

**CHESAPEAKE OPERATING, INC.**

P.O. BOX 18496  
OKLAHOMA CITY, OKLAHOMA 73154-0496  
405/848-8000, EXT. 414  
405/879-9562 FAX

**LAND DEPARTMENT**

LYNDA F. TOWNSEND, CPL/ESA  
LANDMAN

May 27, 1999

VIA CERTIFIED MAIL

Mr. Richard L. Brown  
320 Kearney #10  
Santa Fe, NM 87501

Re: Chesapeake's Boyce 1-15, Well Proposal  
E/2, Section 15-16S-35E  
Lea County, New Mexico

Dear Mr. Brown:

Chesapeake Operating, Inc. hereby proposes to drill the Boyce 1-15 well to a total depth of 12,100' to test the Morrow formation. The well will be at a standard location of 1650' FNL and 660' FEL in the E/2 of Section 15-16S-35E. Richard L. Brown is the owner of 1.04 net mineral acres of the 320 acre unit.

Attached is Chesapeake's AFE reflecting estimated dry hole costs of \$711,000 and completed well costs of \$1,016,000. Chesapeake offers you the opportunity to participate in the drilling of the Boyce 1-15 well with a working interest of 0.3241%. Should you elect to participate, please return the executed AFE along with a check in the amount of \$2,304.35 for your proportionate share of dry hole costs. Upon receipt, a Joint Operating Agreement will be forwarded for your signature.

If you have any questions or require any additional information, please do not hesitate to give me a call.

Very truly yours,

  
Lynda F. Townsend

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 12186 Exhibit No. 5  
Submitted By:  
*Chesapeake Operating*  
Hearing Date: June 24, 1999

**CHESAPEAKE OPERATING, INC.**

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**LAND DEPARTMENT**

LYNDA F. TOWNSEND, CPL/ESA  
LANDMAN

May 27, 1999

VIA CERTIFIED MAIL

The Wright Family Living Trust  
Joe R. Wright, Trustee  
320 Kearney #9  
Santa Fe, NM 87501

Re: Chesapeake's Boyce 1-15, Well Proposal  
E/2, Section 15-16S-35E  
Lea County, New Mexico

Dear Mr. Wright:

Chesapeake Operating, Inc. hereby proposes to drill the Boyce 1-15 well to a total depth of 12,100' to test the Morrow formation. The well will be at a standard location of 1650' FNL and 660' FEL in the E/2 of Section 15-16S-35E. The Wright Family Living Trust is the owner of 1.04 net mineral acres of the 320 acre unit.

Attached is Chesapeake's AFE reflecting estimated dry hole costs of \$711,000 and completed well costs of \$1,016,000. Chesapeake offers you the opportunity to participate in the drilling of the Boyce 1-15 well with a working interest of 0.3241%. Should you elect to participate, please return the executed AFE along with a check in the amount of \$2,304.35 for your proportionate share of dry hole costs. Upon receipt, a Joint Operating Agreement will be forwarded for your signature.

If you have any questions or require any additional information, please do not hesitate to give me a call.

Very truly yours,

  
Lynda F. Townsend

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LYNDA F. TOWNSEND, CPL/ESA  
LANDMAN

May 27, 1999

VIA CERTIFIED MAIL

Ms. Gretchen B. Nearburg  
1608 Lakeway Blvd.  
Austin, TX 78734

Re: Chesapeake's Boyce 1-15, Well Proposal  
E/2, Section 15-16S-35E  
Lea County, New Mexico

Dear Ms. Nearburg:

Chesapeake Operating, Inc. hereby proposes to drill the Boyce 1-15 well to a total depth of 12,100' to test the Morrow formation. The well will be at a standard location of 1650' FNL and 660' FEL in the E/2 of Section 15-16S-35E. Gretchen Nearburg is the owner of 0.52 net mineral acres of the 320 acre unit.

Attached is Chesapeake's AFE reflecting estimated dry hole costs of \$711,000 and completed well costs of \$1,016,000. Chesapeake offers you the opportunity to participate in the drilling of the Boyce 1-15 well with a working interest of 0.1621%. Should you elect to participate, please return the executed AFE along with a check in the amount of \$1,152.53 for your proportionate share of dry hole costs. Upon receipt, a Joint Operating Agreement will be forwarded for your signature.

If you have any questions or require any additional information, please do not hesitate to give me a call.

