	- · · · · · · · · · · · · · · · · · · ·	·····	1	- PTG W
DATE IN . 29,12 SUSPEN	ISE ENGINEER DB	LOGGED IN	TYPENSL	APP NO. 1206029635
	ABOVE	THIS LINE FOR DIVISION USE ONLY		
	NEW MEXICO OIL COM	NSERVATION DI ng Bureau -		Chesapealle 1471 U Big Siniles 147430 us
	ADMINISTRATIVE	APPLICATIO	ON CHECI	KLIST
THIS CHECKLIST IS M	IANDATORY FOR ALL ADMINISTRATIV WHICH REQUIRE PROCES		CEPTIONS TO DIVI	ISION RULES AND REGULATIONS
[DHC-Dow [PC-Pc	ndard Location] [NSP-Non-St nhole Commingling] [CTB-I	Lease Commingling] [-Lease Storage] [ [PMX-Pressure M sal] [IPI-Injection P	[PLC-Pool/L OLM-Off-Lease aintenance Ex ressure Increa	ease Commingling] Measurement] (pansion] ase] duction Response]
] TYPE OF AI [A]	PLICATION - Check Those Location - Spacing Unit - Si NSL NSP			- 14 - 30
Check [B]	One Only for [B] or [C] Commingling - Storage - Me DHC CTB	easurement PLC PC	] OLS 🗌	
[C]	Injection - Disposal - Pressur	re Increase - Enhance SWD 🗌 IPI [	'	PPR Eddy
[D]	Other: Specify			
] NOTIFICAT	ION REQUIRED TO: - Chec			ot Apply
[B]	Offset Operators, Lease	holders or Surface O	wner	
[C]	Application is One Whi	ch Requires Publishe	ed Legal Notice	
[D]	Notification and/or Con U.S. Bureau of Land Management - C			
[E]	For all of the above, Pro	oof of Notification or	Publication is A	Attached, and/or,
[F]	Waivers are Attached			
] SUBMIT AC	CURATE AND COMPLETE	E INFORMATION	REOUIRED T	<b>O PROCESS THE TYPE</b>

OF APPLICATION INDICATED ABOVE.

**CERTIFICATION:** I hereby certify that the information submitted with this application for administrative [4] approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

<u>Attorney</u> <u>2/28/12</u> <u>Title</u> <u>Date</u> <u>agrantin Chollandhart. Com</u> <u>e-mail Address</u> Haam G. Pankin Print or Type Name Signature

HOLLAND&HART

Adam G. Rankin Associate Phone 505-954-7294 Fax 505-983-6043 agrankin@hollandhart.com

February 28, 2012

#### VIA HAND DELIVERY

-

Jami Bailey Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

2812 FB 82 Ū

# Re: Application of Chesapeake Operating, Inc. for administrative approval of an unorthodox well location for its PLU Big Sinks 14 24 30 USA 1H well in the Bone Spring Pool Section 14, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Dear Ms. Bailey:

Chesapeake Operating, Inc. (OGRID No. 147179) hereby seeks administrative approval pursuant to the provisions of Division Rule 19.15.15.13 NMAC for an unorthodox well location for its PLU Big Sinks 14 24 30 USA No. 1H to be located in Section 14, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. The proposed wildcat well is to be drilled at a surface location 150 feet from the South line with a penetration point 330 feet from the South line and approximately 1980 feet from the East line of Section 14. The bottom-hole location will be 100 feet from the North line and 1980 feet from the East line of Section 14. A 162.14-acre project area has been dedicated to this horizontal well comprised of the W/2 E/2 of Section 14.

**Exhibit A** is a land plat for Section 14 and surrounding sections that shows the proposed non-standard location of the PLU Big Sinks 14 24 30 USA No. 1H in relation to adjoining units and existing wells. This location is unorthodox because the Bone Spring formation under this acreage is governed by the Division's statewide rules which provide for wells on 40-acre spacing units to be located no closer than 330 feet to the outer boundary of the spacing unit. The bottomhole location of this well will be located 100 feet from the North line of Section 14 for engineering reasons, and is, therefore, closer to the section line than allowed by Division rules.

