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FAX TRANSMITTAL FORM

To

Name: Michael E. Stogner  
Agency:  
Oil Conservation Division  
Fax: 476-2262

From

W. Thomas Kellahin

Telephone 505-982-4285  
Facsimile 505-982-2047  
TKELLAHIN@AOL.COM

- Urgent
- For Reply
- Please Comment
- Please Reply

Date sent: 10-20-03  
Time sent: 12:30 pm  
Number of pages including cover page:

-2-

**RE: Administrative Application of Chesapeake to amend  
Administrative Order NS-4912, dated July 9, 2003**

**Dear Mr. Stogner:**

**On October 14, 2003, I filed the referenced application. Today I received the  
attached letter from Tom Brown, Inc. to only party to be sent notice. All other par-  
ties are common owners.**

**Regards, Tom Kellahin**

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Lynda F. Townsend, CPL/ESA  
Landman

October 18, 2003

**VIA FACSIMILE (432) 687-1901**

Mr. Brent Robertson  
Tom Brown, Inc.  
508 West Wall, Suite 500  
Midland, TX 79702

Re: Notice and Request for Waiver  
Application for Unorthodox Location  
Caudill 1-7 Well  
E/2 SE/4 Section 7-16S-37E  
Lea County, New Mexico

Dear Mr. Robertson:

Chesapeake Operating, Inc. has made application to the New Mexico Oil Conservation Division for an unorthodox location for the captioned well. The well is in the Northeast Lovington Upper Penn Pool which requires the Caudill 1-7 to be 560' from the lease lines. The well is 500' from the east lease line, due to surface restrictions, making us unorthodox to the W/2 SW/4 of Section 8-16S-37E. Records show Tom Brown, Inc. to be the operator of the Caudill #2 well located in that unit. As the operator of record, you are hereby given notice of said application.

In addition, please consider this letter as a formal request for Tom Brown's waiver of protest to Chesapeake's application. Chesapeake will, in turn, grant Tom Brown a reciprocal waiver and provide well information on any well drilled by Chesapeake in the SE/4 of Section 7-16S-37E. Please sign in the space provided indicating Tom Brown's waiver of protest and return to me by facsimile to (405) 879-9335 at your earliest convenience.

Very truly yours,

*Lynda F. Townsend*  
Lynda F. Townsend

Tom Brown, Inc. hereby agrees to a Waiver of Protest this 17<sup>th</sup> day of October 2003.

By: *Brent Robertson*

Title: Senior Landman

**Stogner, Michael**

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**From:** Thomas Kellahin [kellahin@earthlink.net]  
**Sent:** Friday, October 24, 2003 8:48 AM  
**To:** Michael E. Stogner  
**Cc:** Lynda F. Townsend  
**Subject:** Amendment to NSL-4912

Re: Chesapeake's Caudill 1-7 well  
Administrative application to amend Administrative Order NSL-4912, July 9, 2003  
New Location 1310 feet FSL and 500 feet FEL  
Unit P, Section 7, T16S, R37E  
Lea County, NM

Dear Mr. Stogner:

Because I will be on vacation until November 4th, I would appreciate you sending approve of this amended location directly to Lynda Townsend of Chesapeake. Their schedule is to commence this well next week if you approval this change location. The application was filed on October 14, 2003 and the waiver filed October 20, 2003.

Regards, Tom