

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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June 1, 2004

CERTIFIED MAIL-RETURNED RECEIPT REQUESTED

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

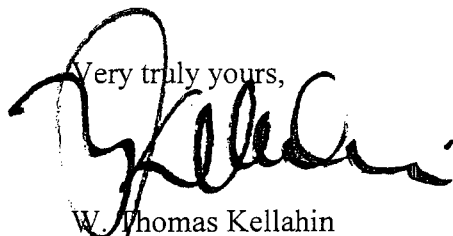
Re: Application of Chesapeake Permian, L.P.
for Compulsory Pooling and an Unorthodox
Well Location, Lea County, New Mexico

On behalf of Chesapeake Permian, L.P., please find enclosed our application for an compulsory pooling order for the SE/4NW/4 of Section 27, T12S, R38E to the dedicated to its Burrus "27" Well No. 9 which has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for June 24, 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, June 18, 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. In addition, the Division will impose a 200% risk charge unless you declare in this Pre-Hearing Statement you intention to oppose it. Please note that the burden of proof as to this issue will be yours.

Very truly yours,



W. Thomas Kellahin

- (2) Provisions for applicant and all working interest owners to participate in the costs of re-entering, completing, equipping and operating the well;
- (3) In the event a mineral interest or working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200%;
- (4) Provision for overhead rates per month drilling and per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS
- (5) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:



W. THOMAS KELLAHIN
KELLAHIN & KELLAHIN
P. O. Box 2265
Santa Fe, New Mexico 87504
Telephone: (505) 982-4285
Fax: (505) 982-2047

EXHIBIT "A"

Matrix Production Company and
Matrix New Mexico Holdings, LLC
5725 Commonwealth Blvd.
Sugar Land, TX 77479

EXHIBIT "B"

Unit C of Section 27

Offset operator: Chesapeake

Working interest owners:

(1)

Claude C. Arnold Working Interest Oil & Gas Properties, LLC	4323 NW 63rd St. Suite 200 Oklahoma City OK 73116
Blake Arnold Working Interest Oil & Gas Properties, L.L.C.	4323 NW 63rd Street Suite 200 Oklahoma City OK 73116
Tropical Minerals, Inc.	P O Box 20671 Oklahoma City OK 73156-0671
Monarch Resources, L.L.C.	P O Box 1197 Oklahoma City OK 73156-0671
David C. Story	1816 Rising Star Edmond OK 73034
Cardinal River Farm, Inc.	5100 Wisteria Road Oklahoma City OK 73142
Larry Fenity	2301 Brookside Avenue Edmond OK 73034
H. J. Freede, Inc.	430 NW 13th Street Oklahoma City OK 73103
Rehoboth, Inc.	20 N. Broadway, Ste 1800 Oklahoma City, OK 73102
J. Durwood Pate Trust	3625 Goodger Oklahoma City OK 73112
James D. Pate, Jr. Trust u/t/a 8-8-86	3625 Goodger Oklahoma City OK 73112
Joe H. Pate Trust	3625 Goodger Oklahoma City OK 73112
Discovery Exploration	410 North Main Midland, Texas 79701
Jon G. Massey	P. O. Box 57597 New Orleans, LA 70157
Enerstar Resources Oil & Gas LLC	P.O. Box 606 Carlsbad, NM 88221
Chesapeake Permian, LP	
Stephen R. Howard	3311 Beachwater Drive Katy, TX 77450

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
 Matrix Production Co. &
 Matrix NM Holdings, LLC
 5725 Commonwealth Blvd.
 Sugar Land, TX 77479

A. Signature *Carol Wagner*
☒ Agent
☐ Addressee
 Received by (Printed Name) *Carol Wagner*
 C. Date of Delivery *6-7-04*
 Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

Chesapeake
 Burrus
 June 24, 2004
 6/2/04

Article Number
 (Transfer from service label)
 7004 0750 0000 9050 9073
 PS Form 3811, August 2001
 Domestic Return Receipt
 102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse
 Claude C Arnold Working
 Interest Oil & Gas Prop.
 4323 NW 63rd st. Suite 200
 Oklahoma City, OK 73116

A. Signature *Carol Wagner*
☒ Agent
☐ Addressee
 Received by (Printed Name) *Carol Wagner*
 C. Date of Delivery *6-7-04*
 Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

