

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION**

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION FOR THE PURPOSE OF
CONSIDERING:

APPLICATION OF SAMSON RESOURCES COMPANY,
KAISER-FRANCIS OIL COMPANY AND CASE NO. 13492 Rehearing
MEWBOURNE OIL COMPANY FOR
CANCELLATION OF TWO DRILLING PERMITS
AND APPROVAL OF A DRILLING PERMIT,
LEA COUNTY, NEW MEXICO

APPLICATION OF CHESAPEAKE OPERATING, INC.
FOR COMPULSORY POOLING CASE NO. 13493 Rehearing
LEA COUNTY, NEW MEXICO

Order No. R-12343-H

ORDER OF THE COMMISSION

This matter came before the New Mexico Oil Conservation Commission ("Commission") on October 11, 2007, for rehearing in Santa Fe, New Mexico and the agreement of the parties concerning the resolution of the issues raised by such rehearing. The parties to this proceeding are Chesapeake Operating, Inc., Chesapeake Permian, LLP ("Chesapeake"), Mewbourne Oil Company ("Mewbourne"), Samson Resources Company ("Samson") and Kaiser-Francis Oil Company ("Kaiser").

A. **NATURE OF THE REHEARING:**

(1) The proceeding before the Commission in these combined cases involved:

(a) an application by Chesapeake to force pool acreage in the bottom third of irregular Section 4, T. 21S, R. 35E, NMPM, Lea County, New Mexico to form a lay-down proration unit for the KF "4" State Well No. 1 ("KF-4") comprised of (1) the southeast quarter (geographically, the east half of the south one-third), and (2) the southwest quarter (geographically, the west half of the south one-third); and

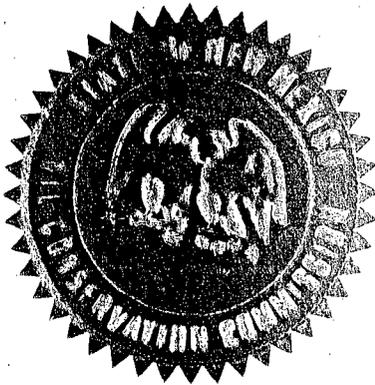
(b) an application by Mewbourne seeking to cancel Chesapeake's APD for the KF-4 well, to approve a stand-up proration unit for the well comprised of (1) the southeast quarter as described above, and (2) Lots 9,

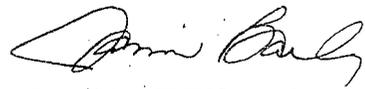
(2) The rehearing set for October 11, 2007 and all associated deadlines are hereby vacated and the Commission's Order No. R-12343-E entered March 16, 2007 is hereby modified to delete decretal paragraphs 4 through 17 of such order.

(3) The Commission retains jurisdiction of this matter for the entry of such further orders as may be necessary.

DONE at Santa Fe, New Mexico on this 11th day of October 2007.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION




JAMI BAILEY, CPG, Member

WILLIAM OLSON, Member


MARK E. FESMIRE, P. E., Chair

SEAL