Very truly yours,

  
Lynda F. Townsend

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LYNDA F. TOWNSEND, CPL/ESA  
LANDMAN

May 27, 1999

VIA CERTIFIED MAIL

Mr. Robert J. Dunn  
P. O. Box 2069  
Scottsdale, AZ 85252-2069

Re: Chesapeake's Boyce 1-15, Well Proposal  
E/2, Section 15-16S-35E  
Lea County, New Mexico

Dear Mr. Dunn:

Chesapeake Operating, Inc. hereby proposes to drill the Boyce 1-15 well to a total depth of 12,100' to test the Morrow formation. The well will be at a standard location of 1650' FNL and 660' FEL in the E/2 of Section 15-16S-35E. Robert Dunn is the owner of 1.04 net mineral acres of the 320 acre unit.

Attached is Chesapeake's AFE reflecting estimated dry hole costs of \$711,000 and completed well costs of \$1,016,000. Chesapeake offers you the opportunity to participate in the drilling of the Boyce 1-15 well with a working interest of 0.3242%. Should you elect to participate, please return the executed AFE along with a check in the amount of \$2,305.06 for your proportionate share of dry hole costs. Upon receipt, a Joint Operating Agreement will be forwarded for your signature.

If you have any questions or require any additional information, please do not hesitate to give me a call.

Very truly yours,



Lynda F. Townsend

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LYNDA F. TOWNSEND, CPL/ESA  
LANDMAN

May 27, 1999

**VIA CERTIFIED MAIL**

Ms. Anna A. Reischman, General Partner  
MGC Limited Partnership  
1320 W. 4<sup>th</sup> Street  
Roswell, NM 88201

Re: Chesapeake's Boyce 1-15, Well Proposal  
E/2, Section 15-16S-35E  
Lea County, New Mexico

Dear Ms. Reischman:

Chesapeake Operating, Inc. hereby proposes to drill the Boyce 1-15 well to a total depth of 12,100' to test the Morrow formation. The well will be at a standard location of 1650' FNL and 660' FEL in the E/2 of Section 15-16S-35E. MGC Limited Partnership is an owner of 1.04 net mineral acres of the 320 acre unit.

Attached is Chesapeake's AFE reflecting estimated dry hole costs of \$711,000 and completed well costs of \$1,016,000. Chesapeake offers you the opportunity to participate in the drilling of the Boyce 1-15 well with a working interest of 0.3242%. Should you elect to participate, please return the executed AFE along with a check in the amount of \$2,305.06 for your proportionate share of dry hole costs. Upon receipt, a Joint Operating Agreement will be forwarded for your signature.

If you have any questions or require any additional information, please do not hesitate to give me a call.

Very truly yours,



Lynda F. Townsend

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LYNDA F. TOWNSEND, CPL/ESA  
LANDMAN

May 27, 1999

VIA CERTIFIED MAIL

Ms. Joe Anna Arnett,  
Mr. James D. Asher  
P. O. Box 8022  
Santa Fe, NM 87504-8022

Re: Chesapeake's Boyce 1-15, Well Proposal  
E/2, Section 15-16S-35E  
Lea County, New Mexico

Dear Ms. Arnett and Mr. Asher:

Chesapeake Operating, Inc. hereby proposes to drill the Boyce 1-15 well to a total depth of 12,100' to test the Morrow formation. The well will be at a standard location of 1650' FNL and 660' FEL in the E/2 of Section 15-16S-35E. Joe Anna Arnett and James D. Asher, as Joint Tenants with Rights of Survivorship are owners of 1.04 net mineral acres of the 320 acre unit.

Attached is Chesapeake's AFE reflecting estimated dry hole costs of \$711,000 and completed well costs of \$1,016,000. Chesapeake offers you the opportunity to participate in the drilling of the Boyce 1-15 well with a working interest of 0.3242%. Should you elect to participate, please return the executed AFE along with a check in the amount of \$2,305.06 for your proportionate share of dry hole costs. Upon receipt, a Joint Operating Agreement will be forwarded for your signature.

If you have any questions or require any additional information, please do not hesitate to give me a call.

