

KELLAHIN & KELLAHIN
Attorney at Law

W. THOMAS KELLAHIN
706 GONZALES ROAD
SANTA FE, NEW MEXICO 87501

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TKELLAHIN@COMCAST.NET

September 30, 2008

HAND DELIVERED

Mr. Mark E. Fesmire, Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 14218

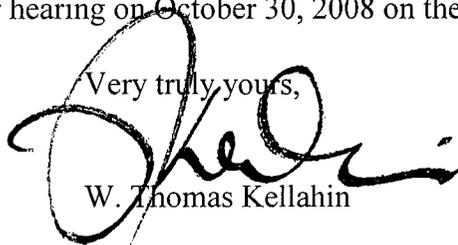
RECEIVED
2008 SEP 30 PM 4 16

Re: Application of Chesapeake Energy Corporation
For Cancellation of certain Permits to Drill ("APD")
Issued to COG Operating LLC ("COG")
Chaves County, New Mexico
Section 14, T15S, R31E

Dear Mr. Fesmire:

On behalf of Chesapeake Energy Corporation, enclosed for filing is our referenced application to be set for hearing on October 30, 2008 on the Division's Examiner's docket.

Very truly yours,



W. Thomas Kellahin

CC: Chesapeake Energy Corporation
Attn: Jared Boren, Landman

CASE 14218 Application of Chesapeake Energy Corporation for cancellation of certain permits to drill ("APDs") issued to COG Operating LLC, Chaves County, New Mexico. Applicant seeks an order cancelling the Division's approval of the following two applications for permits to drill ("APD") issued to COG Operating ("COG"):

(a) API 30-005-27975 for the Andromeda Federal #1 Well, a horizontal wellbore with a surface location in Unit A of Section 14, T15S, R31E, Chaves County and to be dedicated to a non-standard 160-acre spacing unit consisting of the N/2N/2 of this section.

(b) API 30-005-27976 for the Andromeda Federal #2 Well, a horizontal wellbore with a surface location in Unit H of Section 14, T15S, R31E, Chaves County and to be dedicated to a non-standard 160-acre spacing unit consisting of the S/2N/2 of this section.

These units are located approximately 1/2 miles west of the intersection of New Mexico state road FAS-1231 and FAS-1242, and approximately 32 miles east of Hagerman, New Mexico.

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

**IN THE MATTER OF THE APPLICATION
OF CHESAPEAKE ENERGY CORPORATION FOR
CANCELLATION OF CERTAIN PERMITS TO
DRILL ("APD") ISSUED TO COG OPERATING LLC ("COG")
CHAVES COUNTY, NEW MEXICO.**

CASE NO. 14218

2008 SEP 30 PM 4:16
RECEIVED

APPLICATION

Comes now CHESAPEAKE ENERGY CORPORATION ("Chesapeake") by its attorneys, Kellahin & Kellahin, applies to the New Mexico Oil Conservation Division ("Division") for an order cancelling the Division's approval of the following applications for permits to drill ("APD") issued to COG Operating LLC ("COG"):

(a) API 30-005-27975 for the Andromeda Federal #1 Well, a horizontal wellbore with a surface location in Unit A of Section 14, T15S, R31E, Chaves County and to be dedicated to a non-standard 160-acre spacing unit consisting of the N/2N/2 of this section.

(b) API 30-005-27976 for the Andromeda Federal #2 Well, a horizontal wellbore with a surface location in Unit H of Section 14, T15S, R31E, Chaves County and to be dedicated to a non-standard 160-acre spacing unit consisting of the S/2N/2 of this section.

In support of its application, Chesapeake Energy Corporation ("Chesapeake") states:

1. Chesapeake has 50% of the working interest including the right to drill and develop the oil and gas minerals from the surface to the base of the Wolfcamp formation underlying the NE/4 of Section 14, T15S, R31E, NMPM, Chaves County, New Mexico. See locator map attached as Exhibit "A"

2. COG's two proposed 160-acre non-standard oil spacing unit each contain four 40-acre tracts consisting of:

(a) N/2N/2:

Unit A and Unit B	Chesapeake = 50% and COG Oil & Gas LP=50%
Unit C and Unit D	Chase = 100%

(b) S/2N/2:

Unit G and Unit H	Chesapeake = 50% and COG Oil & Gas LP=50%
Unit E and Unit F	Chase Oil Corporation= 100%

3. The Division revised and modified its Form C-102 on October 12, 2005 to require that the Operator certify that:

“I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.”