**Exhibit B** is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the proposed PLU Big Sinks 14 24 30 USA No. 1H well encroaches on the spacing and proration unit to the North.

#### Holland & Hart LLP

 Phone
 [505]
 988-4421
 Fax
 [505]
 983-6043
 www.hollandhart.com

 110
 North Guadalupe
 Suite 1
 Santa Fe, NM
 87501
 Mailing Address
 P.O. Box
 2208
 Santa Fe, NM
 87504-2208

Denver Aspen Boulder Colorado Springs Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Salt Lake City Santa Fe Washington, D.C. 🌣



PLU Big Sinks 14 24 30 USA 1H February 28, 2012 Page 2

**Exhibit C** is a list of the affected parties. Pursuant to 19.15.4.12(A)(2)(c) NMAC, affected parties are those toward whom the non-standard location encroaches. Here, the proposed bottom-hole location encroaches on the spacing and proration unit to the North. The affected party is BEPCO. A copy of this application with all attachments was mailed to the notice recipient.

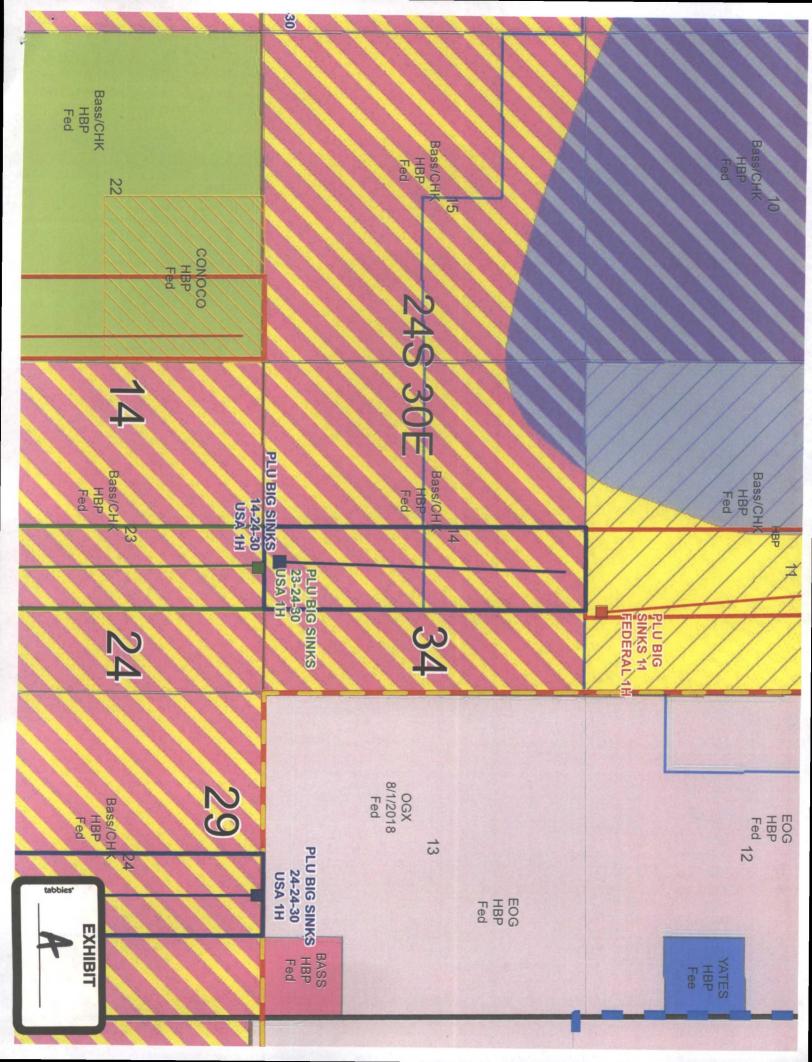
Your attention to this application is appreciated.

