



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

April 1, 2005

Chesapeake Operating Inc.
P O Box 18496
Oklahoma City, OK 73154

RE: Cancel Intent to Drill
Townsend 10 #1-A
10-23s-38e, 990/N & 660/E
API #30-025-36462

Gentlemen:

The Oil Conservation Division Hobbs office is canceling your intent to drill Townsend 10 #1, API # 30-025-36462, per your request. The cancellation is effective April 1, 2005.

Yours truly,

OIL CONSERVATION DIVISION

Chris Williams
District I Supervisor

CW:dm

CC: OCD file
OCD Santa Fe
State Land Office Santa Fe
BLM Carlsbad



Lynda F. Townsend, CPL/ESA
Senior Landman

April 1, 2005

VIA FAX AND U.S. MAIL (3 Pages Total) (505) 393-0720

Mr. Chris Williams
New Mexico Oil Conservation Division
1625 N. French Dr.
Hobbs, NM 88240

Re: Application for Permit to Drill-API #30-025-36462
Chesapeake Operating, Inc.
Townsend "10" No. 1
Sec 10-13S-38E, Unit A
Lea County, New Mexico

Dear Mr. Williams:

Chesapeake Operating, Inc. hereby withdraws its Application for Permit to Drill covering the above captioned well. It is our understanding that Matrix New Mexico Operating Company, LLC will be permitting a replacement well in this unit in the near future.

Copies of the APD and Extension are attached. Please do not hesitate to call if you have any questions.

Yours truly,

A handwritten signature in black ink, appearing to read "Michael S. Braun".

Michael S. Braun
Consulting Landman

cc: Fred Bryla,
Matrix New Mexico Operating Company, LLC