

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF HEARING:

APPLICATIONS OF CHESAPEAKE ENERGY CORPORATION
FOR 160-ACRE OIL SPACING AND PRORATION UNITS AND
FOR COMPULSORY POOLING
CHAVES COUNTY, NEW MEXICO

CASE NOS.
14232, 14233,
14235, 14236,

APPLICATIONS OF CHESAPEAKE ENERGY CORPORATION
FOR CANCELLATION OF A PERMIT TO DRILL ("APDS")
ISSUED TO CIMAREX ENERGY CO.
CHAVES COUNTY, NEW MEXICO

CASE NO.
14220

MOTION FOR DISMISSAL

Chesapeake Energy Corporation ("CHK") by its attorneys move for the dismissal of the following cases (the number in parenthesis is the OCD docket number for the December 18, 2008 docket)

CHK and Cimarex competing cases

Section 22:

(A) S/2N/2: Ownership CHK 50%-- Cimarex 50%

- (16) Case 14220-CHK cancellation of Cimarex APD for Essex well
Surf Loc in Unit E-Cimarex has no interest
- (19) Case 14235-CHK for Poseidon 22 State Corn #1

(B) S/2S/2: Ownership CHK 75%--Cimarex 25%

(20) Case 14236-CHK pooling for Poseidon 22 State Com #2

No competing case filed by Cimarex for pooling

No APD issued

Section 23:

(C) N/2N/2: Ownership CHK's 50%--Cimarex 50%

(18) Case 14233-CHK pooling for Medusa 23 State Com #1H

No APD issued

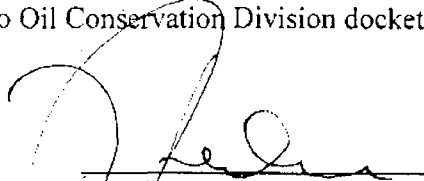
Section 24:

(E) N/2S/2: Ownership CHK 50%-- Cimarex 50%

(17) Case 14232-CHK for Andromeda 24 State Com #1

(16) Case 14220-CHK cancellation of Cimarex APD for Hornet 24-3 well
Bottom Hole Loc in Unit I-Cimarex has no interest also involves another APD
in Sec 22, see above

And in support states that both parties believe that they have reached a voluntary settlement by the signing of a letter agreement and will continue to negotiate an acceptable form of joint operation agreement ("JOA") and that at this time it is appropriate to dismiss these cases from the New Mexico Oil Conservation Division docket scheduled for December 18, 2008



W. Thomas Kellahin
Kellahin & Kellahin
706 Gonzales Road
Santa Fe, New Mexico 87501
Phone 505-982-4285
Fax 505-982-2047
E-mail: tkellahin@comcast.net
Attorney for Chesapeake

CERTIFICATE OF SERVICE

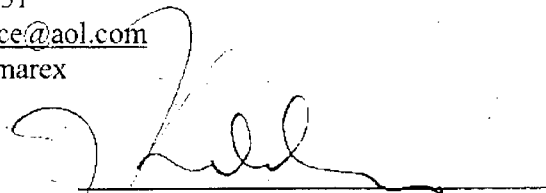
I certify that on December 17, 2008, I served a copy of the foregoing documents by:

- ☐ US Mail, postage prepaid
- ☐ Hand Delivery
- ☐ Facsimile
- ☒ Email

to the following:

David K. Brooks, Esq.
Oil Conservation Division

James Bruce
Attorney at law
P.O. Box 1056
Santa Fe, NM 87504
Phone 505-982-2043
Fax 505-882-2151
Email jamesbruce@aol.com
Attorney for Cimarex



W. Thomas Kellahin