

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Chesapeake Operating Inc. 2010 Rankin Hwy Midland, TX 79701		² OGRID Number 147179
		³ Reason for Filing Code/ Effective Date NW 5/31/07
⁴ API Number 30 -015-35114	⁵ Pool Name HAYHURST 16 STATE	⁶ Pool Code 97625
⁷ Property Code 35956	⁸ Property Name HAYHURST 16 STATE	⁹ Well Number 001

II. ¹⁰ Surface Location

UL or lot no. P	Section 16	Township 25S	Range 27E	Lot.Idn	Feet from the 660	North/South Line SOUTH	Feet from the 660	East/West line EAST	County EDDY
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¹¹ Bottom Hole Location

UL or lot no. P	Section 16	Township 25S	Range 27E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 660	East/West line EAST	County EDDY
¹² Lse Code S	¹³ Producing Method Code FLOWING	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
040798	BP AMERICA PRODUCTION CO. BOX 3092 HOUSTON, TX 77253		OIL	
	AGAVE ENERGY CO. 105 S. 4TH ST ARTESIA, NM 88210		GAS	

IV. Produced Water

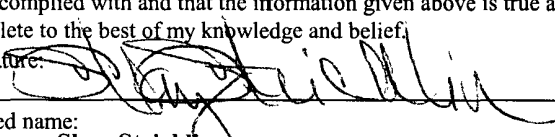
²³ POD	²⁴ POD ULSTR Location and Description
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V. Well Completion Data

²⁵ Spud Date 01/01/2007	²⁶ Ready Date 04/04/2007	²⁷ TD 10400	²⁸ PBTB	²⁹ Perforations 10196-10256	³⁰ DHC, MC
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		
17.5	13.375	430	390		
12.25	9.625	2110	890		
9.625	7	9014	1460		
7.125	4.5	10400	250		

VI. Well Test Data

³⁵ Date New Oil 04/04/2007	³⁶ Gas Delivery Date 04/04/2007	³⁷ Test Date 05/31/2007	³⁸ Test Length 24	³⁹ Tbg. Pressure 1132	⁴⁰ Csg. Pressure 265
⁴¹ Choke Size 23/64	⁴² Oil 8	⁴³ Water 0	⁴⁴ Gas 1505	⁴⁵ AOF	⁴⁶ Test Method Flowing

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: 	OIL CONSERVATION DIVISION	
Printed name: Shay Stricklin	Approved by: BRYAN G. ARRANT	Title: DISTRICT II GEOLOGIST
Title: Regulatory Tech.	Approval Date: JUL 0 6 2007	
E-mail Address: sstricklin@chkenegy.com		
Date: 06/06/2007	Phone: (432)687-2992	

Dear Shay,

Thank you for the information you have submitted. I still need the complete set of electric logs that should have been ran on this well. The logs that we have received do not go to the permitted total depth of the well. There should be a final composite or another set of electric logs that logged through the Morrow or at least to 10400'?

I'm sorry, I am now confused. We do not have the electric logs of the interval that this well produces from.

Also, I need to inquire about why this well bore was side tracked and a down hole motor was ran. Was the intent to drill down to the Morrow abandoned for some reason?

I don't see any records in our files about well bore problems or why this was done.

Having the computed directional survey, please re submit an amended C-104 that shows the correct bottom hole location of the well bore.

Yours truly,

Bryan G. Arrant

District II Geologist

New Mexico Oil Conservation Division

1301 West Grand Ave.

Artesia, NM 88210

505-748-1283 Ext. 103

From: Arrant, Bryan, EMNRD

Sent: Wednesday, June 06, 2007 11:30 AM

To: 'Shay Stricklin'

Cc: Sanchez, Daniel J., EMNRD; Gum, Tim, EMNRD

Subject: Hayhurst 16 State # 1

Dear Shay,

For the above noted well, please submit the following as Chesapeake Operating, Inc. has a number of regulatory issues of non-compliance that need to be addressed:

The complete set of electric logs.

(We have received the Sonic log on 5/09/2007, however as you may be aware more logs were ran.)

Completion report (Form C-105)

Well deviation report.

Form C-104

(We have received a RT (testing allowable on NMOC form C-104), however you need to submit a NW (new well completion))

Please submit supporting documentation on how the top of cement of 4000' has been determined on the production string of casing.

I need for you to submit the required regulatory information no later than 6/13/2007.

Feel free to call if you have any questions,

Bryan G. Arrant

District II Geologist

New Mexico Oil Conservation Division

1301 West Grand Ave.

Artesia, NM 88210

505-748-1283 Ext. 103

CC: Well File

6/15/2007