

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

February 27, 2001

HAND DELIVERED

Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87504
Attn: Mr. Michael E. Stogner

Re: NOTICE OF OBJECTION:

Mayfly "A14" State Com Well No. 4 (re-entry)

W/2 Section 14, T16S R35E, NMPM,

Application of David H. Arrington Oil & Gas Inc.

for Approval of Unorthodox Well Location, Lea County, New Mexico

01 FEB 27 PM 2:49
OIL CONSERVATION DIV

Dear Mr. Stogner:

Our firm represents Chesapeake Operating Inc. ("Chesapeake"). By letter dated February 7, 2001, David H. Arrington Oil & Gas Inc. ("Arrington") sent notification to Chesapeake as the offsetting operator requesting a waiver of objection. It is unclear whether this request for a waiver of objection was intended as a twenty day notice letter in which Chesapeake must timely object or waive its right to object.

In addition, Arrington has filed an application to have this matter set for hearing on March 8, 2001. It is currently docketed as Case 12608.

Arrington recently filed an application with the Division (Case 12591) requesting authority to take the referenced Strawn well and deepen it to the North Shoe Bar-Atoka Gas Pool. Chesapeake filed an objection in order to preclude Arrington from having two gas wells producing from the Brunson Interval of the North Shoe Bar Atoka Gas Pool in the same 160-acre tract. Thereafter, Arrington dismissed its application.

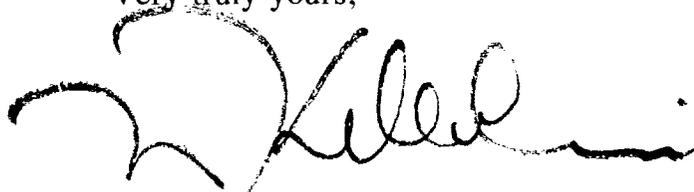
Now, Arrington wants to deepen this same well to the Mississippian, but in doing so, he will penetrate the Brunson Interval of the North Shoe Bar-Atoka Gas Pool and create the same problem to which Chesapeake has already objected and which Arrington then abandoned.

Oil Conservation Division
February 27, 2001
-Page 2-

A representative of Arrington has informed Chesapeake that he wants to deepen the Mayfly A-14 State Com Well No. 4 to test the Mississippian but, in doing so, will also evaluate the Brunson Interval of the North Shoe Bar-Atoka Gas Pool.

Therefore, on behalf of Chesapeake Operating Inc., as an offsetting operator, we hereby object to the application of Arrington to use this wellbore for any production from the Brunson Interval of the North Shoe Bar-Atoka Gas Pool.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin'. The signature is written in a cursive style with a large initial 'W' and a long horizontal stroke at the end.

W. Thomas Kellahin

cfx: Mr. William F. Carr, Esq.

cfx: Chesapeake Operating Inc.
Attn: Lynda Townsend