

10/23/07	11/14/07	Brooks	10/26/07	NSL	PKVR0729953253
DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

2007 OCT 25 PM 2:45



RECEIVED Chesapeake
Operating
Langley Greer Com
#3H

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative 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.

Ocean Munds-Dry Ocean Munds-Dry Attorney 10-23-07
Print or Type Name Signature Title Date
omundsdry@hollandhart.com
e-mail Address



October 23, 2007

HAND-DELIVERED

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Chesapeake Operating, Inc. for administrative approval of an unorthodox penetration point for its Langley Greer Well No. 3H which it proposes to drill as a horizontal wellbore in the Langley-Devonian Gas Pool in Section 21, Township 22 South, Range 36 East, N.M.P.M. from an unorthodox surface location 2440 feet from the South line and 660 feet from the West line, intersecting the Devonian formation at an unorthodox penetration point 2310 feet from the North line and 660 feet from the West line to a standard bottomhole location 660 feet from the North and the West lines of said Section 21, Lea County, New Mexico.

(147779) *no SPR's* *Gas*

Dear Mr. Fesmire:

30-025-38612
Langley Greer Cont #3

Chesapeake Operating, Inc. ("Chesapeake") hereby seeks administrative approval pursuant to the provisions of Division Rules 104 and 111 of an unorthodox penetration point for its Langley Greer Well No. 3H. This well is located in Section 21, Township 22 South, Range 36 East, N.M.P.M., and will be drilled to test the Devonian formation, Langley-Devonian Gas Pool, from an unorthodox surface location 2440 feet from the South line and 660 feet from the West line, intersecting the Devonian formation at an unorthodox penetration point 2310 feet from the North and West line, and to a standard bottomhole location 660 feet from the North and West lines of said Section 21, Lea County, New Mexico. The Project Area for this horizontal well consists of a standard 320-acre Devonian spacing unit comprised of the N/2 of Section 21.

This location is unorthodox because the Devonian formation under this acreage is governed by the Division's statewide rules which provide for wells on 320-acre spacing units to be located no closer than 660 feet to the outer boundary of the quarter-quarter section on which the well is located. The horizontal portion of the wellbore intersects the Devonian formation at a point 2310 feet from the north line of Section 21 which is

HOLLAND & HART LLP



only 330 feet from the southern boundary of the project area for the well and is therefore 330 feet closer than allowed by Division rules.

This well location was selected to maximize the portion of the horizontal wellbore at the highest structural position in this formation thereby enabling Chesapeake to capture any attic gas that remains in the reservoir. Exhibit A to this application is a structure map on the top of the Devonian that shows the proposed horizontal wellbore as it intersects the highest portion of the reservoir.

Exhibit B is a plat which shows the subject area and the 320-acre spacing unit/horizontal well project area for this well comprised of the N/2 of Section 21. The project area is comprised of two fee oil and gas leases. The offsetting 320-acre spacing unit/horizontal well project area in the Devonian formation comprised of the S/2 of Section 21 is dedicated to the Chesapeake operated Langley Getty Com Well No. 2RE. *another well*

The working interest ownership differs between the N/2 and S/2 of this Section. Accordingly, on or before the date on which this application was filed with the Division, a copy of this application with all attachments was mailed to each of the affected persons, identified on Exhibit C, by Certified Mail--Return Receipt Requested. Each of the affected parties was advised that if they have an objection to the proposed non-standard spacing or proration unit it must be filed in writing with the Division's Santa Fe office within twenty days from the date notice was sent. They were also advised that if no objections were received by the Division within twenty days, the Division Director could approve the application.

Your attention to this application is appreciated.

Sincerely,

Ocean Munds-Dry

Ocean Munds-Dry
Attorney for Chesapeake Operating, Inc.

