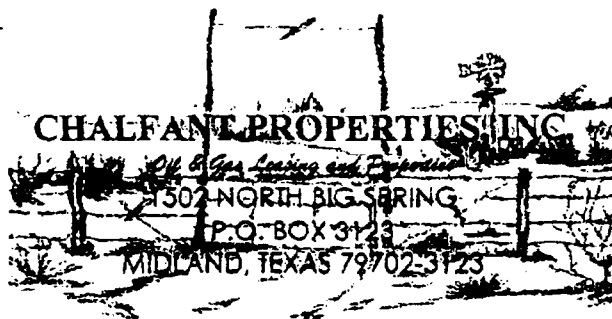


WILLIAM A. CHALFANT, CPL  
DONNIE MICHAEL, RLP

Ofc: (915) 684-9819  
Fax: (915) 682-2601



April 4, 2001

J. F. Webre  
1011 Augusta Drive, #104  
Houston, TX 77057-2035

Via Certified Mail

RE: Chesapeake's proposed Nellie 1-21  
Well, N/2SE/4 of Section 21, T-16-S, R-37-E,  
Lea County, NM

Dear Mr. Webre:

Chesapeake operating, Inc. hereby proposes to drill the captioned well to a total depth of 12,000 feet to test the Strawn Formation. The well will be drilled at a location in the N/2SE/4 of Section 21, T-16-S, R-37-E, Lea County, New Mexico.

Attached is Chesapeake's AFE reflecting dry-hole costs of \$1,119,000.00 and completed well costs of \$1,706,000.00. You are the record title owner of a working interest of 0.4004% in the proposed 80-acre unit. Chesapeake offers you the opportunity to participate in the drilling of the Nellie 1-21 well with a working interest of 0.4004% and a proportionate dryhole cost of \$4,480.37.

Should you elect to participate, please have the appropriate party(ies) sign the attached AFE and return it to me at your earliest convenience. Upon receipt, a Joint Operating Agreement will be forwarded for signature.

If you have any questions, please call the undersigned at the number listed or, alternatively, Ms. Lynda Townsend of Chesapeake Operating, Inc. at 405-879-9414.

Sincerely,

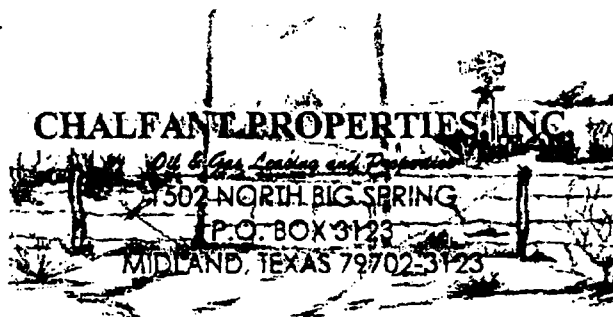
Donnie Michael

DM/jkw  
Enclosures

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 12660 Exhibit No. — 5  
Submitted By:  
Chesapeake Inc.  
Hearing Date: May 31, 2001

WILLIAM A. CHALFANT, CPL  
DONNIE MICHAEL, RLP

Ofc: (915) 684-9819  
Fax: (915) 682-2601



April 4, 2001

Andrew A. Andros  
19065 Lakeshore Drive  
Whithouse, TX 75791

Via Certified Mail

RE: Chesapeake's proposed Nellie 1-21  
Well, N/2SE/4 of Section 21, T-16-S, R-37-E,  
Lea County, NM

Dear Mr. Andros:

Chesapeake operating, Inc. hereby proposes to drill the captioned well to a total depth of 12,000 feet to test the Strawn Formation. The well will be drilled at a location in the N/2SE/4 of Section 21, T-16-S, R-37-E, Lea County, New Mexico.

Attached is Chesapeake's AFE reflecting dry-hole costs of \$1,119,000.00 and completed well costs of \$1,706,000.00. You are the record title owner of a working interest of 0.80078% in the proposed 80-acre unit. Chesapeake offers you the opportunity to participate in the drilling of the Nellie 1-21 well with a working interest of 0.80078% and a proportionate dryhole cost of \$8,960.74.

Should you elect to participate, please have the appropriate party(ies) sign the attached AFE and return it to me at your earliest convenience. Upon receipt, a Joint Operating Agreement will be forwarded for signature.

If you have any questions, please call the undersigned at the number listed or, alternatively, Ms. Lynda Townsend of Chesapeake Operating, Inc. at 405-879-9414.

