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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF SAMSON RESOURCES COMPANY, KAISER-FRANCIS OIL COMPANY AND CASE NO. 13492 (De Novo) MEWBOURNE OIL COMPANY FOR CANCELLATION OF TWO DRILLING PERMITS AND APPROVAL OF A DRILLING PERMIT, LEA COUNTY, NEW MEXICO

APPLICATION OF CHESAPEAKE OPERATING, INC. FOR COMPUSLORY POOLING, LEA COUNTY, NEW CASE NO. 13493 (De Novo) MEXICO

ORDER NO. R-12343-F

<u>ORDER</u>

THIS MATTER, having come before the Chair of the New Mexico Oil Conservation Commission on April 5, 2007 at Santa Fe, New Mexico, on application of Chesapeake Operating, Inc. and Chesapeake Permian, L. P. for rehearing in Cases 13492 and 13493, the Chair having carefully considered the request, now, on this 11th day of April, 2007,

Grants the request for rehearing to take evidence and testimony on 1) why the Oil Conservation Commission should or should not uphold its establishment of a 640-acre proration unit in the southern two thirds of Section 4, Township 21 South, Range 35 East; NMPM, and 2) which entity should be the operator of the KF-4 Well and any future wells in the proration unit.

DONE at Santa Fe, New Mexico on the 11th of April 2007.



STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

MARK E. FESMIRE, P.E., CHAIR