4. About September 12, 2007, COG Operating, LLC filed applications for permits to drill (“APD”) with the Bureau of Land Management-Roswell that were approved on October 16, 2007 for the:

(a) API 30-005-27975 for the Andromeda Federal #1 Well, a horizontal wellbore with a surface location in Unit A of Section 14, T15S, R31E, Chaves County and to be dedicated to a non-standard 160-acre spacing unit consisting of the N/2N/2 of this section. See first page of APD and Division form C-102 attached as Exhibit “B”

(b) API 30-005-27976 for the Andromeda Federal #2 Well, a horizontal wellbore with a surface location in Unit H of Section 14, T15S, R31E, Chaves County and to be dedicated to a non-standard 160-acre spacing unit consisting of the S/2N/2 of this section. See first page of APD and Division form C-102 attached as Exhibit “C”

5. Attached to each of these APDs was a Division Form C-102, dated September 12, 2007, that was improperly certified because COG Operating LLC had placed the bottom hole location and proposes to penetrate tracts for both of these wells on the Chase lease and had not reach a voluntary agreement with Chase or obtained a Division compulsory pooling order.

6. In doing so, COG violated the “operator certification” contained in Division Form C-102 by falsely certifying that it had an interest in each of the four 40-acre tracts to be penetrated by both wellbores

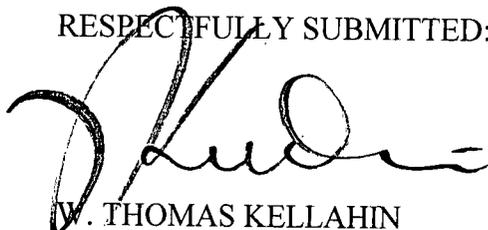
7. Chesapeake was the first operator to propose to COG Oil & Gas LP on November 26, 2007 and to Chase Oil Corporation on December 6, 2007, that:

(a) the N/2N/2 of this section be to dedicated as a 160-acre Wolfcamp oil spacing unit for production from the Wolfcamp formation to be obtained from its proposed horizontal wellbore the Draco 14 Federal Com Well No. 1H to be located drilled as a horizontal wellbore as shown on Form C-102 attached as Exhibit “D”.

(b) the S/2N/2 of this section be to dedicated as a 160-acre Wolfcamp oil spacing unit for production from the Wolfcamp formation to be obtained from its proposed horizontal wellbore the Draco 14 Federal Com Well No. 2H to be located drilled as a horizontal wellbore as shown on Form C-102 attached as Exhibit “E”.

WHEREFORE, Chesapeake, as applicant, requests that this application be set for hearing on October 30, 2008 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order cancelling these APDs.

RESPECTFULLY SUBMITTED:

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written in a cursive style.

W. THOMAS KELLAHIN
KELLAHIN & KELLAHIN
706 Gonzales Road
Santa Fe, New Mexico 87501
(505) 982-4285

CIMAREX
HBP
STATE

us
d.
25%

peia
ed.
125%

peia
ad.
125%

slopetia
Fed.
4H 25%

COG 100%
2012
STATE

Cassiopeta
15 Fed.
Com 3H 25%

PENROG 24% HBP
OTHER 76%

2010
FEE

Cimarex's
Enterprise 11
State Com #1

Draco 14 Fed. Com 1H 25%

CHASE
2012
STATE

Draco 14 Fed. Com 2H 25%

CHK 50.0%
COG 50.0%
1/8
02/28/2011
FEDERAL

Draco 14 Fed. 3H 50%

PENROG 24% HBP
CIMAREX 18%
OTHER 58%
2010
FEE

Medusa 23
State Com
#1 50%

CHK 100%
1/8
HBP

Medusa 23

CROWN CENTRAL 50%

MOBIL 100%
HBP
STATE

PITCHI

Wrinkle
13 Fed.
Com 3H

PENROG 100%
HBP
FEE

13

Wrinkle 13
Fed. Com
1H 37.5%

CHK 50.0%
COG 50.0%
1/8

02/28/2011
FEDERAL

Wrinkle
13 Fed.
Com 2H 25%



New Mexico
1625 N. French Drive
Hobbs, NM 88240

Form 3160-3
 (August 2007)