Sincerely,

Adam G. Rankin ATTORNEY FOR CHESAPEAKE OPERATING, INC.

AGR

ce: Jerris Johnson



DISTRICT I 1025 N. French Dr., Robbs, NM 88240 Phose (876) 593-6101 Yest (676) 593-6720 DISTRICT II 011 S. Frent St., Artesio, NM 88210 Phose (676) 748-1823 Yest (675) 748-9720 DISTRICT III 1000 Rio Brazos Rd., Aztoc, Ni 67610 Phese (608) 834-6176 Fast (603) E34-6170 DISTRICT IV

4

\$

State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Form C-102 Revised August 1, 2011

Submit one copy to appropriate District Office

O 14 24 S 30 E 150 SOUTH 1980 EAST EDDY Bottom Hole Location If Different From Surface UL or lot No. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County	20 8. 81. Francis D 1001+ (505) 476-3480 1	PANI (805) 478-3	468	VELL ĻO	CATION	AND ACI	REAGE DEDICA	TION PLAT	C AMENDED	REPORT	
PLU BIG SINKS 14 24 30 USA         1H           OgRib Me.         Operator Means         Deprator Means         Bit within 147179           CHESAPEAKE OPERATING CO.         3428'           Surface Location           Number of the second of th						·					
147179     3428       Surface Location       Surface Location       0     14     2428       O     14     2428       Dottom Hole Location If Difforent From Surface       Bottom Hole Location If Difforent From Surface       Determ Hole Location If Difforent From Surface       Bottom Hole Location If Difforent From Surface       Differentia Range Let Idn Feet from the North/South line Feet from the East/Test line County Editors Acres Joint or Infil Coondidation Code Order No.       162.14       NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNT HAS BEEN APPROVED BY THE DIVISION       OPERATOR CERTIFICATION INTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNTI HAS BEEN APPROVED BY THE DIVISION       Interview Mathematics and Ratific Action States to a colspan="2">OPERATOR CERTIFICATION INTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNTI HAS BEEN APPROVED BY THE DIVISION       Interview Mathematics and Ratific Action States to a colspan="2">OPERATOR CERTIFICATION INTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNTIL ALL	• •				Property Name						
Surface Location         IL or iot No.       Bettom       Range       Lot Ma       Pet from the       Feet from the       Feet/Meet line       Gounty         O       14       24 S       30 E       International participants       South       1980       EAST       EDDy         Bottom       Hole Location       If Different Internation       Feet from the       Feet/Meet line       County         B       14       24 S       30 E       Internation       International participants       Feet/Meet line       County         B       14       24 S       30 E       International participants       Feet/Meet line       Feet/Meet line       County         Belateta Arm       Joint or Infill       County       Dedentational county       Feet/Meet line       Feet/Meet line       County         IS2.214       International county       Dedentational county       Dedentational county       Feet/Meet line       Feet/Meet line       County         IS2.214       International county       International county       International county       Feet/Meet line       Feet/Meet/Meet/Meet/Meet/Meet/Meet/Meet/					•				,		
0     14     24     S     30     E     150     SOUTH     1980     EAST     EDDY       Bottom Hole Location If Different From Surface       // or let No.     Section     Tormship     Range     Lot Idn     Feet from the Morit/South line     Feet from the South line     East/Wast line     County       B     14     24     S     30     E     100     NORTH     1980     EAST     EDDY       Bediested Acres     Joint or Infill     Consolidation Code     Order No.     1080     NORTH     1980     EAST     EDDY       NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDAD UNIT HAS DEEN APPROVED BY THE DIVISION     OPERATOR CERTIFICATION INTERMENT Interment of the form of complete to t					1	Surface	Location		·····		
Bottom Hole Location If Different From Surface         JL of let No.       Section       Termship       Range       Lot Idn       Feet from the North/Bouth line       Feet from the East/feet line       County         B       14       24 S       30 E       100       NORTH       1980       East/feet line       County         Dedicated Acres       Joint or Infill       Consolidation Code       Deder No.       1980       East/feet line       County         162.14       NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION       OPERATOR CERTIFICATION / Association for the form of the fo	UL or lot No.	Section	Township	Range	Lot Idn	Feet from t	he North/South lit	e Feet from the	East/West line	County	
JL or let No.       Section       Termship       Range       Lot Max       Feet from the intermined	0	.14	24 S	30 E		150	SOUTH	1980	EAST	EDDY	
B     14     24     S     30     E     100     NORTH     1980     EAST     EDDY       Dedicated Acres     Joint or Infill     Consolidation Code     Drdor No.     162.14     Image: Consolidation Code     Drdor No.       162.14     NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION     OPERATOR CERTIFICATION / Arrest certify that the information of the property of the formation of the property of the fo				Bottom	Hole Loca	tion If D	ifferent From S	urface			