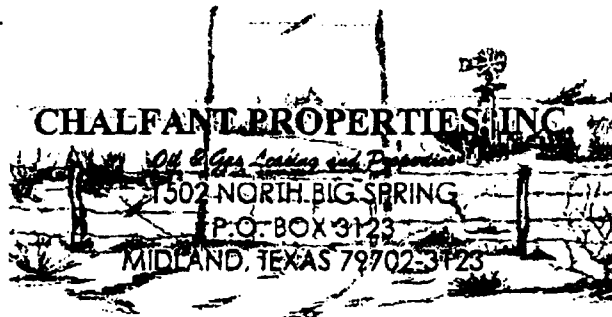
Sincerely,

Donnie Michael

DM/jkw  
Enclosures

WILLIAM A. CHALFANT, CPL  
DONNIE MICHAEL, RLP

Ofc: (915) 684-9819  
Fax: (915) 682-2601



April 4, 2001

MJZ PETROLEUM CORP  
ATTN: Land Department  
6023 Dover House Way  
Spring, TX 77389-2935

Via Certified Mail

RE: Chesapeake's proposed Nellie 1-21  
Well, N/2SE/4 of Section 21, T-16-S, R-37-E,  
Lea County, NM

To whom it may concern:

Chesapeake operating, Inc. hereby proposes to drill the captioned well to a total depth of 12,000 feet to test the Strawn Formation. The well will be drilled at a location in the N/2SE/4 of Section 21, T-16-S, R-37-E, Lea County, New Mexico.

Attached is Chesapeake's AFE reflecting dry-hole costs of \$1,119,000.00 and completed well costs of \$1,706,000.00. MJZ Petroleum Corp. is the record title owner of a working interest of 0.4004% in the proposed 80-acre unit. Chesapeake offers MJZ the opportunity to participate in the drilling of the Nellie 1-21 well with a working interest of 0.4004% and a proportionate dryhole cost of \$4,480.37.

Should MJZ elect to participate, please have the appropriate party(ies) sign the attached AFE and return it to me at your earliest convenience. Upon receipt, a Joint Operating Agreement will be forwarded for signature.

If you have any questions, please call the undersigned at the number listed or, alternatively, Ms. Lynda Townsend of Chesapeake Operating, Inc. at 405-879-9414.

Sincerely,

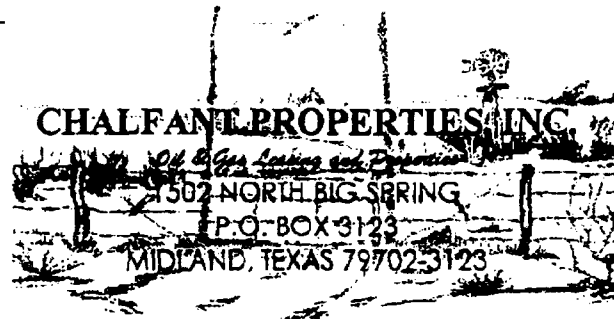
A handwritten signature in dark ink, appearing to read 'D.M. / jk', is written over the typed name.

Donnie Michael

DM/jkw  
Enclosures

WILLIAM A. CHALFANT, CPL  
DONNIE MICHAEL, RLP

Ofc: (915) 684-9819  
Fax: (915) 682-2601



April 4, 2001

BURLINGTON RESOURCES OIL & GAS COMPANY  
ATTN: Land Department  
3300 NORTH A STREET, BLDG 6  
MIDLAND, TX 79705-5421

Via Certified Mail

RE: Chesapeake's proposed Nellie 1-21  
Well, N/2SE/4 of Section 21, T-16-S, R-37-E,  
Lea County, NM

To whom it may concern:

Chesapeake Operating, Inc. hereby proposes to drill the captioned well to a total depth of 12,000 feet to test the Strawn Formation. The well will be drilled at a location in the N/2SE/4 of Section 21, T-16-S, R-37-E, Lea County, New Mexico.

Attached is Chesapeake's AFE reflecting dry-hole costs of \$1,119,000.00 and completed well costs of \$1,706,000.00. UNION TEXAS DEVELOPMENT CORP. is the record title owner of a working interest of 7.47396% in the proposed 80-acre unit. Chesapeake offers BURLINGTON RESOURCES the opportunity to participate in the drilling of the Nellie 1-21 well with a working interest of 7.47396% and a proportionate dryhole cost of \$83,633.59.

Should you elect to participate, please have the appropriate party(ies) sign the attached AFE and return it to me at your earliest convenience. Upon receipt, a Joint Operating Agreement will be forwarded for signature.

If you have any questions, please call the undersigned at the number listed or, alternatively, Ms. Lynda Townsend of Chesapeake Operating, Inc. at 405-879-9414.