Chesapeake
 Burrus
 June 24, 2004
 6/2/04

Article Number
 (Transfer from service label)
 7004 0750 0000 9050 9080
 PS Form 3811, August 2001
 Domestic Return Receipt
 102595-02-M-1540

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Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse
 Joe H Pate trust
 3625 Goodger
 Oklahoma City, OK 73112

A. Signature *Carol Wagner*
☒ Agent
☐ Addressee
 Received by (Printed Name) *Carol Wagner*
 C. Date of Delivery *6-7-04*
 Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

Chesapeake
 Burrus
 June 24, 2004
 6/2/04

Article Number
 (Transfer from service label)
 7004 0750 0000 9050 9080
 PS Form 3811, August 2001
 Domestic Return Receipt
 102595-02-M-1540

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A. Signature *Carol Wagner*
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 If YES, enter delivery address below: ☐ No

Chesapeake
 Burrus
 June 24, 2004
 6/2/04

Article Number
 (Transfer from service label)
 7004 0750 0000 9050 9073
 PS Form 3811, August 2001
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 102595-02-M-1540

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
 Blake Arnold Working Interest
 Oil & Gas Prop. LLC
 4323 NW 63rd St. Suite 200
 Oklahoma City, OK 73116

A. Signature *Carol Wagner*
☒ Agent
☐ Addressee
 Received by (Printed Name) *Carol Wagner*
 C. Date of Delivery *6-7-04*
 Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

Chesapeake
 Burrus
 June 24, 2004
 6/2/04

Article Number
 (Transfer from service label)
 7004 0750 0000 9050 9077
 PS Form 3811, August 2001
 Domestic Return Receipt
 102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse
 Joe H Pate trust
 3625 Goodger
 Oklahoma City, OK 73112

A. Signature *Carol Wagner*
☒ Agent
☐ Addressee
 Received by (Printed Name) *Carol Wagner*
 C. Date of Delivery *6-7-04*
 Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

Chesapeake
 Burrus
 June 24, 2004
 6/2/04

Article Number
 (Transfer from service label)
 7004 0750 0000 9050 9080
 PS Form 3811, August 2001
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 102595-02-M-1540

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
 Joe H Pate trust
 3625 Goodger
 Oklahoma City, OK 73112

A. Signature *Carol Wagner*
☒ Agent
☐ Addressee
 Received by (Printed Name) *Carol Wagner*
 C. Date of Delivery *6-7-04*
 Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

Chesapeake
 Burrus
 June 24, 2004
 6/2/04

Article Number
 (Transfer from service label)
 7004 0750 0000 9050 9080
 PS Form 3811, August 2001
 Domestic Return Receipt
 102595-02-M-1540

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 so that we can return the package to you.

David Story
1816 Rising Star
Edmond, OK 73034

A. Signature ☒ Agent
☒ Addressee

Received by (Printed Name) Chesapeake Burrus
C. Date of Delivery 6/2/04
Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
☒ Addressee

Received by (Printed Name) Chesapeake Burrus
C. Date of Delivery 6/2/04
Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

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 so that we can return the package to you.

H. J. Freede, Inc
430 NW 13th Street
Oklahoma City, OK 73103

A. Signature ☒ Agent
☒ Addressee

Received by (Printed Name) Chesapeake Burrus
C. Date of Delivery 6/2/04
Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
☒ Addressee

Received by (Printed Name) Chesapeake Burrus
C. Date of Delivery 6/2/04
Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Article Number
(Transfer from service label)

7004 0750 0000 9050 9127

PS Form 3811, August 2001

Article Number
(Transfer from service label)

7004 0750 0000 9050 9141

PS Form 3811, August 2001

Article Number
(Transfer from service label)

7004 0750 0000 9050 9141

PS Form 3811, August 2001

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 so that we can return the package to you.

Rehoboth Inc
20 N. Broadway Ste 1800
Oklahoma City, OK 73102

A. Signature ☒ Agent
☒ Addressee

Received by (Printed Name) Chesapeake Burrus
C. Date of Delivery 6/2/04
Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
☒ Addressee

Received by (Printed Name) Chesapeake Burrus
C. Date of Delivery 6/2/04
Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

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 so that we can return the package to you.

