

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

**Case No. 14300**

**EXHIBIT**

**2**

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO ENERGY, MINERALS AND  
NATURAL RESOURCES DEPARTMENT

IN THE MATTER OF THE APPLICATION OF CHESAPEAKE  
OPERATING INC. FOR SPECIAL RULES AND  
REGULATIONS FOR THE SOUTHWEST WILLOW LAKE  
DELAWARE POOL, EDDY, COUNTY, NEW MEXICO.

CASE NO. 14300

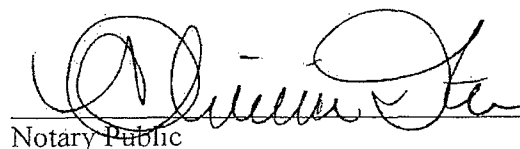
AFFIDAVIT

STATE OF NEW MEXICO           )  
  ) ss.  
COUNTY OF SANTA FE         )

Ocean Munds-Dry, attorney in fact and authorized representative of Chesapeake Operating Inc., the Applicant herein, states that notice of the above-referenced Application was mailed to the interested parties shown on Exhibit "A" attached hereto in accordance with Oil Conservation Division Rules, and that true and correct copies of the notice letter and proof of notice are attached hereto.

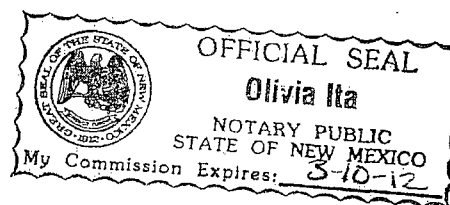
  
Ocean Munds-Dry

SUBSCRIBED AND SWORN to before me this 2nd day of June 2009 by Ocean Munds-Dry.

  
Notary Public

My Commission Expires: 3-10-12

Before the Oil Conservation Division  
Case 14300  
Hearing June 2, 2009  
Chesapeake Energy Corp.  
Exhibit No. 2



HOLLAND & HART <sup>LLP</sup>



**Ocean Munds-Dry**

omundsdry@hollandhart.com

March 3, 2009

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

AFFECTED INTEREST OWNERS

**Re: Application of Chesapeake Operating, Inc. for special rules and regulations for the Southwest Willow Lake Delaware Pool, Eddy County, New Mexico.**

Ladies and Gentlemen:

This letter is to advise you that Chesapeake Operating, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking special rules and regulations for the Southwest Willow Lake Delaware Pool, including a special depth bracket allowable of 800 barrels of oil per day and a limiting gas:oil ratio of 2000 cubic feet of gas for each barrel of oil produced, effective January 1, 2009.

This application has been set for hearing before a Division Examiner at 8:15 a.m. on March 31, 2009. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices 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, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-hearing Statement four days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Sincerely,

*Ocean Munds-Dry*  
Ocean Munds-Dry  
for Holland & Hart LLP

Before the Oil Conservation  
Division  
Case 14300  
Hearing June 2, 2009  
Chesapeake Energy Corp.  
Exhibit No. *14*

Holland & Hart <sup>LLP</sup>

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City

**EXHIBIT A**

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Lime Rock Resources  
Heritage Plaza  
111 Bagby Street Suite 4600  
Houston, Texas 77002

Marbob Energy Corporation  
Post Office Box 227  
Artesia, New Mexico 88211

Nearburg Producing Co.  
PO Box 823085  
Dallas, Texas 75382-3085

Sundown Energy Co.  
13455 Noel Road, 2000  
Two Galleria Tower  
Dallas, Texas 75240

7006 0100 0005 0627 4259

**U.S. Postal Service  
CERTIFIED MAIL**

(Domestic Mail Only; No Insurance)

For delivery information visit our web

**OFFICIAL**

Postage	\$ .59
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 5.49</b>

 Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88

**NEVER 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 card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

**1. Article Addressed to:**

 Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

**2. Article Number**  
(Transfer from service label)

7006 0100 0005 0627 4259

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

7006 0100 0005 0627 4242

**U.S. Postal Service  
CERTIFIED MAIL**

(Domestic Mail Only; No Insurance)

For delivery information visit our web

**OFFICIAL**

Postage	\$ .59
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 5.49</b>

 Lime Rock Resources  
Heritage Plaza  
111 Bagby Street Suite 460  
Houston, Texas 77002

**NEVER 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 card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

**1. Article Addressed to:**

 Lime Rock Resources  
Heritage Plaza  
111 Bagby Street Suite 4600  
Houston, Texas 77002

**2. Article Number**  
(Transfer from service label)

7006 0100 0005 0627 4242

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**A. Signature**
**B. Received by (Printed Name)**

MARCOS CONTRERAS

**C. Date of Delivery**

 D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

**3. Service Type**
☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

**4. Restricted Delivery? (Extra Fee)**
☐ Yes

**A. Signature**
**B. Received by (Printed Name)**

Devon Moore

**C. Date of Delivery**

3/12/09

 D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

**3. Service Type**
☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

**4. Restricted Delivery? (Extra Fee)**
☐ Yes

**U.S. Postal Service**  
**CERTIFIED MAIL**  
 (Domestic Mail Only, No Insurance)

For delivery information visit our website at **usps.com**

**OFFICIAL MAIL**

Postage \$ 5.50

Certified Fee 2.70

Return Receipt Fee (Endorsement Required) 2.20

Restricted Delivery Fee (Endorsement Required)