FORM APPROVED
 OMB No. 1004-0137
 Expires July 31, 2010

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5 Lease Serial No.
 SL NMLE 105887 BHL State of NM

6 If Indian, Allottee or Tribe Name
 N/A

7 If Unit or CA Agreement, Name and No.
 N/A

8 Lease Name and Well No. *(36799)*
 Andromeda Federal #1

9 API Well No.
 30-005-27975

10 Field and Pool or Exploratory
 Undesignated Wolfcamp

11 Sec., T. R. M. or Blk. and Survey or Area
 Section 14, T15S, R31E

1a. Type of work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2 Name of Operator COG Operating, LLC

3a. Address 550 West Texas, Suite 1300
 Midland, TX 79701

3b. Phone No. (include area code) *(229) 137*
 (432)-685-9158

4. Location of Well (Report location clearly and in accordance with any State requirements *)
 At surface 660' FNL & 330' FEL, Unit A
 At proposed prod. zone 660' FNL & 330' FWL, Unit D

14. Distance in miles and direction from nearest town or post office*
 Approx 15 miles North of Maljamar, New Mexico

12. County or Parish Chaves Co.
 13. State NM

15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig. unit line, if any) 330

16. No. of acres in lease 640

17. Spacing Unit dedicated to this well 160

18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft N/A

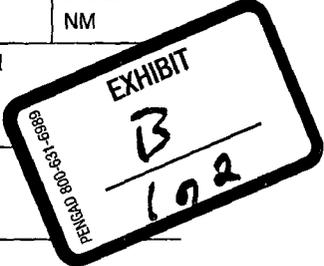
19 Proposed Depth 13450' MD 8825' TVD

20. BLM/BIA Bond No. on file NMB 000215

21 Elevations (Show whether DF, KDB, RT, GL, etc.) 4375' GL

22 Approximate date work will start* 11/15/2007

23. Estimated duration 45 Days



24. Attachments **ROSWELL CONTROLLED WATER BASIN**

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification
- 6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature *[Signature]* Name (Printed/Typed) Dwaine Moore Date 09/12/2007

Title Agent for COG Operating LLC

Approved by (Signature) *IS/ Angel Mayes* Name (Printed/Typed) *IS/ Angel Mayes* Date **OCT 16 2007**

Title **Assistant Field Manager,** Office **ROSWELL FIELD OFFICE**

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
 Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

**APPROVAL SUBJECT TO
 GENERAL REQUIREMENTS AND
 SPECIAL STIPULATIONS ATTACHED**



DECLARED WATER BASIN
CEMENT BEHIND THE 133" CASING MUST BE CIRCULATED

WITNESS

Exhibit "A"

DISTRICT I
1626 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 86210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-27975	Pool Code ✓	Pool Name Wildcat Undesignated Wolfcamp
Property Code 36797	Property Name ANDROMEDA FEDERAL	Well Number 1H
OGRID No. 229137	Operator Name C.O.G. OPERATING L.L.C.	Elevation 4375'