Enclosures

cc: OCD/Hobbs, District 1

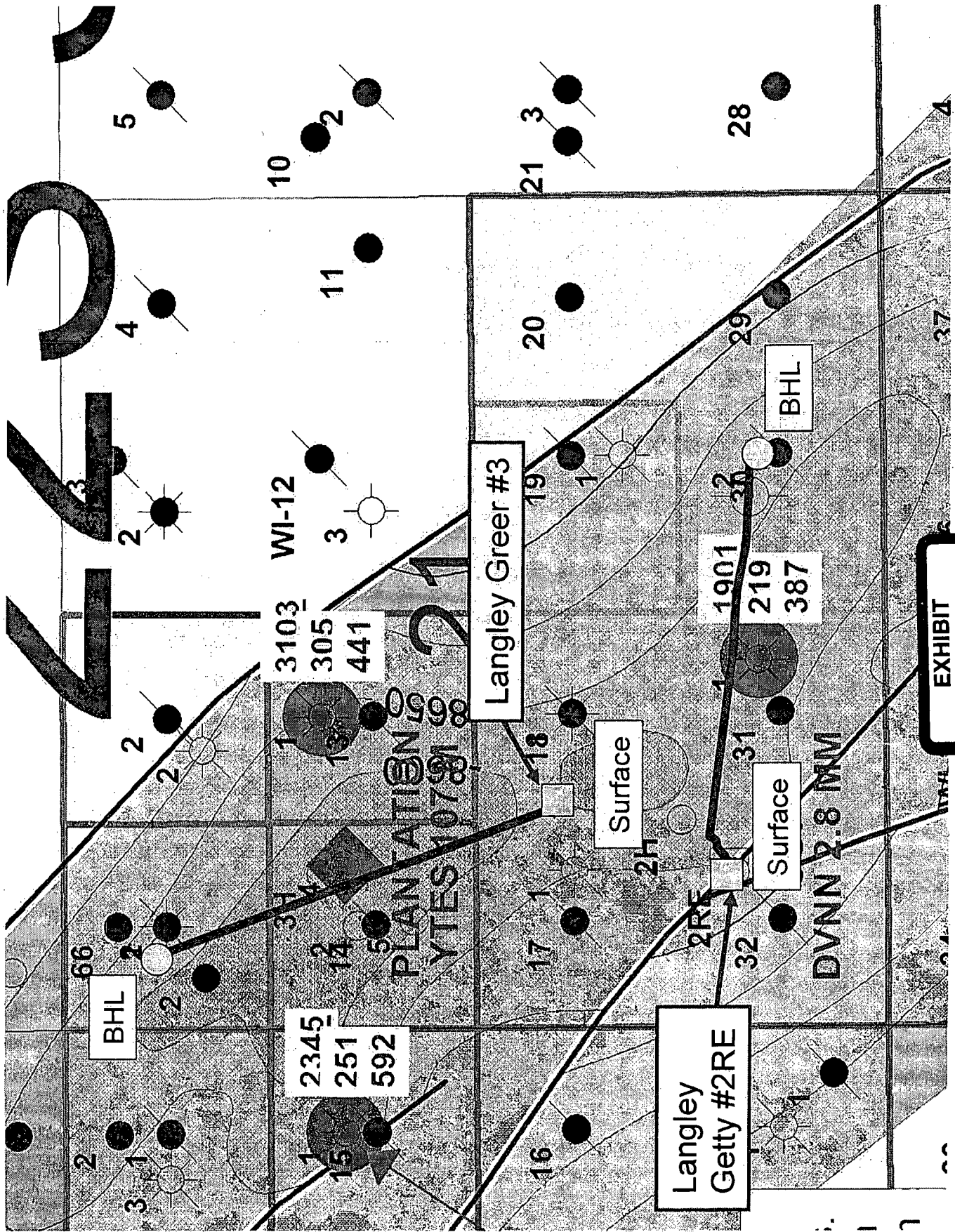


EXHIBIT
A

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 and Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name LANGLEY GREER COM	Well Number 3H
GRID No.	Operator Name CHESAPEAKE OPERATING, INC.	Elevation 3543'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	21	22-S	36-E		2440	SOUTH	660	WEST	LEA

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
D	21	22-S	36-E		660	NORTH	660	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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

