

MILLER STRATVERT
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August 8, 2005

VIA FACSIMILE

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New Mexico Oil Conservation Division
1220 South St. Francis Drive
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Post Office Box 1056
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Post Office Box 2265
Santa Fe, New Mexico 87504

Earl DeBrine, Jr., Esq.
Modrall Sperling
P. O. Box 2168
Albuquerque, New Mexico 87103-2168

Re: NMOCD Case Nos. 13492 & 13493

Dear Counsel:

Please find attached a copy of Exhibit A which was inadvertently omitted from the Joint Motion In Limine which was filed on August 5, 2005.

Very truly yours,

MILLER STRATVERT P.A.



J. Scott Hall

JSH/glb
Attachment

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PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
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SANTA FE, NEW MEXICO 87504-1148

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OIL CONSERVATION
DIVISION

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

Mr. Michael Hazlip
Chesapeake Energy Corporation
Post Office Box 18496
Oklahoma City, Oklahoma 79154-0496

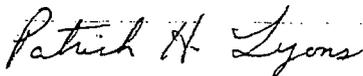
RE: State Trust Land, Section 4, T-21-S, R-35-E

Dear Mr. Hazlip:

Thank you for meeting with representatives of the State Land Office ("SLO") to discuss issues pertaining to the entry by Chesapeake Operating Inc. on the above referenced trust land to drill the KF "4" State Com No. 1 well on behalf of the State's oil and gas lessee on the adjacent quarter section, Chesapeake Permian, L.P. The SLO has high regard for both of its lessees in the south half of Section 4, and its paramount interest is ensuring that state trust land generate the highest possible level of sustainable revenue for trust beneficiaries, consistent with protection of the environment. We appreciate Chesapeake's contributions over the years to New Mexico's trust revenue and recognize Chesapeake's responsible operation on trust lands in the State.

Based on the discussions presented, the SLO's does not believe that this entry onto State Trust Lands by Chesapeake was in bad faith and understands that issues pertaining to the configuration for the spacing unit for this well will be resolved by the proceedings pending in the Oil Conservation Division. As expressed in our meeting the Land Office believes that geology should solely dictate the correct spacing and all the parties will have their opportunity to be heard at the Oil Commission proceeding.

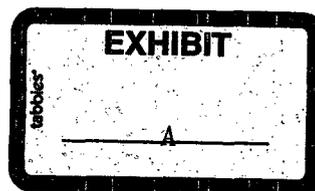
Sincerely,



Patrick H. Lyons
Commissioner of Public Lands

cc: Mark E. Fesmire, P.E.

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-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State



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LAWYERS

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AUG 18 2005

OIL CONSERVATION DIVISION
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Earl E. DeBrine, Jr.
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edebrine@modrall.com

August 12, 2005

Mark E. Fesmire, P.E., Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: *In The Matter of the Application Chesapeake Permian, L.P. for
Compulsory Pooling, Lea County, New Mexico, Case No. 13493; and*

*In The Matter of KF "4" State Well No. 1 (API No. 30-025-37129) SE/4
Section 4, T. 21 S., R 35 E., Lea County, New Mexico, Case No. 13505*

Dear Mr. Fesmire:

Enclosed please find one original and two copies of Chesapeake's
Response to Motion in Limine in the above-referenced matters. Please file the
original Response to Motion in Limine and return an endorsed copy to me in
the enclosed self-addressed stamped envelope.

Thank you for your assistance. Please contact me if you have any
questions.

Sincerely,

John R. Cooney

EED/kta/K:\dox\client\23254\16\W0487746.DOC

Enclosures

cc w/encl.: W. Thomas Kellahin
J.E. Gallegos
James Bruce
J. Scott Hall
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William V. Jones

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