

**CHESAPEAKE OPERATING, INC.**

P.O. BOX 18496  
OKLAHOMA CITY, OKLAHOMA 73154-0496  
405/848-8000, EXT. 416  
405/879-9560 FAX

**LAND DEPARTMENT**

MIKE HAZLIP, CPL  
LANDMAN

April 21, 1997

**VIA FACSIMILE (505) 393-0720 & FEDERAL EXPRESS**

Mr. Jerry Sexton  
1000 West Broadway  
Hobbs, New Mexico 88240

Re: Jess 1-19 location - Unorthodox Location  
1650' FNL & 1360 FWL Section 19-T16S-R38E  
Lea County, New Mexico

Dear Mr. Sexton:

Pursuant to my discussion with you this morning, enclosed is Chesapeake's Application for Permit to Drill, Form C-101, for our Jess 1-19 well to be drilled at the captioned location. Your office has indicated to us that this well will be drilled as a wildcat well, generally requiring that the location be 330' from the quarter quarter boundaries. While our location is 330' from the northern boundary, it is closer to the western boundary of the quarter quarter. Some time ago, our geologist discussed this matter with Mr. Stogner of the Santa Fe Office and was encouraged that under the circumstances, our location would probably present no real problems.

**Chesapeake owns 100% of the leases covering the entire NW/4 Section 19 and the mineral owners under lease to us are common throughout.** . A rig has just become available to us and in order to drill this well at the optimum geological location, we request that we be granted a permit to drill the captioned location and subsequently provide you with any other information necessary to satisfy your office as to the necessity of drilling this particular location. Additionally, given the size of the feature we are drilling and other technical considerations, our expectations are that this well may require a request to the OCD for an eighty acre proration unit.

In that ownership is common throughout the entire NW/4 and no other owners would be adversely affected by our location, we would appreciate your timely consideration of our request for permit to drill.

Most sincerely,

  
Mike Hazlip

8/25/13