Dedicated Acrea       Joint or Infill       Consultation Code       Dedur No.         162.14       NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION         Interview of the inter	UL or lot No.	Section	Township	Range	Lot Idn	Feet from t	he North/South lin	e Feet from the	East/West line	County	
162.14         NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION         Image: Constraint of the second of the se	В	14	24 S	30 E		100	NORTH	1980	EAST	EDDY	
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION           Image: constraint formation       Barra		s Joint o	or Infill Co	nsolidation (	Code Dråe	r No.					
HOLE LOCATION Lon N 32:224623322 HUSPCE H 4572.655 E 581008.723 Lon N 32:224733210° Lon N 32:224733210° Lon N 32:224733210° Lon N 32:224733210° HNSPCE E 64828.701 (NAD-27)       Torminus       Torminus         I Lot - N 32:224733210° Long - W 103:86833320° HNSPCE E 64828.701 (NAD-27)       I I I I I I I I I I I I I I I I I I I	NO ALLO	OWABLE I							EN CONSOLID	TED	
HOLE LOCATION       Long - W 103,89318427         I of - N 32,224623827       Terminus         I of - N 32,224739210       I of - H 32,224739210         I of - H 32,224739210       I of - H 32,224739210         I long - W 103,89318427       I of - H 32,224739210         I NHSPCC - H 45818.528       I of - H 32,224739210         I Long - W 103,849333207       I of - H 32,224739210         I NHSPCC - H 45818.528       I of - H 32,224739210         I NHSPCC - H 45818.528       I of - H 32,224739210         I NHSPCC - H 45818.528       I of - H 32,224739210         I NHSPCC - H 45818.528       I of - H 32,224739210         I NHSPCC - H 45818.528       I of - H 32,224739210         I NHSPCC - H 45818.528       I of - H 32,22101/0000         I NHSPC - H 45818.528       I of - H 32,22101/0000         I NHSPC - H 45818.528       I of - H 32,22102         I NHSPC - H 45818.528       I of - H 32,22102         I NHSPC - H 45818.528       I of - H 32,22102         I NHSPC - H 45818.528       I of - H 32,22102         I O OF - H 32,22102       I of - H 32,2210         I O OF - H 32,2210       I of - H 32,2210         I O OF - H 32,2210       I of - H 32,2210         I of - H 32,2210       I of - H 32,2210         I of - H 32,2210		Ť.			8	an.	1980'			1011	
SURFACE LOCATION Loi - N 32.211040968 Long - W 103.649369201 HNSPCC - M 440789.724 Loi - N 32.211040968 Long - W 103.649369201 HNSPCC - E 649632.343 Loi - N 32.211040968 Long - W 103.649369201 HNSPCC - E 649632.343 Loi - N 32.211040968 Long - W 103.649369201 HNSPCC - M 440789.724 HNSPCC - M 40789.724 HNSPCC - M 40789.			Lat - N 3 Long - W 10 NMSPCE- N E (	2.224862382 3.849318642 445875.855 591009.723		7		I hereby co	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and th this organisation tither owns a working interest or unleased mineral interest in the land including the proposed belien hole location or has a right to drill this well at this location pursuant to decontract with an owner of such a mineral or working interest or to a voluniary positing direction or n compulsory positing order hirologors entered the division. Duty Auro 02/03/2012 Signature Date		
SUBFACE LOCATION Loi - N 32.211040966 Loi			Lot – N 3 Long – W 10 NMSPCE– N E (	2.224739210 3.848833370 145816.928 349825.701		1		iocation or has interior of such ourser of such or to a volunta computary poo ibay division			
SURFACE LOCATION Lot - N 32.2110409688 Long - W 103.843569201 I MISPCE - K 440788.928 NIKSPCE - K 440788.928 I MISPCE		   				Area		Signature			
SURFACE LOCATION Lot - N 32.2110409688 Long - W 103.843569201 I MISPCE - K 440788.928 NIKSPCE - K 440788.928 I MISPCE				roject An	,, ,	roducinç			bryan.arrant@cl	1k.com	
SURFACE LOCATION         Lol - N 32.211040968         Long - W 103.8498369201         IMMSPCE - E 881016.732         (NAD-83)         Long - W 103.849884531*         Jair - N 32.210917658*         Long - W 103.84988453*         Jair - N 32.210917658*         Long - W 103.84988453*         Long - W 103.84988453*         Long - W 103.8498845*				<u>с</u> ,	202	· · · · · · · · · · · ·		SURVEYO	SURVEYOR CERTIFICATION		
SURFACE LOCATION           Lot - N         32.2110409663           Long - W         103.849369201           HMSPCE-         K40987.744           Icong - W         103.849369201           Icong - W         103.849369201           Icong - W         103.849369201           Icong - W         103.849369201           Icong - W         103.849884531'           Icong - W         1080'           Icong - W         1080'           Icong - W         1080'           Icong - W         1080'		*				<b>I</b>		on this plat w actual surveys supervisor, as	as plotted from field made by me or ud that the same to	i notes of under my true and	
HMSPCE- N 440847.744 E 681016.732 (NAD-27) HMSPCE- N 440847.744 E 681016.732 (NAD-27) HMSPCE- N 440847.744 E 681016.732 (NAD-27) HMSPCE- N 440847.744 S426.0' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S437.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.7' S477.		     	Lat – N 3	2.211040968		 		signature	Scal of Support		
(NAD-27) (95 <sup>8</sup> . 1980'			NHSPCE- N (NAD- Lot - N 3 Long - W 10	440847.744 681016.732 63) 2.210917658' 3.848884531'				FEL		7977	
					120		1980'	B	ASIN SUBVEYS	25835	

