

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

October 18, 1999

HAND DELIVERED

Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505
Attn: Mr. Michael E. Stogner

Re: **NOTICE OF OBJECTION:**
R. L. Burn ATL Well #1 (re-entry)
E/2 Section 11, T16S R35E, NMPM,
Administrative Application of Yates Petroleum Corporation
for Approval of Unorthodox Gas Well
Location, Lea County, New Mexico

Case 12741

OIL CONSERVATION DIV.
99 OCT 18 AM 12:58

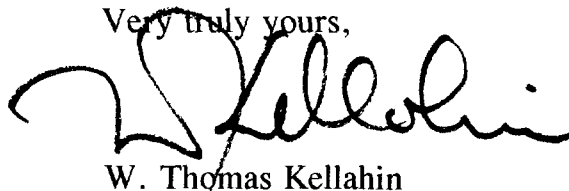
Dear Mr. Stogner:

By letter dated September 29, 1999 and received by Chesapeake Operating Inc. on October 4, 1999, Yates Petroleum Corporation sent notification to the offsetting operators of the referenced request.

On behalf of Chesapeake Operating Inc., as an offsetting operator, we hereby object to the application of Yates Petroleum Corporation for an unorthodox gas well location for its R. L. Burns ATL Well No. 1 as described in its administrative application to the Division which we believe was sent to the Division on September 29, 1999.

We request that this matter be set for hearing and that Chesapeake be provided notification of the hearing in accordance with Division notice rules.

Very truly yours,



W. Thomas Kellahin

cfx: Chesapeake Operating Company
Attn: Lynda Townsend
cfx: Yates Petroleum Corporation
Attn: Robert Bullock

10/16/99 MON 14:46 FAX 406/788888
MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1930 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

002
S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

October 15, 1999

Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, Oklahoma 73154-0496

RE: Offset Operator Notification
Unorthodox Location
R.L. Burn ATL #1
Township 16 South, Range 35 East
Section 11: 330' FSL & 330' FEL
Lea County, New Mexico

Gentlemen:

Yates Petroleum Corporation plans to re-enter the existing wellbore at the unorthodox location described above. This location does not comply with the well spacing requirements set forth in NMOCD Rule 104 C. (2) (b) (Revised 8-12-99).

If you have no objections to this unorthodox location, please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned. Any objection must be filed in writing with the NMOCD within twenty (20) days from the date of this notice.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

RB/dc
enclosure(s)

The undersigned hereby waives any objection to the unorthodox location proposed by Yates Petroleum Corporation

CHESAPEAKE OPERATING, INC.

By: _____
Title: _____
Date: _____

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1935 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

OCT 04 1999

S. P. YATES
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RANDY G. PATTERSON
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DENNIS G. KINSEY
TREASURER

September 29, 1999

Chesapeake Operating, Inc.
PO Box 18496
Oklahoma City, Oklahoma 73154-0496

RE: Offset Operator Notification
Unorthodox Location
R.L. Burn ATL #1
Township 16 South, Range 35 East
Section 11: 330' FSL & 330' FEL
Lea County, New Mexico

Gentlemen:

Yates Petroleum Corporation plans to re-enter the existing wellbore at the unorthodox location described above. This location does not comply with the well spacing requirements set forth in NMOCD Rule 104.B(1)(a) (Revised 1/96).

If you have no objections to this unorthodox location, please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned. Any objection must be filed in writing with the NMOCD within twenty (20) days from the date of this notice.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

RB:bn
enclosure(s)

The undersigned hereby waives any objection to the unorthodox location proposed by Yates Petroleum Corporation

CHESAPEAKE OPERATING, INC.

By: _____

Title: _____

Date: _____