

**KELLAHIN AND KELLAHIN**

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October 2, 2000

**Via Facsimile and Federal Express**

Mr. Chris Williams, Supervisor  
Oil Conservation Division  
1625 N. French Drive  
Hobbs, New Mexico 88240

Re: Shelby "14" Well No. 1  
Administrative Application of Chesapeake Operating, Inc.,  
for a Directional Wellbore W/2 Section 14, T16S, R36E  
Unorthodox Surface Location: 577 feet FWL x 1299 feet FNL  
Standard Subsurface Location: 1684 feet FWL x 660 feet FNL  
Lea County, New Mexico

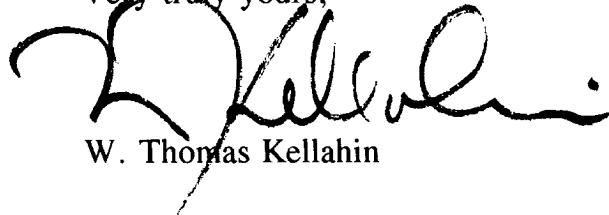
Dear Mr. Williams:

In accordance with our phone conversation on Friday, I confirmed with Mr. Stogner (OCD-Santa Fe) that it was not necessary to obtain his approval for an unorthodox surface location when the bottom hole location is intended to be at a standard subsurface location.

The originals of the APD and attachments which I transmitted to you on Friday by facsimile have been sent to you by Federal Express.

Chesapeake would like to commence drilling this well on Monday, October 2, 2000. Please call me if you have any questions.

Very truly yours,



W. Thomas Kellahin

cfx: OCD-Santa Fe

Attn: Mr. Michael E. Stogner

cfx: Chesapeake Operating, Inc.

Attn: Lynda Townsend