Very truly yours,



Lynda F. Townsend

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LYNDA F. TOWNSEND, CPL/ESA  
LANDMAN

May 27, 1999

**VIA CERTIFIED MAIL**

Mr. Mark K. Nearburg  
Ameristate Oil & Gas, Inc.  
1211 W. Texas  
Midland, TX 79701

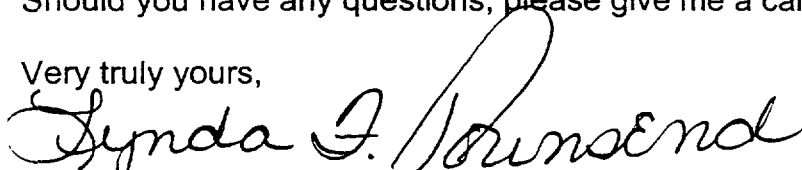
Re: Chesapeake's Boyce 1-15, Well Proposal dated March 22, 1999  
E/2, Section 15-16S-35E  
Lea County, New Mexico

Dear Mr. Nearburg:

Reference is made to our well proposal dated March 22, 1999 for the Boyce 1-15 well. That proposal incorrectly identified Ameristate's working interest as 30.363281% in the Boyce 1-15 unit. We now find that interest to be 11.0162%. Please adjust your AFE estimated dry hole costs accordingly.

Should you have any questions, please give me a call.

Very truly yours,

  
Lynda F. Townsend

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LYNDA F. TOWNSEND, CPL/ESA  
LANDMAN

May 27, 1999

**VIA CERTIFIED MAIL**

Mr. Thomas M. Beall  
Fuel Products, Inc.  
P. O. Box 3098  
Midland, TX 79702

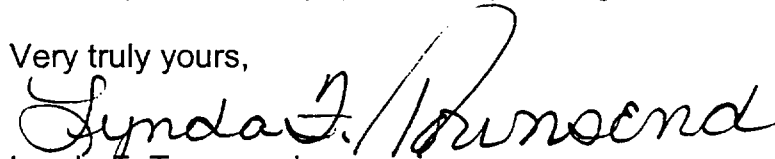
Re: Chesapeake's Boyce 1-15, Well Proposal dated March 22, 1999  
E/2, Section 15-16S-35E  
Lea County, New Mexico

Dear Mr. Beall:

Reference is made to our well proposal dated March 22, 1999 for the Boyce 1-15 well. That proposal incorrectly identified Fuel Products' working interest as 0.949219% in the Boyce 1-15 unit. We now find that interest to be 4.3559%. Please adjust your AFE estimated dry hole costs accordingly.

Should you have any questions, please give me a call.

Very truly yours,



Lynda F. Townsend



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LANDMAN

May 27, 1999

**VIA CERTIFIED MAIL**

Mr. Don Lawson  
TMBR/Sharp Drilling, Inc.  
P. O. Box 10970  
Midland, TX 79702

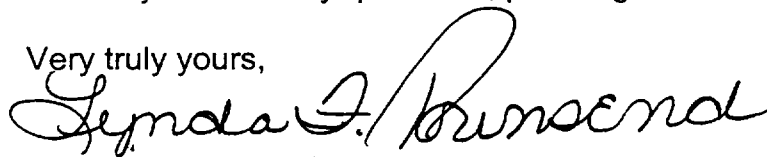
Re: Chesapeake's Boyce 1-15, Well Proposal dated March 22, 1999  
E/2, Section 15-16S-35E  
Lea County, New Mexico

Dear Mr. Lawson:

Reference is made to our well proposal dated March 22, 1999 for the Boyce 1-15 well. That proposal incorrectly identified TMBR/Sharp's working interest as 16.328125% in the Boyce 1-15 unit. We now find that interest to be 22.2057%. Please adjust your AFE estimated dry hole costs accordingly.

Should you have any questions, please give me a call.

Very truly yours,

  
Lynda F. Townsend

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LANDMAN

May 27, 1999

VIA CERTIFIED MAIL

Mr. Louis Mazzullo  
Louis Mazzullo, Inc.  
P. O. Box 66657  
Albuquerque, NM 87193


Re: Chesapeake's Boyce 1-15, Well Proposal dated March 22, 1999  
E/2, Section 15-16S-35E  
Lea County, New Mexico

Dear Mr. Mazzullo:

Reference is made to our well proposal dated March 22, 1999 for the Boyce 1-15 well. That proposal incorrectly identified Mazzullo's working interest as 0.210937% in the Boyce 1-15 unit. We now find that interest to be 0.1576%. Please adjust your AFE estimated dry hole costs accordingly.

Should you have any questions, please give me a call.

Very truly yours,

  
Lynda F. Townsend