

CHESAPEAKE OPERATING, INC.

P.O. BOX 18496
OKLAHOMA CITY, OKLAHOMA 73154-0496
405/848-8000, EXT. 414
405/879-9562 FAX

LAND DEPARTMENT
LYNDA F. TOWNSEND, CPL/ESA
LANDMAN

March 22, 1999

Mr. and Mrs. S. P. Johnson, III
205 W. 6th Street
Roswell, NM 88201

Re: Chesapeake's Boyce 1-15, Well Proposal
E/2, Section 15-16S-35E
Lea County, New Mexico

Dear Mr. and Mrs. Johnson:

Chesapeake Operating, Inc. hereby proposes to drill the Boyce 1-15 well to a total depth of 12,100' to test the Morrow formation. The well will be at a legal location of 1650' FNL and 660' FEL in the E/2 of Section 15-16S-35E. The S. P. Johnson, III and Barbara Jo Johnson Trust, utu dated January 24, 1985, is the record title owner of 15 net mineral acres of the 320 acre unit.

Attached is Chesapeake's AFE reflecting estimated dry hole costs of \$711,000 and completed well costs of \$1,016,000. Chesapeake offers you the opportunity to participate in the drilling of the Boyce 1-15 well with a working interest of 4.6875%. Should you elect to participate, please return the executed AFE along with a check in the amount of \$33,328.13 for your proportionate share of dry hole costs by April 30, 1999. Upon receipt, a Joint Operating Agreement will be forwarded for your signature.

If you have any questions or require any additional information, please do not hesitate to give me a call.

Very truly yours,



Lynda F. Townsend

boycepropjohnson.doc

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12186 Exhibit No. 3
Submitted By:
Chesapeake Operating
Hearing Date: June 24, 1999

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CHESAPEAKE OPERATING, INC.

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LAND DEPARTMENT
LYNDA F. TOWNSEND, CPL/ESA
LANDMAN

March 22, 1999

VIA CERTIFIED MAIL

Ms. Patricia J. Cooper
205 W. 6th Street
Roswell, NM 88201

Re: Chesapeake's Boyce 1-15, Well Proposal
E/2, Section 15-16S-35E
Lea County, New Mexico

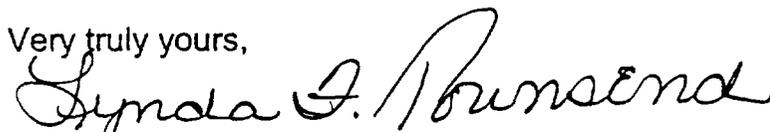
Dear Ms. Cooper:

Chesapeake Operating, Inc. hereby proposes to drill the Boyce 1-15 well to a total depth of 12,100' to test the Morrow formation. The well will be at a legal location of 1650' FNL and 660' FEL in the E/2 of Section 15-16S-35E. PJC Limited Partnership is the record title owner of 15 net mineral acres of the 320 acre unit.

Attached is Chesapeake's AFE reflecting estimated dry hole costs of \$711,000 and completed well costs of \$1,016,000. Chesapeake offers you the opportunity to participate in the drilling of the Boyce 1-15 well with a working interest of 4.6875%. Should you elect to participate, please return the executed AFE along with a check in the amount of \$33,328.13 for your proportionate share of dry hole costs by April 30, 1999. Upon receipt, a Joint Operating Agreement will be forwarded for your signature.

If you have any questions or require any additional information, please do not hesitate to give me a call.

Very truly yours,


Lynda F. Townsend

CHESAPEAKE OPERATING, INC.

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LAND DEPARTMENT
LYNDA F. TOWNSEND, CPL/ESA
LANDMAN

March 22, 1999

VIA CERTIFIED MAIL

Mr. Louis Mazzullo
Louis Mazzullo, Inc.
P. O. Box 66657
Albuquerque, NM 87193

Re: Chesapeake's Boyce 1-15, Well Proposal
E/2, Section 15-16S-35E
Lea County, New Mexico

Dear Mr. Mazzullo:

Chesapeake Operating, Inc. hereby proposes to drill the Boyce 1-15 well to a total depth of 12,100' to test the Morrow formation. The well will be at a legal location of 1650' FNL and 660' FEL in the E/2 of Section 15-16S-35E. You are the owner of 0.625 net mineral acres of the 320 acre unit.

Attached is Chesapeake's AFE reflecting estimated dry hole costs of \$711,000 and completed well costs of \$1,016,000. Chesapeake offers you the opportunity to participate in the drilling of the Boyce 1-15 well with a working interest of 0.210937%. Should you elect to participate, please return the executed AFE along with a check in the amount of \$1,499.76 for your proportionate share of dry hole costs by April 30, 1999. Upon receipt, a Joint Operating Agreement will be forwarded for your signature.

