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June 23, 2000

Hand Delivered

Mr. Michael E. Stogner
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Re: Warehouse "10" Well No. 2
Administrative Application of
Chesapeake Operating, Inc.,
for a unorthodox subsurface location
S/2NE/4 Section 10, T16S, R36E
Lea County, New Mexico

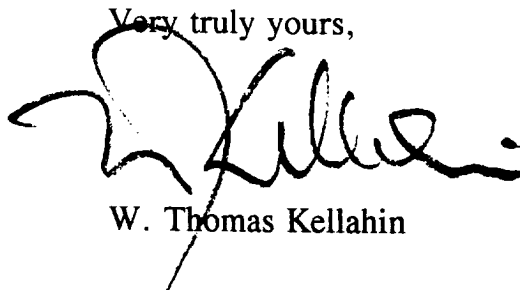
Dear Mr. Stogner:

On behalf of Chesapeake Operating, Inc. and in accordance with Division Rule 104, please find enclosed the enclosed original of this application for approval to drill this well directionally to an unorthodox subsurface location. We are seeking a 100 foot radius target around the unorthodox bottom hole location.

Concurrently with this application, we have filed a separate application with OCD-Hobbs requesting approval of the directional wellbore in accordance with Rule 111.

Please call me if you have any questions.

Very truly yours,



W. Thomas Kellahin

cc: Mr. Chris Williams (OCD-Hobbs)
Chesapeake Operating, Inc.
Attn: Lynda Townsend