

**CHESAPEAKE OPERATING, INC.**

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**LAND DEPARTMENT**

LYNDA F. TOWNSEND, CPL/ESA  
LANDMAN

NSL-4440 @SBHL

March 1, 2000

**VIA HAND DELIVERY**

Mr. Michael Stogner  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

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

Re: Unorthodox Location Application  
Oxy 15-1 Well  
SL: 1986' FSL & 661' FWL  
BHL: 2178' FSL & 935' FWL  
N/2 SW/4, Section 15-17S-37E  
Lea County, New Mexico

Dear Mr. Stogner and Mr. Williams:

In conjunction with our submittal of forms C-101 and C-102, this letter shall evidence Chesapeake's formal request for administrative approval of an unorthodox location for the Oxy 15-1 well. The well is to be drilled to an approximate depth of 11,500' to test the Strawn formation.

The Oxy 15-1 well will be located in the Humble City Strawn Pool. The rules established for this pool allow for a well to be drilled within a 150' radius of the center of a governmental quarter quarter or lot. Please note on the enclosed plat that the bottom-hole location for the Oxy 15-1 is 2178' FSL and 935' FWL or approximately 198' north and 274' east of the surface location. These footage calls position the bottom-hole location outside the perimeters of the 150' rule making the well unorthodox to the north lease line, but optimizing the highest probability of success.

Upland Corporation is the leasehold owner of the NW/4 of Section 15-17S-37E. Notice of Unorthodox Location and Request for Waiver was sent to Upland on November 3, 1999. Chesapeake received the executed Waiver of Protest on November 10, 1999, a copy of which is enclosed for your perusal.

The requested unorthodox location is coincident with both maximum structural attitude and stratigraphic growth development as shown in the attached isoporosity and structure map (the hotter the color, the higher the stratigraphic growth of reservoir quality Strawn). The structure, based on the top of the Strawn formation,