EXHIBIT

# EXHIBIT C

Chesapeake's NSL Application PLU Big Sinks 14 24 30 USA No. 1H

BEPCO 201 Main Street, Suite 3100 Ft. Worth, Texas 76102

ń.



Teresa Long Assistant Landman - Permian District

February 14, 2012

Mr. Monty Montgomery BEPCO 201 Main Street, Suite 3100 Ft. Worth, TX 76102

Re: Application of Chesapeake Operating, Inc. for administrative approval of an unorthodox well location for its PLU Big Sinks 14 24 30 USA 1H well in the Bone Spring Pool Section 14, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Dear Mr. Montgomery:

Chesapeake Operating, Inc. has submitted the above-referenced application to the New Mexico Oil Conservation Division for an unorthodox well location for its PLU Big Sinks 14 24 30 USA 1H well. This well is located in Section 14, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, and is to be drilled horizontally in the Bone Spring pool at a surface location 150 feet from the South line with a penetration point 330 feet from the South line and approximately 1980 feet from the East line of Section 14. The bottom-hole location will be 100 feet from the North line and 1980 feet from the East line of Section 14.

Division Rules provide that an application may be approved sooner if the applicant obtains waivers from affected parties. We therefore request your waiver of objection to this administrative application. We respectfully request you that you sign this letter and return it by e-mail or overnight delivery as soon as possible.