Sincerely,

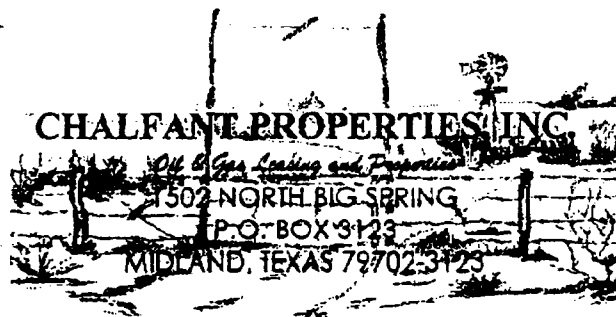
A handwritten signature in black ink, appearing to read "D.M. / gm", is written over the typed name "Donnie Michael".

Donnie Michael

DM/jkw  
Enclosures

WILLIAM A. CHALFANT, CPL  
DONNIE MICHAEL, RLP

Ofc: (915) 684-8819  
Fax: (915) 682-2601



April 4, 2001

AMERIND OIL COMPANY  
ATTN: Land Department  
415 W Wall Street, Ste 500  
Midland, TX 79701

Via Certified Mail

RE: Chesapeake's proposed Nellie 1-21  
Well, N/2SE/4 of Section 21, T-16-S, R-37-E,  
Lea County, NM

To whom it may concern:

Chesapeake Operating, Inc. hereby proposes to drill the captioned well to a total depth of 12,000 feet to test the Strawn Formation. The well will be drilled at a location in the N/2SE/4 of Section 21, T-16-S, R-37-E, Lea County, New Mexico.

Attached is Chesapeake's AFE reflecting dry-hole costs of \$1,119,000.00 and completed well costs of \$1,706,000.00. AMERIND OIL COMPANY is the successor in title to VLS OIL AND GAS LIMITED PARTNERSHIP as to a working interest of 1.6015625% in the proposed 80-acre unit. Chesapeake offers Amerind the opportunity to participate in the drilling of the Nellie 1-21 well with a working interest of 1.6015625% and a proportionate dryhole cost of \$17,921.48.

Should Amerind elect to participate, please have the appropriate party(ies) sign the attached AFE and return it to me at your earliest convenience. Upon receipt, a Joint Operating Agreement will be forwarded for signature.

If you have any questions, please call the undersigned at the number listed or, alternatively, Ms. Lynda Townsend of Chesapeake Operating, Inc. at 405-879-9414.

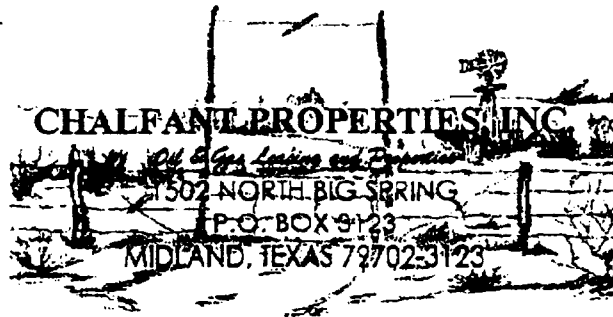
Sincerely,

Donnie Michael

DM/jkw  
Enclosures

WILLIAM A. CHALFANT, CPL  
DONNIE MICHAEL, RLP

Ofc: (915) 684-9819  
Fax: (915) 682-2601



April 4, 2001

GEODYNE NOMINEE CORP  
c/o SAMSON RESOURCES COMPANY  
ATTN: Land Department  
2 W SECOND STREET  
Tulsa, OK 74103-3103

Via Certified Mail

RE: Chesapeake's proposed Nellie 1-21  
Well, N/2SE/4 of Section 21, T-16-S, R-37-E,  
Lea County, NM

To whom it may concern:

Chesapeake Operating, Inc. hereby proposes to drill the captioned well to a total depth of 12,000 feet to test the Strawn Formation. The well will be drilled at a location in the N/2SE/4 of Section 21, T-16-S, R-37-E, Lea County, New Mexico.

Attached is Chesapeake's AFE reflecting dry-hole costs of \$1,119,000.00 and completed well costs of \$1,706,000.00. SAMSON RESOURCES COMPANY is the successor in title to GEODYNE NOMINEE CORP as to a working interest of 12.5043% in the proposed 80-acre unit. Chesapeake offers SAMSON RESOURCES the opportunity to participate in the drilling of the Nellie 1-21 well with a working interest of 12.5043% and a proportionate dryhole cost of \$139,322.90.

Should you elect to participate, please have the appropriate party(ies) sign the attached AFE and return it to me at your earliest convenience. Upon receipt, a Joint Operating Agreement will be forwarded for signature.

If you have any questions, please call the undersigned at the number listed or, alternatively, Ms. Lynda Townsend of Chesapeake Operating, Inc. at 405-879-9414.