Total Postage & Fees \$ 5.40

**Marbob Energy Corporation**  
**Post Office Box 227**  
**Artesia, New Mexico 882100**

**COMPLETE THIS SECTION**

1. Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

2. Print your name and address on the reverse so that we can return the card to you.

3. Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Marbob Energy Corporation**  
**Post Office Box 227**  
**Artesia, New Mexico 882100**

2. Article Number  
 (Transfer from service label)

7006 0100 0005 0627 4235

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature [Signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) Marissa Villa C. Date of Delivery 7/4/09

D. Is delivery address different from item 1? ☐ Yes ☒ No  
 If YES, enter delivery address below:

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

**U.S. Postal Service**  
**CERTIFIED MAIL**  
 (Domestic Mail Only, No Insurance)

For delivery information visit our website at **usps.com**

**OFFICIAL MAIL**

Postage \$ .50

Certified Fee 2.70

Return Receipt Fee (Endorsement Required) 2.20

Restricted Delivery Fee (Endorsement Required)

Total Postage & Fees \$ 5.40

**Nearburg Producing Co.**  
**PO Box 823085**  
**Dallas, Texas 75382-3085**

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION**

1. Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

2. Print your name and address on the reverse so that we can return the card to you.

3. Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Nearburg Producing Co.**  
**PO Box 823085**  
**Dallas, Texas 75382-3085**

2. Article Number  
 (Transfer from service label)

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature [Signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) Jimmy Simpson C. Date of Delivery 3/10/09

D. Is delivery address different from item 1? ☐ Yes ☒ No  
 If YES, enter delivery address below:

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

**U.S. Postal Service**  
**CERTIFIED MAIL**  
 (Domestic Mail Only, No Insurance)

For delivery information visit our website at **usps.com**

**OFFICIAL MAIL**

Postage \$ .59

Certified Fee 2.70

Return Receipt Fee (Endorsement Required) 2.20

Restricted Delivery Fee (Endorsement Required)

Total Postage & Fees \$ 5.49

**Sundown Energy Co.**  
**13455 Noel Road, 2000**  
**Two Galleria Tower**  
**Dallas, Texas 75240**

**COMPLETE THIS SECTION**

1. Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

2. Print your name and address on the reverse so that we can return the card to you.

3. Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Sundown Energy Co.**  
**13455 Noel Road, 2000**  
**Two Galleria Tower**  
**Dallas, Texas 75240**

2. Article Number  
 (Transfer from service label)

7006 0100 0005 0627 4211

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature [Signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) Sophie Juvera C. Date of Delivery 3/9/09

D. Is delivery address different from item 1? ☐ Yes ☒ No  
 If YES, enter delivery address below:

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

\*\*\*\*\*  
\*\*\* TX REPORT \*\*\*  
\*\*\*\*\*

TRANSMISSION OK

TX/RX NO	2864
RECIPIENT ADDRESS	915757468795
DESTINATION ID	
ST. TIME	03/05 16:37
TIME USE	00'28
PAGES SENT	2
RESULT	OK

HOLLAND & HART



Thursday, March 5, 2009

To: Artesia Daily Press  
Legals

Fax : (505) 746-8795  
Phone:

From: Olivia Ita

Fax : (505) 983-6043  
Phone: (505) 988-4421

Message:

Transmitted herewith please find the Legal Ads for Case No.14300 for Chesapeake Operating Inc.. If you could please run this Ad as soon as possible for one time only. Please send the Affidavit and invoice to us at the following address:

William F. Carr  
Ocean Munds-Dry  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208

Should you have any questions, please contact me. Thank you very much for your help.

**NOTICE OF PUBLICATION**

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on March 31, 2009, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by March 20, 2009. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF NEW MEXICO TO:**

**All named parties and persons  
having any right, title, interest  
or claim in the following cases  
and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

**CASE: 14300**

**Application of Chesapeake Operating, Inc. for special rules and regulations for the Southwest Willow Lake Delaware Pool, Eddy County, New Mexico.** Applicant, in the above-styled cause seeks establishment of special rules and regulations for the Southwest Willow Lake Delaware Pool, including a special depth bracket allowable of 800 barrels of oil per day and a limiting gas: oil ratio of 2000 cubic feet of gas for each barrel of oil produced, effective January 1, 2009. The pool is located in Sections 3, 4, 9, 10 and 15 of Township 25 South, Range 28 East, NMPM, Eddy County. Said area is located approximately 3 miles south of Malaga, New Mexico.

**Given under the Seal of the State of New Mexico Oil Conservation Division at Santa Fe, New Mexico on this 5<sup>th</sup> day of March.**

**STATE OF NEW MEXICO  
OIL CONSERVATION  
DIVISION**

**Mark E. Fesmire, P.E.,  
Director**



# Affidavit of Publication

NO.

20593

STATE OF NEW MEXICO

County of Eddy:

GARY D. SCOTT

being duly

sworn, says: That he is the PUBLISHER of The

Artesia Daily Press, a daily newspaper of general  
circulation, published in English at Artesia, said county  
and county and state, and that the here to attached

## Legal Notice

was published in a regular and entire issue of the said  
Artesia Daily Press, a daily newspaper duly qualified  
for that purpose within the meaning of Chapter 167 of  
the 1937 Session Laws of the state of New Mexico for

1 Consecutive week/days on the same

day as follows:

First Publication

March 6, 2009

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

6 Day

March

2009



OFFICIAL SEAL  
Jo Morgan  
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 6/6/2012

Jo Morgan  
Notary Public, Eddy County, New Mexico

# Copy of Publication:

