

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047

September 29, 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

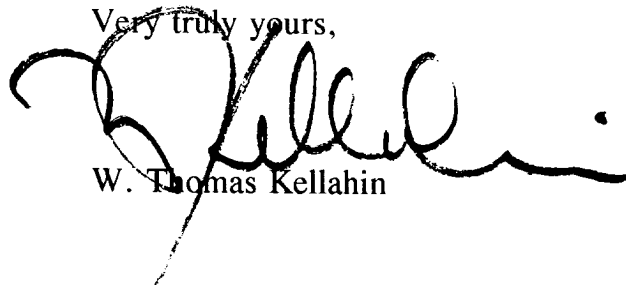
Dear Mr. Williams:

On behalf of Chesapeake Operating, Inc. and in accordance with our phone conversation this morning, please find enclosed the enclosed original "APD" for approval to drill this well directionally from an unorthodox surface location to a standard subsurface location and appropriate attachments.

Chesapeake intends to drill the well to the top of the Lower Mississippi formation in order to insure that it has penetrated the full extent of the Morrow formation which is the primary objective. If the Morrow is unsuccessful, then they will see if there is any opportunity to produce the Atoka formation.

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: Chesapeake Operating, Inc.  
Attn: Lynda Townsend

ELF  
ABOVE DATE DOES NOT  
INDICATE WHEN  
CONFIDENTIAL LOGS  
WILL BE RELEASED

CONFIDENTIAL