Thank you for your consideration of this matter. Should you wish to discuss, please feel free to call me at 405-935-9175.

Sincerely,

Chesapeake Exploration, L.L.C.

BEPCO agrees to waive objection to Chesapeake Operating, Inc.'s application for an unorthodox well location for its PLU Big Sinks 14 24 30 USA 1H well.

Bv: Name & Title W. Frank McCreight, Sr. Vice President 2.22.12 Date:

Chesapeake Energy Corporation

P.O. Box 18496 • Oklahoma City, OK 73154-0496 • 6100 N. Western Avenue • Oklahoma City, OK 73118 405-935-9175 • fax 405-935-4251 • teresa.long@chk.com HOLLAND&HART

Adam G. Rankin Phone 505-988-4421 Fax 505-983-6043 agrankin@hollandhart.com

February 28, 2012

## <u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

### **TO AFFECTED PARTIES**

Re: Application of Chesapeake Operating, Inc. for administrative approval of an unorthodox well location for its PLU Big Sinks 14 24 30 USA 1H well in the Bone Spring Pool Section 14, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date by Chesapeake Operating Co. for administrative approval of an unorthodox well location for its PLU Big Sinks 14 24 30 USA Well No. 1H. The proposed wildcat well is to be drilled at a surface location 150 feet from the South line and a penetration point 330 feet from the South line, and approximately 1980 feet from the East line of Section 14. The bottom-hole location will be 100 feet from the North line and 1980 feet from the East line of Section 14.

As an owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing within twenty days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico. 87505. If no objection is received within this twenty-day period, this application for an unorthodox well location may be approved.

Sincerely

Adam G. Rankin ATTORNEY FOR CHESAPEAKE OPERATING, INC.

Enclosures

#### Holland & Hart up

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Denver Aspen Boulder Colorado Springs Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Salt Lake City Santa Fe Washington, D.C. 🗘

# Brooks, David K., EMNRD

 From:
 Adam Rankin [AGRankin@hollandhart.com]

 Sent:
 Monday, March 12, 2012 3:52 PM

 To:
 Brooks, David K., EMNRD

 Subject:
 Chesapeake: Corrected Surface Location for NSL Application for PLU Big Sinks 14 24 30 USA 1H

 Attachments:
 Revised C-102.pdf

David,

I filed on February 28 an administrative application on behalf of Chesapeake for a non-standard location for the PLU Big Sinks 14 24 30 USA 1H. BLM just informed Chesapeake that the BLM wants the surface location of this well moved.

On the application and in accordance with the C-102 filed, we requested a surface location 150 feet from the South line of Section 14 with a penetration point 330 feet from the South line. The BLM has requested that Chesapeake place the surface location 50 feet from the South line and 1980 from the East line. The penetration point will remain unchanged at 330 feet from the South line. I've attached the amended C-102 form indicating the changed surface location per BLM instruction.

To be sure that any order issued by the Division correctly states the surface location, can you please accept this email as a correction to Chesapeake's application for a non-standard surface location for its PLU Big Sinks 14 24 30 USA 1H well? Please let me know if I need to provide you with any other information or make a more formal written request.

All best, Adam

## Adam G. Rankin

Holland & Hart LLP 110 North Guadalupe Suite 1 P.O. Box 2208 Santa Fe, NM 87504 Office: (505) 988-4421 Direct: (505) 954-7294 Cell: (505) 570-0377 Fax (505) 983-6043 E-mail: agrankin@hollandhart.com Download vCard

x -----

**CONFIDENTIALITY NOTICE:** This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this e-mail. Thank you.

1

DISTRICT I 1025 N. French Dr., Hobbs, NM 88240 Phone (575) 895-8161 Fax: (575) 895-6720 DISTRICT II 511 S. First St., Artesia, NM 88210 Phone (705) 748-1233 Fax: (575) 748-6720 DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone (505) 534-6176 DISTRICT IV 1220 S. Et. Francis Dr., Santa Pe. MI 07605 Phone (501) 426-340 Br.; (501) 427-5402

