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

FIRST AMENDED APPLICATION OF CHESAPEAKE OPERATING, INC.FOR SPEICAL RULES AND REGULATIONS FOR THE LOST TANK-DELAWARE POOL LEA COUNTY, NEW MEXICO.

CASE NO. 14301

CERTIFICATE OF MAILING AND COMPLIANCE WITH ORDER R-8054

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

W. Thomas Kellahin, being first duly sworn, hereby certifies that he is an attorney for the Applicant and responsible for notification in this matter and that the notice provisions of Division Rule 1207 (Order R-8054) have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested parties entitled to receive notice, that on May 5, 2009, he caused to be mailed by certified mail return-receipt requested the attached notice of this hearing and a copy of the application for the above referenced case, at least twenty days prior to the hearing of this case set for June, 2009 to the parties shown in said application and as evidenced by the attached copies of return receipt cards and/or receipts of certified mailing, and that pursuant to Division Rule 1207, notice has been given at the correct addresses provided by such rule.

Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 31st day of May, 2009, by W. Thomas Kellahin.

Lynda Kellahin, Notary Public My Commission Expires:



Before the Oil Conservation Division Case 14301 Hearing June 2, 2009 Chesapeake Energy Corp. Exhibit No.____7

KELLAHIN & KELLAHIN Attorney at Law

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

TELEPHONE 505-982-4285 FACSIMILE 505-982-2047 TKELLAHIN@COMCAST.NET

May 5, 2009

CERTIFICATE MAIL-RETURN RECEIPT REQUESTED NOTICE OF THE HEARING OF THE FOLLOWING NEW MEXICO OIL CONSERVATION DIVISION CASE:

Re: NMOCD Case 14301: First Amended Application of Chesapeake Operating, Inc. for Special Rules and Regulations for the Lost Tank Delaware Pool, or in the alterative, an exception to the depth bracket allowable, the cancellation of accumulated overproduction, and procedures for the "balancing" of future overproduction, Lea County, New Mexico

On behalf of Chesapeake Operating, Inc., please find enclosed our amended application for special rules and regulations for the Lost Tank Delaware Pool, or in the alterative, for the adoption of procedures for cancellation accumulated overproduction and the "balancing of future overproduction, Lea County, New Mexico which has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for at 8:15 am on June 2, 2009 (Tuesday). The hearing will be held at the Division hearing room located at 1220 South St. Francis Drive, Santa Fe, New Mexico.

You are not required to attend this hearing, but as an interest owner who 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 to the Division's 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 Tuesday, May 26, 2009, with a copy delivered to the undersigned. This statement must include: a summary of your position, 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 the identification of any procedural matters that are to be resolved prior to the hearing. In addition, the Division will impose a 200% risk charge unless you declare in this Pre-Hearing Statement that you intend to oppose it. Please note that the burden of proof as to this issue will be yours. If you have any questions about this case you may contact Ed Birdshead of Chesapeake.

Very truly yours. Thomas Kellahin



EXHIBIT A

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

OXY USA, Inc. PO Box 4294 Houston, Texas 77210-4294

Maralo Inc. PO Box 832 Midland. Texas 79702

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

Penroc Oil Corporation PO Box 2769 Hobbs, New Mexico 88241-2769

Chi Operating, Inc. PO Box 1799 Midland, Texas 79702-1799

Collins & Ware, Inc. PO Box 27 Midland, Texas 79702

Pogo Production Co. PO Box 10340 Midland. Texas 79702-7340

 so that we can return the card to y Attach this card to the back of the or on the front if space permits. 	
1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
Yates Petroleum Corpora	ation
105 South Fourth Street Artesia, NM	3. Service Type
	Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.
	4. Restricted Delivery? (Extra Fee)
2. Article Number (Transfer from service label)	7008 1140 0002 1503 5311
PS Form 3811, February 2004	Domestic Return Receipt 102595-02-M-1540
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PO Box 4294	3 Service Type
Houston, Texas 77210-4	Registered Return Receipt for Merchandlee
	Insured Mall C.O.D. A. Restricted Delivery? (Extra Fee)
2. Article Number	7008 1140 0002 1503 5328
PS Form 3811, February 2004	Domestic Return Receipt
Sender fomdletentlissem	
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Print your name and address on t so that we can return the card to	you.
Attach this card to the back of the or on the front if space permits.	p malipiece, D. is delivery address different from item 1? □ Yes
1. Article Addressed to:	If YES, enter delivery address below:
Pogo Production Co	· C. (644 14473157
PO Box 10340	
Midland. Texas 7970	Registered Return Receipt for Merchandise
). 	Insured Mail C.O.D. A. Restricted Delivery? (Extra Fee) Yes
2. Article Number	7008 1140 0002 1503 5410

م.

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1. Article Addressed to: Marbob Energy Corporation Post Office Box 227	If YES, enter delivery address, below:
Artesia, New Mexico 88211	3. Service Type Image: Continue of the service
2. Article Number (Transfer from service label)	6 0100 0005 5710 8985
PS Form 3811, February 2004 Domestic Re	eturn Receipt 102595-02-M-1540
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Penroc Oil Corporation PO Box 2769 Hobbs, New Mexico 88241-2769	<u> </u>
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	If YES, enter delivery address below: □ No
Chi Operating, Inc. PO Box 1799 Midland, Texas 79702-1799	3. Service Type Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

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