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June 21, 2000

HAND DELIVERED

Ms. Lori Wrotenbery
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: *NMOCD Case No. 12325*

*Application of Chesapeake Operating, Inc.
for compulsory pooling and an unorthodox
subsurface location, Lea County, New Mexico*

Dear Ms. Wrotenbery:

I wish to inform you that Mr. William F. Carr, attorney for OXY USA Inc., Atura's successor in interest in this case, and for Mr. Robert Light of Southeast Royalties and I, on behalf of Chesapeake Operating Inc., are attempting to finalize a settlement of this matter.

Accordingly, Chesapeake, as applicant, and with the concurrence of Mr. Carr, desires to continue this case from the June 23, 2000 docket to the July 21, 2000 docket in order to provide sufficient time to pursue complete settlement.

Very truly yours,



W. Thomas Kellahin

cfx: William F. Carr, Esq.
Attorney for Altura
Chesapeake Operating Inc.
Attn: Lynda Townsend