

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87504

State of New Mexico
Energy Minerals and Natural Resources

Form C-104A
August 11, 2000

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87504

Submit 1 copy of the final affected wells
list along with 2 copies of this form per
number of wells on that list to
appropriate District Office

Change of Operator

Previous Operator Information:

New Operator Information:

OGRID: 147179
Name: Chesapeake Operating, Inc.
Address: P. O. Box 18496
Address: _____
City, State, Zip: Oklahoma City, OK 73154-0496

Effective Date: 02/01/02
New Ogrid: 210094
New Name: DKD, L.L.C.
Address: P. O. Box 682
Address: _____
City, State, Zip: Tatum, NM 88267

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the attached list of wells is true and complete to the best of my knowledge and belief.

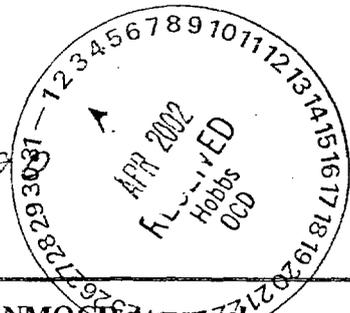
New Operator

Signature: *Danny R. Watson*

Printed name: DANNY R. WATSON

Title: Pres.

Date: 4/1/02 Phone: (505) 398-349



Previous operator complete below:

Previous Operator: Chesapeake Operating, Inc.

Previous OGRID: 147179

Signature: *Douglas J. Jacobson*

Printed Name: Douglas J. Jacobson

Sr. Vice Pres. - Acq. & Divest.

NMOCD Approval	
Signature: <u><i>Paul F. Krautz</i></u>	
Printed Name: <u>PAUL F. KRAUTZ</u>	
District: <u>PETROLEUM ENGINEER</u>	
Date: <u>APR 15 2002</u>	

BEFORE EXAMINED BY
OF THE DISTRICT OFFICE
Douglas J. Jacobson EXHIBIT NO. 7
CASE NO. 12905