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May 26, 2004

VIA FACSIMILE
476-3462

Mr. Michael E. Stogner, Hearing Examiner
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Request to Dismiss 
NMOCD Case 13144
Application of Permian Resources, Inc. for Special Pool Rules or
Alternatively, for an Unorthodox Well Location, Lea County, NM

Dear Mr. Stogner:

On behalf of Chesapeake Operating, Inc. the successor in interest to the applicant, Permian Resources, Inc., I am replacing Mr. Scott Hall, Esq. as attorney in this matter that is set for hearing on May 27, 2004.

With the agreement of Mr. William F. Carr, Esq., the attorney for Yates Petroleum Corporation and EOG Resources, I request that you dismiss that portion of this case that requested special pool rules and return the unorthodox well location portion for administrative processing. Mr. Carr and I will prepare a stipulated order approving this location with provisions that will satisfy the objections of Yates and EOG.

Very truly yours,


W. Thomas Kellahin

Facsimile to:

William F. Carr, Esq.
Attorney for Yates and EOG
Chesapeake Operating Inc.
Attn: Lynda Townsend