Surface Location

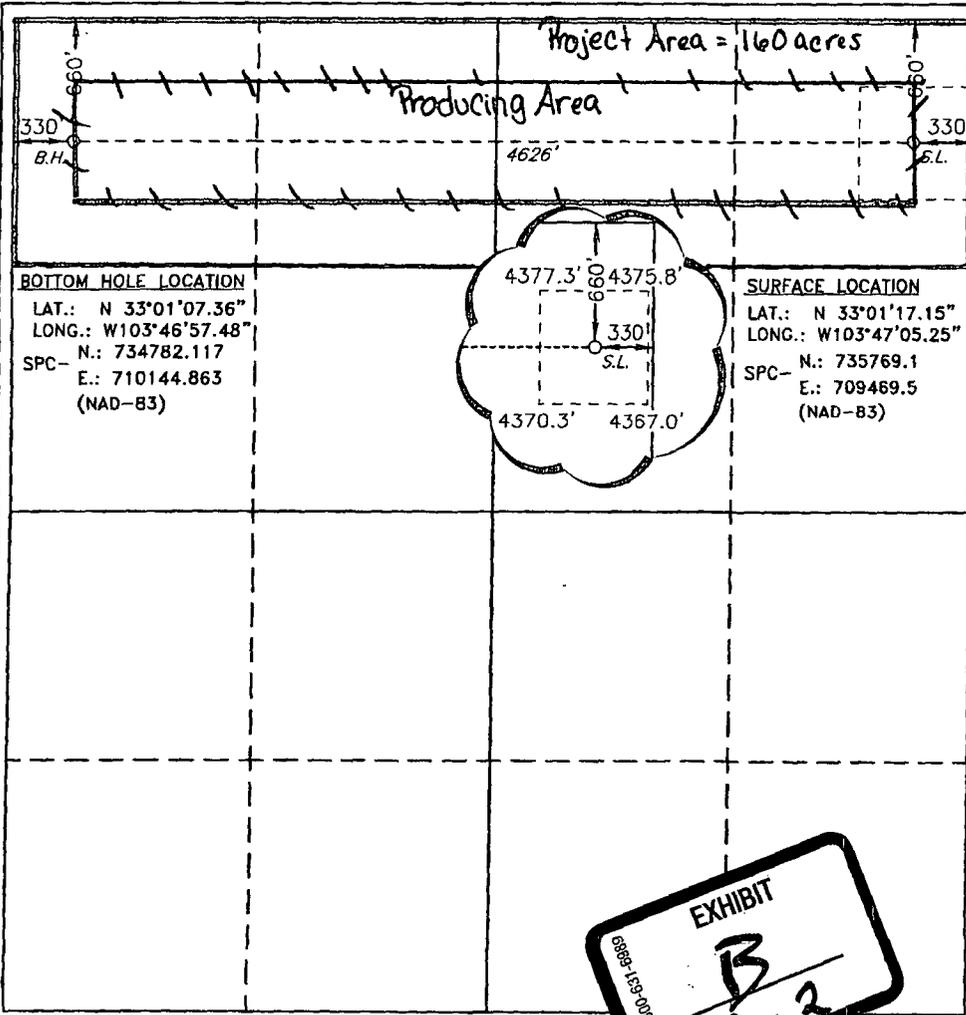
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	14	15 S	31 E		660	NORTH	330	EAST	CHAVES

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	14	15 S	31 E		660	NORTH	330	WEST	CHAVES

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
------------------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

[Signature] 9/12/09
Signature Date

Owning Name Agent For
Printed Name COG

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

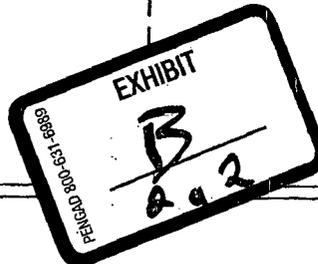
JULY 26, 2007

Date Surveyed
Signature & Seal of Professional Surveyor

[Signature]
W. J. Jones
Professional Surveyor

Certificate No. Gary L. Jones 7977

BASIN SURVEYS



New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

Form 3160-3
 (August 2007)

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
 OMB No 1004-0137
 Expires July 31, 2010

5 Lease Serial No.
 SL NMLE 105887 BHL State of NM

6. If Indian, Allottee or Tribe Name

N/A

7 If Unit or CA Agreement, Name and No.
 N/A

8. Lease Name and Well No.
 Andromeda Federal #21

36797

9 API Well No.
 30-005-27976

229137

10. Field and Pool, or Exploratory
 Undesignated Wolfcamp

11. Sec., T. R. M. or Blk. and Survey or Area
 Section 14, T15S, R31E

12 County or Parish
 Chaves Co..

13. State
 NM

1a. Type of work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator COG Operating, LLC

3a. Address 550 West Texas, Suite 1300
 Midland, TX 79701

3b. Phone No. (include area code)
 (432)- 685-9158

4. Location of Well (Report location clearly and in accordance with any State requirements *)

At surface 1980' FNL & 850' FEL, Unit H

At proposed prod. zone 1980' FNL & 330' FWL, Unit E

14. Distance in miles and direction from nearest town or post office*
 Approx 15 miles North of Maljamar, New Mexico

15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig. unit line, if any) 330

16 No. of acres in lease 640

17 Spacing Unit dedicated to this well 160

18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft N/A

19 Proposed Depth 13000' MD 8810' TVD

20 BLM/BIA Bond No. on file NMB 000215

21 Elevations (Show whether DF, KDB, RT, GL, etc.) 4375' GL

22. Approximate date work will start* 12/15/2007

23. Estimated duration 45 Days

24. Attachments

ROSWELL CONTROLLED WATER BASIN

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- | | |
|---|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office) | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature

