

CASE 14362:

(Continued and Re-advertised) Application of Chesapeake Operating, Inc. for statutory unitization of the Carter-Shipp Strawn Unit Area, Lea County, New Mexico.

To: Andrew A. Andros; Edward Armstrong; Aviva, Inc., Attn: Ron Thompson; Bandera Minerals, L.L. C. and Bandera Minerals, II, L.L.C.; Helen Jane Christmas Barby, Trustee of the Helen Jane Christmas Barby; Robert C. Berger; Raymond Book; Joel M. Carson II; Chemily Management Company; Cleroy, Inc.; DKM Petroleum; George A Dean; James Ross Destiche; Cynthia Parker Carson Duchatschek; Gayle A. Dalton; Dorchester Minerals Attn: Sherrie Green, CPL Land Manager; Harold Alston Elkan; The Fasken Foundation Attn: Steven P. Fasken; Mary Destiche Lee Frazier; Frontier Fuels; William B. Harriman, Jr.; Windy Gay Harris; Harken Anadarko Partners, LP; Harken Exploration Co.; Jamar, LP; KHS Associates; Harris E. Kerr; Kirby Minerals; LMAM Partnership: LMCM Partnership Personal Administrators, Inc.; Karen C. Lane; Walter Lawrence and Emma G. Lawrence Howard, Co-Trustees of the Lawrence Family Trust U/T/A/D 04-16-91; Eleanor Braun Luckey; W.C. Longquist, Jr.; MJZ Petroleum Corp.; Machpane Energy, Mallon Oil Company; Inc; Charles E. Marsh III; Loretta M. Marsh; Patrick A. McGinley Trustee of the Patrick A. McGinley Revocable Trust, u/t/a/d/ January 2, 1990; Myrtle Book Durnell; Walter Jeffrey "Bubba" Norris and Penny Lea Norris; Charles and Beverly Overton Revocable Trust, under Trust Agreement dated December 15, 1993 c/o Beverly Carter Overton; Pearl Book Ketler; Perth Oil Co.; Annis Roberts; James D. Russell c/o Erin Russell (daughter); Harry Schafer, Trustee of the Mary E. Grisso Trust #1; Dorothy Cecile Scott, Trustee of the Wallace H. Scott Unified Credit Trust; Shell Western E&P, Inc.; Shriners Hospital for Crippled Children, a/ka/ Shriners Hospital for Crippled Children, Spokane Unit Spokane, Washington; Spectrum 7 Energy Corp.; Spindletop Exploration Company, Inc.; Joseph John Slepicka; Francis William Slepicka; Gary Joe Tuck; Alvina Vanderpool; H.C. Vanderpool c/o Loretta Vanderpool; Ralph Viersen Jr.; Harold K. Work; Wynn-Crosby 1998, Ltd.; The Young Women's Christian Association of Great Falls, Montana; Sally Ann Zimmerman, or their successors, heirs and devisees.

Applicant in the above-styled cause, seeks an order unitizing, for the purpose of establishing an enhanced recovery project, all mineral interest in the Strawn formation underlying 360 acres, more or less, of fee lands in the following acreage:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 21:	SE/4 SE/4
Section 27:	NW/4
Section 28:	NE/4

Said unit to be designated the Carter-Shipp Strawn Unit. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the designation of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a non-consent penalty for risk to be charged against carried working interests within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. Said unit area is located approximately 7 miles Southeast of Lovington, New Mexico.