



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

January 29, 2003

Chesapeake Operating Inc
ATT: Linda Townsend
P O Box 18496
Oklahoma City OK 73154

RE: Intent to Drill
Eidson 8 State Com #1-A
Sec. 8, T-17s, R-35e

Gentlemen:

Your intent to drill Eidson 8 State Com #1 was approved and should have been DENIED. After further review of the intent to drill the above listed well, the Oil Conservation Division in Hobbs is canceling your intent to drill. We will be voiding the API # 30-025-36132 and no drilling operations are to be initiated without further notice to and approval by the Oil Conservation Division. Notice was give to Linda on January 28 by phone from Donna Mull to stop all operations to drill this well.

The review showed that July 2002 Ocean Energy has an approved intent to drill in this area for the same formation.

If you have any further question on this matter, please call (505) 393-6161.

Yours truly,

OIL CONSERVATION DIVISION

Chris Williams by Gary W. Wink
Chris Williams
District I, Supervisor

CW:dm

CC: OCD Hobbs
OCD Santa Fe – David Brooks