[Signature]

Name (Printed/Typed)
 Dwaine Moore

Date
 09/12/2007

Title

Agent for COG Operating LLC

Approved by (Signature)

IS/ Angel Mayes

Name (Printed/Typed) *IS/ Angel Mayes*

Date **OCT 16 2007**

Title

**Assistant Field Manager,
 Lands And Minerals**

Office
ROSWELL FIELD OFFICE

APPROVED FOR 2 YEARS

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

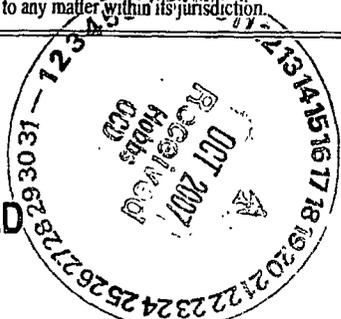
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

**APPROVAL SUBJECT TO
 GENERAL REQUIREMENTS AND
 SPECIAL STIPULATIONS ATTACHED**



DECLARED WATER BASIN

CEMENT BEHIND THE 133" CASING MUST BE CIRCULATED

WITNESS

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT I
1025 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number		Pool Code	Pool Name
Property Code	Property Name		Well Number
	DRACO 14 FEDERAL COM		2H
QGRID No. 147179	Operator Name		Elevation
	CHESAPEAKE OPERATING, INC.		4375'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	14	15-S	31-E		1980	NORTH	330	EAST	CHAVES

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	14	15-S	31-E		1980	NORTH	330	WEST	CHAVES

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

DETAIL

4372.6' 4369.8'
600'
600'
4377.2' 4375.2'

1980' 1980'

330' B.H. 330' S.L. SEE DETAIL

GRID AZ = 269°31'38"
HORIZ. DIST. = 4621.6'

GEODETTIC COORDINATES
NAD 27 NME
SURFACE LOCATION

Y=734384.2 N
X=668299.0 E

LAT.=33.017679° N
LONG.=103.784277° W

BOTTOM HOLE LOCATION

Y=734346.1 N
X=663678.7 E

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

NOVEMBER 29 2007

Date Surveyed _____ LA

Signature & Seal of Professional Surveyor

RONALD J. EIDSON 12/10/07

07-11-795

Certificate No. GARY EIDSON 12641
RONALD J. EIDSON 3239

EXHIBIT

C

272

EXHIBIT A-1

DISTRICT I
1625 N. FRENCH DR., HOHRS, NM 88240

DISTRICT II
1891 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV
1820 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name DRACO 14 FEDERAL COM	Well Number 1H
OGRID No.	Operator Name CHESAPEAKE OPERATING, INC.	Elevation 4377'