Tropical Minerals, Inc
PO Box 20671
Oklahoma City, OK 73156-0671

A. Signature ☒ Agent
☒ Addressee

Received by (Printed Name) Chesapeake Burrus
C. Date of Delivery 6/2/04
Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
☒ Addressee

Received by (Printed Name) Chesapeake Burrus
C. Date of Delivery 6/2/04
Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Article Number
(Transfer from service label)

7004 0750 0000 9050 9158

PS Form 3811, August 2001

Article Number
(Transfer from service label)

7004 0750 0000 9050 9103

PS Form 3811, August 2001

Article Number
(Transfer from service label)

7004 0750 0000 9050 9103

PS Form 3811, August 2001

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
James D Pate Jr
Trust u/t/a 8-8-86
3625 Goodger
Oklahoma City, OK 73112

A. Signature *[Signature]*
Received by (Printed Name) *[Signature]*
C. Date of Delivery *6-24*
Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

Chesapeake
Burrus
June 24, 2004
6/2/04

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]*
Received by (Printed Name) *[Signature]*
C. Date of Delivery *6-24*
Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

Chesapeake
Burrus
June 24, 2004
6/2/04

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
Cardinal River Farm, Inc
5100 Wisteria Rd.
Oklahoma City, OK
73142

Signature *[Signature]*
Received by (Printed Name) *[Signature]*
C. Date of Delivery *6/2/04*
Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

Chesapeake
Burrus
June 24, 2004
6/2/04

COMPLETE THIS SECTION ON DELIVERY

Signature *[Signature]*
Received by (Printed Name) *[Signature]*
C. Date of Delivery *6/2/04*
Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

Chesapeake
Burrus
June 24, 2004
6/2/04

Article Number
(Transfer from service label)

7004 0750 0000 9050 9134

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-15

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
Larry Fenity
2301 Brookside Ave.
Edmond, OK 73034

A. Signature *[Signature]*
Received by (Printed Name) *[Signature]*
C. Date of Delivery *6/7/04*
Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

Chesapeake
Burrus
June 24, 2004
6/2/04

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]*
Received by (Printed Name) *[Signature]*
C. Date of Delivery *6/7/04*
Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

Chesapeake
Burrus
June 24, 2004
6/2/04

Article Number
(Transfer from service label)

7004 0750 0000 9050 8663

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

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
Discovery Exploration
410 North Main
Midland, TX 79701

A. Signature *[Signature]*
Received by (Printed Name) *[Signature]*
C. Date of Delivery *6/7/04*
Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

Chesapeake
Burrus
June 24, 2004
6/2/04

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]*
Received by (Printed Name) *[Signature]*
C. Date of Delivery *6/7/04*
Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

Chesapeake
Burrus
June 24, 2004
6/2/04

Article Number
(Transfer from service label)

7004 0750 0000 9050 8694

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-154

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY		COMPLETE THIS SECTION ON DELIVERY	
1. Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse Jon G Massey PO Box 57597 New Orleans, LA 70157		A. Signature X <i>Jon G Massey</i> B. Received by (Printed Name) Jon G Massey C. Date of Delivery June 24, 2004		A. Signature X <i>Jon G Massey</i> B. Received by (Printed Name) Jon G Massey C. Date of Delivery June 24, 2004	
2. Article Number (Transfer from service label) 7004 0750 0000 9050 8724		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: Chesapeake Burrus June 24, 2004 6/2/04		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: Chesapeake Burrus June 24, 2004 6/2/04	
PS Form 3811, August 2001		Domestic Return Receipt		Domestic Return Receipt	

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
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Ret (Endorse) Restricted Delivery Fee (Endorsement Required) Total Postage Enerstar Resources Oil & Gas Co. PO Box 606 Carlsbad, NM 88221	
Sent To Street, Apt. No. or PO Box City, State, ZIP	
PS Form 3800, June 2002	

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
Chesapeake Burrus June 24, 2004 6/2/04	
Ret (Endorse) Restricted Delivery Fee (Endorsement Required) Total Postage J. Durwood Pate Trust 3625 Goodger Oklahoma City, OK 73112	
Sent To Street, Apt. No. or PO Box No. City, State, ZIP	
PS Form 3800, June 2002	

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
Chesapeake Burrus June 24, 2004 6/2/04	
Ret (Endorse) Restricted Delivery Fee (Endorsement Required) Total Postage Monarch Resources LLC PO Box 1197 Oklahoma City, OK 73156-0671	
Sent To Street, Apt. No. or PO Box City, State, ZIP	
PS Form 3800, June 2002	