If you have any questions or require any additional information, please do not hesitate to give me a call.

Very truly yours,



Lynda F. Townsend

2339 498 437

CHESAPEAKE OPERATING, INC.

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LAND DEPARTMENT
LYNDA F. TOWNSEND, CPL/ESA
LANDMAN

March 22, 1999

VIA CERTIFIED MAIL

Mr. Thomas M. Beall
Fuel Products, Inc.
P. O. Box 3098
Midland, TX 79702

Re: Chesapeake's Boyce 1-15, Well Proposal
E/2, Section 15-16S-35E
Lea County, New Mexico

Dear Mr. Beall:

Chesapeake Operating, Inc. hereby proposes to drill the Boyce 1-15 well to a total depth of 12,100' to test the Morrow formation. The well will be at a legal location of 1650' FNL and 660' FEL in the E/2 of Section 15-16S-35E. You are the owner of 3.0375 net mineral acres of the 320 acre unit.

Attached is Chesapeake's AFE reflecting estimated dry hole costs of \$711,000 and completed well costs of \$1,016,000. Chesapeake offers you the opportunity to participate in the drilling of the Boyce 1-15 well with a working interest of 0.949219%. Should you elect to participate, please return the executed AFE along with a check in the amount of \$6,748.95 for your proportionate share of dry hole costs by April 30, 1999. Upon receipt, a Joint Operating Agreement will be forwarded for your signature.

If you have any questions or require any additional information, please do not hesitate to give me a call.

Very truly yours,


Lynda F. Townsend

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LAND DEPARTMENT
LYNDA F. TOWNSEND, CPL/ESA
LANDMAN

March 22, 1999

VIA CERTIFIED MAIL

Mr. Don Lawson
TMBR/Sharp Drilling, Inc.
P. O. Box 10970
Midland, TX 79702

Re: Chesapeake's Boyce 1-15, Well Proposal
E/2, Section 15-16S-35E
Lea County, New Mexico

Dear Mr. Lawson:

Chesapeake Operating, Inc. hereby proposes to drill the Boyce 1-15 well to a total depth of 12,100' to test the Morrow formation. The well will be at a legal location of 1650' FNL and 660' FEL in the E/2 of Section 15-16S-35E. You are the owner of 52.25 net mineral acres of the 320 acre unit.

Attached is Chesapeake's AFE reflecting estimated dry hole costs of \$711,000 and completed well costs of \$1,016,000. Chesapeake offers you the opportunity to participate in the drilling of the Boyce 1-15 well with a working interest of 16.328125%. Should you elect to participate, please return the executed AFE along with a check in the amount of \$116,092.97 for your proportionate share of dry hole costs by April 30, 1999. Upon receipt, a Joint Operating Agreement will be forwarded for your signature.

If you have any questions or require any additional information, please do not hesitate to give me a call.

Very truly yours,


Lynda F. Townsend

2339 4178 439

CHESAPEAKE OPERATING, INC.

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LAND DEPARTMENT
LYNDA F. TOWNSEND, CPL/ESA
LANDMAN

March 22, 1999

VIA CERTIFIED MAIL

Mr. Mark K. Nearburg
Ameristate Oil & Gas, Inc.
1211 W. Texas
Midland, TX 79701

Re: Chesapeake's Boyce 1-15, Well Proposal
E/2, Section 15-16S-35E
Lea County, New Mexico

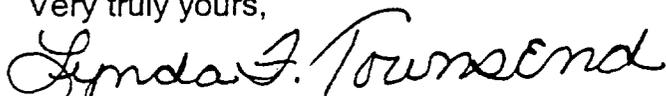
Dear Mr. Nearburg:

Chesapeake Operating, Inc. hereby proposes to drill the Boyce 1-15 well to a total depth of 12,100' to test the Morrow formation. The well will be at a legal location of 1650' FNL and 660' FEL in the E/2 of Section 15-16S-35E. You are the record title owner of 97.1625 net mineral acres of the 320 acre unit.

Attached is Chesapeake's AFE reflecting estimated dry hole costs of \$711,000 and completed well costs of \$1,016,000. Chesapeake offers you the opportunity to participate in the drilling of the Boyce 1-15 well with a working interest of 30.363281%. Should you elect to participate, please return the executed AFE along with a check in the amount of \$215,882.93 for your proportionate share of dry hole costs by April 30, 1999. Upon receipt, a Joint Operating Agreement will be forwarded for your signature.

If you have any questions or require any additional information, please do not hesitate to give me a call.

Very truly yours,


Lynda F. Townsend