Surface Location

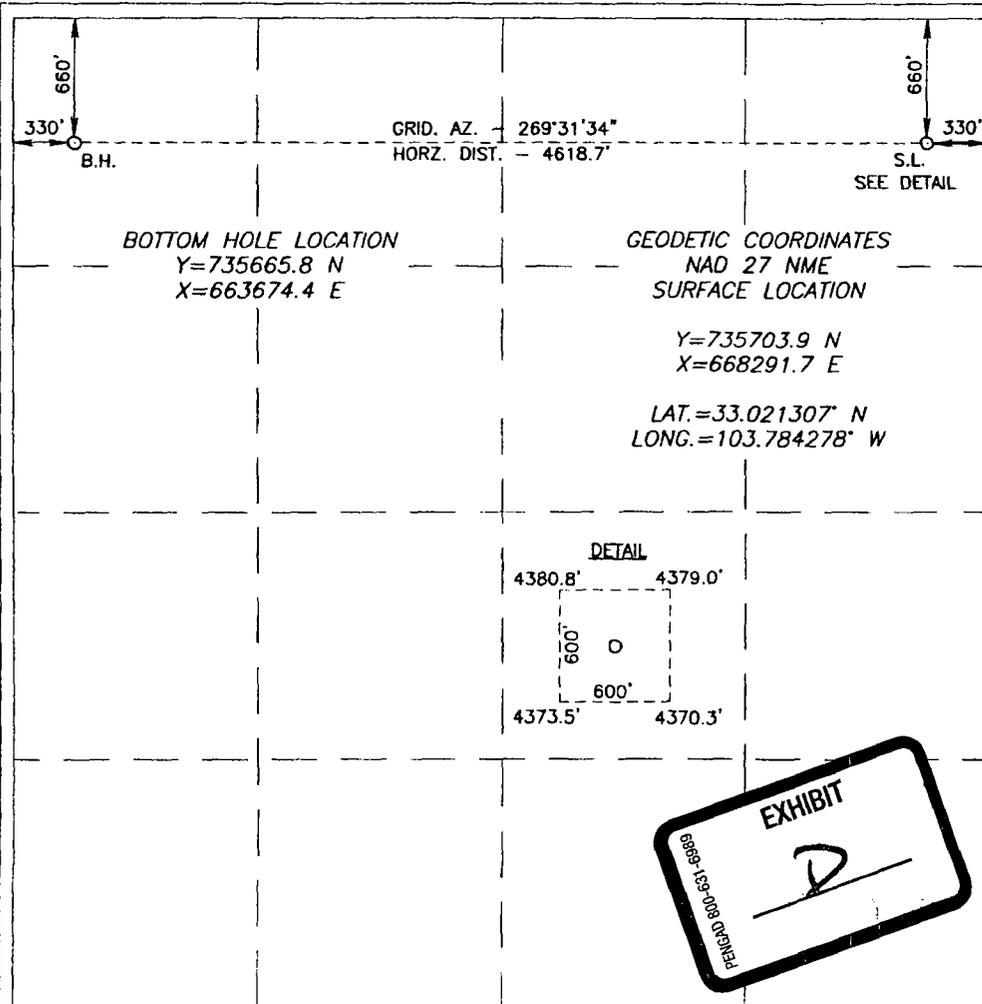
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	14	15-S	31-E		660	NORTH	330	EAST	CHAVES

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	14	15-S	31-E		660	NORTH	330	WEST	CHAVES

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
-----------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

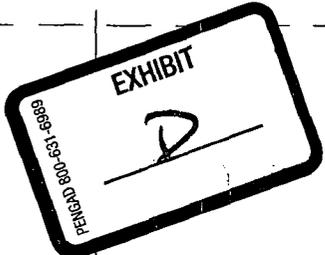
DECEMBER 30 2007

Date Surveyed _____ DSS

Signature & Seal of Professional Surveyor

Ronald J. Eidson 103/08

Certificate No. **GARY G. EIDSON 12641**
RONALD J. EIDSON 3239



State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT I
1826 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Revised October 12, 2005
Submit to Appropriate District Office
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Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number		Pool Code	Pool Name
Property Code	Property Name		Well Number
	DRACO 14 FEDERAL COM		2H
OGRID No. 147179	Operator Name		Elevation
	CHESAPEAKE OPERATING, INC.		4375'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	14	15-S	31-E		1980	NORTH	330	EAST	CHAVES

Bottom Hole Location If Different From Surface

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E	14	15-S	31-E		1980	NORTH	330	WEST	CHAVES

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

GEODETTIC COORDINATES
NAD 27 NME
SURFACE LOCATION

Y=734384.2 N
X=668299.0 E

LAT.=33.017679° N
LONG.=103.784277° W

BOTTOM HOLE LOCATION

Y=734346.1 N
X=663678.7 E

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

NOVEMBER 29 2007

Date Surveyed _____ LA

Signature & Seal of Professional Surveyor

Ronald J. Eidson 12/10/07

07-11-1795

Certificate No. GARY EIDSON 12641
RONALD J. EIDSON 3239

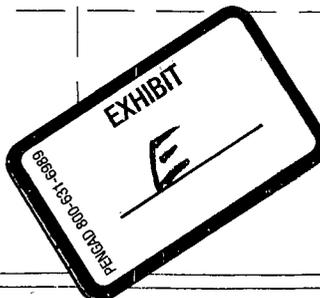


EXHIBIT A-1

Exhibit "F"

COG Operating LLC
550 West Texas Avenue
Suite 1300
Midland, TX 79701

COG Oil & Gas LP
550 West Texas Avenue
Suite 1300
Midland, TX 79701

Chase Oil Corporation
11352 Lovington Highway
Artesia, NM 88210