

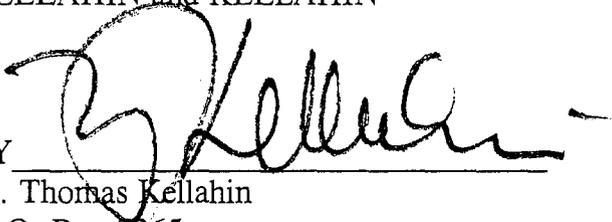
NMOCD Application
Chesapeake Operating, Inc.
Page

(11) Notice is being sent to Yates Petroleum Corporation as the offsetting operator towards whom the Boyce "15" Well No. 5 encroaches. Chesapeake has sent notification of this application and hearing as set forth on Exhibit A.

WHEREFORE, Applicant requests that, after notice and hearing, this Application be approved as requested.

KELLAHIN and KELLAHIN

BY


W. Thomas Kellahin

P. O. Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

EXHIBIT "A"

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Attn: Mr. Randy Patterson

KELLAHIN & KELLAHIN
Attorney at Law

W. Thomas Kellahin
Recognized Specialist in the Area of
Natural Resources-oil and gas law-
New Mexico Board of Legal Specialization

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Santa Fe, New Mexico 87501

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Facsimile 505-982-2047
kellahin@earthlink.net

April 14, 2004

CERTIFIED MAIL-RETURNED RECEIPT REQUESTED

TO: NOTICE OF THE HEARING OF THE FOLLOWING NEW
MEXICO OIL CONSERVATION DIVISION CASE:

Re: Application of Chesapeake Operating, Inc.
for an unorthodox gas well location and the termination
of Order R-11432-A, Lea County, New Mexico

On behalf of Chesapeake Permian, L.P., please find enclosed our application for an unorthodox gas well location for its Boyce "15" Well No. 5 in Unit B of Section 5, T16S, R35E to the dedicated to the E/2 of this section and for the termination of Order R-11432-A which has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for May 13, 2004. The hearing will be held at the Division hearing room located at 1220 South Saint Francis Drive, Santa Fe, New Mexico, 87505.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant Division Rule 1208.B, parties appearing in cases are required to file a Pre-Hearing Statement with the Division not later than 5:00 PM on Friday, May 7, 2004, with a copy delivered to the undersigned. This statement must include: the names of all witnesses the party will call to testify at the hearing; the approximate time of the party will need to present its case, and identification of any procedural matters that are to be resolved prior the hearing.

Very truly yours,



W. Thomas Kellahin

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 - Print your name and address on the reverse.
1. Yates Petroleum Coporation
105 South Fourth Street
Artesia, NM 88210
Attn: Randy Patterson

COMPLETE THIS SECTION ON DELIVERY

A. Signature *Kathy Donaghe* Agent Addressee
 B. Received by (Printed Name) KATHY DONAGHE
 C. Date of Delivery
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

Chesapeake
Boyce
May 13, 2004
4/14/04

Merchandise

2. Article Number
(Transfer from service label)

7002 2030 0007 1208 5144

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only) (Postage Provided)
 For delivery to: Chesapeake Boyce
 May 13, 2004
 4/14/04

Postage: _____
 Certified Fee: _____
 Return Receipt Fee (Endorsement Required): _____ Here

Restrictor (Endorser): Yates Petroleum Coporation
 Total Price: _____
 Sent To: 105 South Fourth Street
 Artesia, NM 88210
 Attn: Randy Patterson
 Street, # or PO Box: _____
 City, State, ZIP+4: _____

PS Form 3800, June 2002 See Reverse for Instructions

7002 2030 0007 1208 5144