State of New Mexico Energy, Minerals and Natural Resources Dopartment

11

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505 Form C-102 Revised August 1, 2011

Submit one copy to appropriate District Office

220 S. Sl. Francis Di hont (505) 476-3460 P.	r., Santa Fe, 1 Paz: (£05) 478-3	483	WELL LO	CATION	AND	ACRE	GE DEDICATI	ON PLAT	□ AMENDED	REPORT
API Number			Pool Code 96403			Pool Name WILDCAT; BONE SPRING				
Property Code				Prope PLU BIG SINKS			ue	Well Number 1H		
OGRID No. 147179		Opera			ator Name			Elevation 3427'		
CHESAPEAKE_OPERATING_CO 3427 Surface Location										
UL or lot No.	Section	Township	Range	Lot Idn	Feet fre	om the	North/South line	Feet from the	East/West line	County
0	14	24 S	30 E		.50	)	SOUTH	1980	EAST	EDDY
<u></u>	Bottom Hole Location If Different From Surface									
UL or lot No.	Section	Township	Range	Lot Idn	Feet fr	om the	North/South line	Feet from the	East/West line	County
B	14	24 S	30 E	•	1(	00	NORTH	1980	EAST	EDDY
Dedicated Aores	s Joint c	or Infill Co	onsolidation (	Code Or	der No.					
162.14	_ <u>_</u>			ł						
NO ALLO	NABLE I						UNTIL ALL INTER APPROVED BY '		SEN CONSÓLIDA	TED
[	Ţ	PROPOSED	BOTTOM	1	30-				DR CERTIFICAT	
			32.224862382		<b>~</b> ∦	l		I hereby co	rlify that the inform	ation
1	ļ	NUSPOR- N	03.849318642 445875.855					the best of my	in is true and comp knowledge and beliej m either owns a torr eased mineral interes the proposed bottom a right to drill this aright to a contract a mineral or working ry pooling agreement ling order herefore	, and that
		(NAD-	Pa100a'152		1			interest or unit	the proposed bollom	in the
		Lat - N 3	32.224739210 03.848833370			ł		location or has this location pu	a right to drill this insuant to a contract	well at with an
		NUSPOR- N	445816.928			Į.		owner of such or to a volunta	a mineral or working ry pooling agreement	interest, or a
		(NAD-	649825.701	-				compulsory peo the division	ling order herelofore	entered by
				T				1 6.	And 031	12/2012
	-				l f			Signature	Bring Assess	Date.
				1		-		Printed Nam	Bryan Arrant	
	Ï				Area			Printed Nam	bryan.arrant@c	hk.com
	I		Area		ng			Email Addres	83	
			Project Area		Producing Area			SURVEY	OR CERTIFICAT	TION
· · · · ·					4	T		I hereby certif	y that the well locat	ion shown
			. :			1		on this plat u	as plotted from field	instes of
				1				supervison a	made by me or nd that the same is	true and
	ĺ				1	ļ		correct to th	he beat of the welle	1.
	1							NO NO	RCH 3M2DIS	
	ļ			1	1 1			Date Survey	0	$\square$
		SURFACE	LOCATION	+;		-+		– Signature & Proressional	Survey WR	Jall
	l	Lat - N	32.210766132						All of the	MIL
		NUSPOR- N	440747.761 691016.905	1. 1	1				NA 1	<i>3</i> //
	l	- (HAD-			•			W	Constant of the second	y
		Lona — W 10	03.848885440	· · · · · ·	3434	.6				
		NMSPCE- N E (NAD-			<b>היי</b> ידין אייין אייין אייין אייין איי		s. t.,	Certificate 1	io. Gary L. Jones	s 7977
L		L	·	1		1	1980'	<u>→</u>	ASIN SURVEYS	26337

PROJECTED PENETRATION POINT 330' FSL & 1980' FEL