bank Of Oklahoma Trust
P.O. Box 1588
Tulsa, OK 74101-1588

Randy Lee Cone
P.O. Box 552
Jay, OK 74346

Kathleen Cone Testamentary Trust fbo Cathie
Cone Auvenshine's Children
Children Of Cathie Cone Auvenshine
P.O. Box 507
Dripping Spring, TX 78260

Kathleen Cone Testamentary Trust fbo
Kenneth G. Cone's children
Kenneth G. Cone
Katherine Shapira AIF
P.O. Box 11310
Midland, TX 79702

The Long Trust
Larry Long, Trustee
P.O. Box 3096
Kilgore, TX 75663

Billy Glen Spradlin
29 Rim Road
Kilgore, TX 75662

Thomas R. Cone (Mortgage Acct)
Cornerstone Bank F/A/O
P.O. Box 78
Southwest City, MO 64863

Cathie Cone McCown
P.O. Box 658
Dripping Spring, TX 78620-0658

Kenneth G. Cone
Katherine Shapira AIF
P.O. Box 11310
Midland, TX 79702

Marjorie Cone Kastman
P.O. Box 5930
Lubbock, TX 79408-5930

S. E. Cone, Jr.
P.O. Box 10321
Lubbock, TX 79408

Katherine Cone Keck
1801 Ave. of the Stars, Suite 446
Los Angeles, CA 90067

Joyce Ann Brown
P.O. Box 72
Watrous, NM 87753

B.A. Christmas Jr. Estate
Helen Jane Barby, Personal Rep. 500260
P.O. Box 425
Okarche, OK 73762

Mary T. Christmas Holladay
P.O. Box 848
Alice, TX 78333

Bradford Ace Christmas
P.O. Box 173
Wagon Mound, NM 87752

Candy Christmas
P.O. Box 771272
Ocala, FL 34477-1272

Helen Jane Christmas Barby
P.O. Box 425
Okarche, OK 73762-0425

Alvin Luskey
2601 N. Main
Ft. Worth, TX 76106

David Luskey
4005 Hildring Dr W
Ft. Worth, TX 76109

Louis Luskey
4005 Hildring Dr. W
Ft. Worth, TX 76109

Leo Wiman
P.O. Box 12073
Dallas, TX 75225

Thomas W. Ellison
1541 Marley Dr.
Los Angeles, CA 90069

John H. Hendrix Corporation
P.O. Box 3040
Midland, TX 79702-3040

Oxy USA
Hat Asset Team
P.O. Box 27570
Houston, TX 77227-7570

*SIGNED The
POOLING agreement*

Chesapeake Exploration L.L.C., Formerly
Redcliffe Resources L.C.
ADDRESS UNKNOWN

Chesapeake Exploration L.L.C.
ADDRESS UNKNOWN

Southern Cross Royalty, L.P.
P.O. Box 100
Davis, OK 73030-0100

Broughton Petroleum, Inc.
Mark Chapman
P.O. Box 1389
Sealy, TX 77474-1389

Albert Walter Goal Testamentary Trust
Warren Bank & Trust Co., Trustee
111 E. Cypress Street
Warren, AR 71671

W. A. Pruett Whose Wife Is Pearl R. Pruett
C/O Stanley Erb Hess, 769274 And
Sue Hess Edmonson, 769283
P.O. Box 1982
Coeur D Alene, ID 83816-1908

White Star Energy, Inc.
P.O. Box 51108
Midland, Texas 79710

Milward Kent Miller
204 Riverhill Blvd.
Kerrville, TX 78028-6531

Marjorie Jean Nagle
5322 Jundalon Ln.
Houston, TX 77056-7221

Redwing Oil L.L.C.
P.O. Box 30277
Winston Salem, NC 27130

Ross M. Phillips Testamentary Trust
Wilma M. Phillips & Curtis Darling, Trustees
P.O. Box 4539
Sedona, AZ 86340-4539

Lynne W. Phillips Trust Dtd 5/11/99
P.O. Box 2448
Idyllwild, CA 92549-2448

Diane Woodard-Frost Revocable Living Trust
Dtd 12-16-98
7441 S. Winston Ave
Tulsa, OK 74136

Phillips-Murray Revocable Trust Dtd 8-20-99
G. Phillips & J. Murray Trust
3625 Lake Michael Ct.
Gretna, LA 70056

Sally S. Toles
P.O. Box 1300
Roswell, NM 88202-1300

Goodrich Marital Ded. Trust #1
Minerals Mgmt Dept, JP Morgan Chase Bank
NA Trust
Acct #23555500
P.O. Box 2605
Ft. Worth, TX 76113

Goodrich Family Trust #2
Minerals Mgmt Dept, JP Morgan Chase Bank
NA Trust
Acct #235556008
P.O. Box 2605
Ft. Worth, TX 76113

Pecos Bend Royalties, Inc.
P.O. Box 2802
Midland, Texas 79702

CASE 14027: Amended Application of Chesapeake Operating, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from 4,000 feet to 15,751 feet (Ellenburger formation) in certain spacing and proration units located in the N/2 of Section 21, Township 22 South, Range 36 East, N.M.P.M., Lea County, New Mexico. The above-referenced spacing unit will be dedicated to Chesapeake's Langley Greer Well No. 3H which will be drilled to test the Devonian formation, Langley-Devonian Gas Pool, from an unorthodox surface location 2440 feet from the South line and 660 feet from the West line, intersecting the Devonian formation at an unorthodox penetration point 2310 feet from the North and West line, and to a standard bottomhole location 660 feet from the North and West lines of said Section 21. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chesapeake Operating, Inc. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 10.1 miles Southwest of Eunice, New Mexico.