Sincerely,

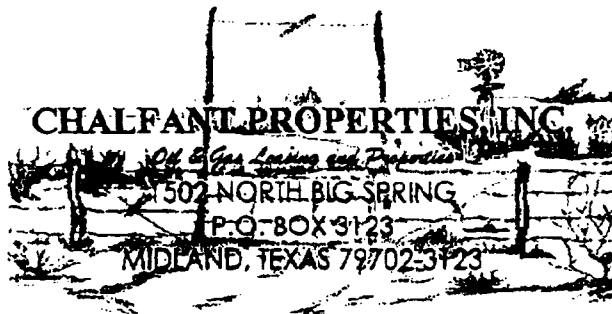
A handwritten signature in dark ink, appearing to read "D.M./jk", is written over the typed name "Donnie Michael".

Donnie Michael

DM/jkw  
Enclosures

WILLIAM A. CHALFANT, CPL  
DONNIE MICHAEL, RLP

Ofc: (915) 684-9819  
Fax: (915) 682-2601



April 4, 2001

Loretta McDermott Marsh  
c/o Personal Administrators  
3939 Bee Cave Road  
Austin, TX 78746

Via Certified Mail

RE: Chesapeake's proposed Nellie 1-21  
Well, N/2SE/4 of Section 21, T-16-S, R-37-E,  
Lea County, NM

Dear Ms. Marsh:

Chesapeake operating, Inc. hereby proposes to drill the captioned well to a total depth of 12,000 feet to test the Strawn Formation. The well will be drilled at a location in the N/2SE/4 of Section 21, T-16-S, R-37-E, Lea County, New Mexico.

Attached is Chesapeake's AFE reflecting dry-hole costs of \$1,119,000.00 and completed well costs of \$1,706,000.00. You are the record title owner of a working interest of 0.0234% in the proposed 80-acre unit. Chesapeake offers you the opportunity to participate in the drilling of the Nellie 1-21 well with a working interest of 0.0234% and a proportionate dryhole cost of \$262.27.

Should you elect to participate, please have the appropriate party(ies) sign the attached AFE and return it to me at your earliest convenience. Upon receipt, a Joint Operating Agreement will be forwarded for signature.

If you have any questions, please call the undersigned at the number listed or, alternatively, Ms. Lynda Townsend of Chesapeake Operating, Inc. at 405-879-9414.

Sincerely,

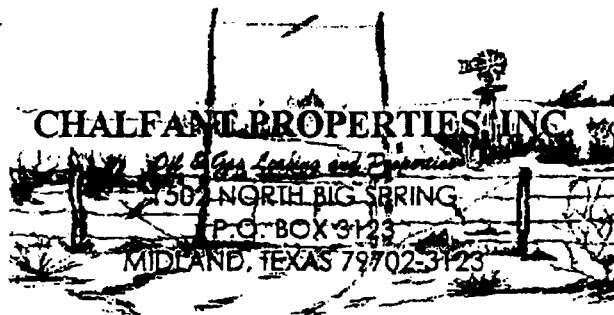
A handwritten signature in dark ink, appearing to read 'DM.' followed by a stylized flourish.

Donnie Michael

DM/jkw  
Enclosures

WILLIAM A. CHALFANT, CPL  
DONNIE MICHAEL, RLP

Olc: (915) 684-9819  
Fax: (915) 682-2601



April 4, 2001

Charles E. Marsh, III  
c/o Border Crossings  
591-Z San Bernardo  
Laredo, TX 78041

Via Certified Mail

RE: Chesapeake's proposed Nellie 1-21  
Well, N/2SE/4 of Section 21, T-16-S, R-37-E,  
Lea County, NM

Dear Mr. Marsh:

Chesapeake operating, Inc. hereby proposes to drill the captioned well to a total depth of 12,000 feet to test the Strawn Formation. The well will be drilled at a location in the N/2SE/4 of Section 21, T-16-S, R-37-E, Lea County, New Mexico.

Attached is Chesapeake's AFE reflecting dry-hole costs of \$1,119,000.00 and completed well costs of \$1,706,000.00. You are the record title owner of a working interest of 0.00234% in the proposed 80-acre unit. Chesapeake offers you the opportunity to participate in the drilling of the Nellie 1-21 well with a working interest of 0.00234% and a proportionate dryhole cost of \$26.23.

Should you elect to participate, please have the appropriate party(ies) sign the attached AFE and return it to me at your earliest convenience. Upon receipt, a Joint Operating Agreement will be forwarded for signature.

If you have any questions, please call the undersigned at the number listed or, alternatively, Ms. Lynda Townsend of Chesapeake Operating, Inc. at 405-879-9414.

Sincerely,

*DM. / jh.*

Donnie Michael

DM/jkw  
Enclosures