



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

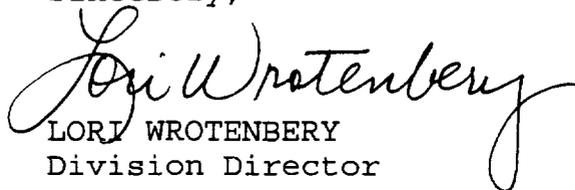
August 29, 2001

Mr. Thomas Kellahin
Kellahin and Kellahin
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Dear Mr. Kellahin:

Based upon the reasons stated in your letter of August 29, 2001, and in accordance with the provisions of Division Order No. R-11617, Chesapeake Operating, Inc. is hereby granted an extension of time until December 1, 2001, in which to commence drilling the well pooled by this order.

Sincerely,


LORI WROTENBERY
Division Director

fd/

cc: ✓ Case No. 12660
OCD - Hobbs

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

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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)

August 29, 2001

Hand Delivered

Ms. Lori Wrotenbery, Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Request of Chesapeake Operating Inc.
for Extension of Date for Commencement of Well
Pursuant to Compulsory Pooling Order R-11617
Case 12660 (Nellie "21" Well No. 1)
S/2SE/4 Section 21, T16S, R37E, NMPM
Lea County, New Mexico

Dear Ms. Wrotenbery:

On behalf of Chesapeake Operating, Inc. and in accordance with the provisions of the referenced order (copy enclosed), I am requesting a 60-day extension of the commencement date for this well to December 1, 2001 and in support state:

- (1) The order was entered effective July 11, 2001 and provides that this well shall be commenced on or before October 1, 2001;
- (2) The Nellie "21" Well No. 1 is scheduled to be commenced after the drilling of the Alice "13" Well No. 1 located in Unit O of Section 13, T15S, R35E, Lea County, New Mexico.
- (3) Chesapeake has commenced the drilling of the Alice "13" Well No. 1 but the casing has parted and efforts are being made to "fish" the debris from the hole so that drilling can continue. If this effort is unsuccessful, Chesapeake anticipates that it may continue operations by skidding the rig and re-drilling this well;

Oil Conservation Division

August 29, 2001

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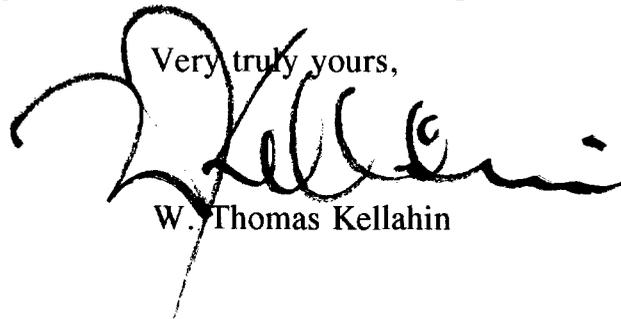
(4) The drilling problems encountered in the Alice "13" Well No. 1 create the probability that Chesapeake will not be able to commence the drilling of the Nellie "21" Well No. 1 by the current commencement date of October 1, 2001;

(5) An extension of the commencement date for the Nellie "21" Well No. 1 will avoid the necessity of having to commence a new pooling case for this well.

(6) Because rig availability in the area is currently tight, efforts to obtain another rig for this program so that this well can be commenced by October 1, 2001 will cause Chesapeake to undertake extraordinary efforts and expenses.

Should you grant this extension, I have enclosed for your consideration a proposed letter which will authorize the requested extension. Should you decide to deny this request, I would appreciate being advised immediately so that Chesapeake can timely file to re-instate this pooling order which will otherwise expire.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over the typed name below it.

W. Thomas Kellahin

cc: David K. Brooks (NMOCD Hearing Examiner)

Chesapeake Operating, Inc.
Attn: Lynda Townsend

August __, 2001

W. Thomas Kellahin
Kellahin & Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87501

Re: Approval of Request by Chesapeake Operating, Inc.
for Extension of Date to Commence Operations on
the Nellie "21" Well No.1
Order R-11617 Case 12660

Dear Mr. Kellahin:

Based upon good cause shown in your written request dated August 29, 2001, and in accordance with the provisions of Division Order R-11660 and the authority retained by the Division therein, Chesapeake Operating, Inc. is hereby granted an extension of time until December 1, 2001 in which to commence the drilling of the Nellie "21" Well No. 1 located in Unit I of Section 21, T16S, R37E, NMPM, Lea County, New Mexico.

Sincerely,

Lori Wortenberg
Director