<p>BOTTOM HOLE LOCATION Y = 504525.6 N X = 826343.9 E</p> <p>GRID AZ. = 359°22'52" HORZ. DIST. = 1650.0'</p> <p>PENETRATION POINT Y = 502876.0 N X = 826361.7 E</p> <p>GRID AZ. = 359°22'52" HORZ. DIST. = 530.5'</p> <p>GEODETC COORDINATES NAD 27 NME Y=502345.6 N X=826367.4 E LAT.=32.376630° N LONG.=103.276199° W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Ed Bird's head</i> 10-15-07 Signature Date</p> <p>Ed Bird's head Printed Name</p> <hr/> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>DATE SURVEYED: 10/15/07 DATE: 10/15/07 AR Signature: <i>GARY EIDSON</i> Professional Surveyor Seal: 3239 10/14/07</p> <p>Certificate No. GARY EIDSON 12841</p>
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EXHIBIT

B

EXHIBIT C

**APPLICATION OF CHESAPEAKE OPERATING, INC.
LANGLEY GREER WELL NO. 3H
N/2 OF SECTION 21, TOWNSHIP 22 SOUTH, RANGE 36 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO.**

Offsetting Owners

S/2 of Section 21-22S-36E

Charles H. Coll
Coll Brothers Oil Company
P.O. Box 1818
Roswell, NM 88202-1818

Chesapeake Exploration LLC (Pecos)
P.O. Box 18496
Oklahoma City, OK 73154

Clark C. Coll
Coll Brothers Oil Company
P.O. Box 1818
Roswell, NM 88202-1818

Dan W. Irwin
118 N. Grant St.
Hinsdale, IL 60521

Endeavor Energy Resources LP
110 N. Marienfeld Ste. 200
Midland, TX 79701

Eric J. Coll
Coll Brothers Oil Company
P.O. Box 1818
Roswell, NM 88202-1818

George Bauerdorf, Trust Representative
Constance B. Cartwright Trust
2444 Wilshire Blvd. Ste. 508
Santa Monica, CA 90403-5808

Jon F. Coll
Coll Brothers Oil Company
P.O. Box 1818
Roswell, NM 88202-1818

Jon F. Coll II
7335 Walla Walla
San Antonio, TX 78250-5242

Kathleen Irwin Schuster
3213 Pepperwood Ln.
Ft. Collins, CO 80525

Lamar Lunt Trust 50594-1
First National Bank of Santa Fe
c/o Bank of Oklahoma
P.O. Box 1588
Tulsa, OK 74101

Laneil Stapp Wright
P.O. Box 600235
Dallas, TX 75360-0235

Mary Margaret Sherrill
4920 N. Carriage Rd.
Hobbs, NM 88242-9757

Max W. Coll II
83 La Barberia Trail
Santa Fe, NM 87505-9008

Max W. Coll III
7625-2 El Centro Blvd.
Las Cruces, NM 88012

Melanie Coll Detemple
5653 Tobias Ave.
Van Nuys, CA 91411

Chesapeake, formerly Redcliffe Resources
L.C./Durango
P.O. Box 4848
Wichita Falls, TX 76308-0848

Sally Rodgers
152 B Arroyo Hondo Rd.
Santa Fe, NM 87508

Sandra L. Davidson
2825 W. Shandon
Midland, TX 79705

Thomas Edward Todd Jr.
P.O. Box 338
Ruidoso, NM 88345

Virginia Moore Todd Trust
Virginia M. Todd & Susan M. Taylor
& Thomas Moore, Co-trustees
P.O. Box 25449
Dallas, TX 75225

WL Todd Jr. MAR Trust
Virginia M. Todd & Susan M. Taylor &
Thomas Moore, Co-trustees
P.O. Box 25449
Dallas, TX 75225

Wallfam Ltd.
P.O. Box 50430
Midland, TX 79710

Broughton Petroleum, Inc.
Mark Chapman
P.O. Box 1389
Sealy, TX 77474-1389

State of New Mexico

DISTRICT I

1625 N. FRENCH DR., BOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102

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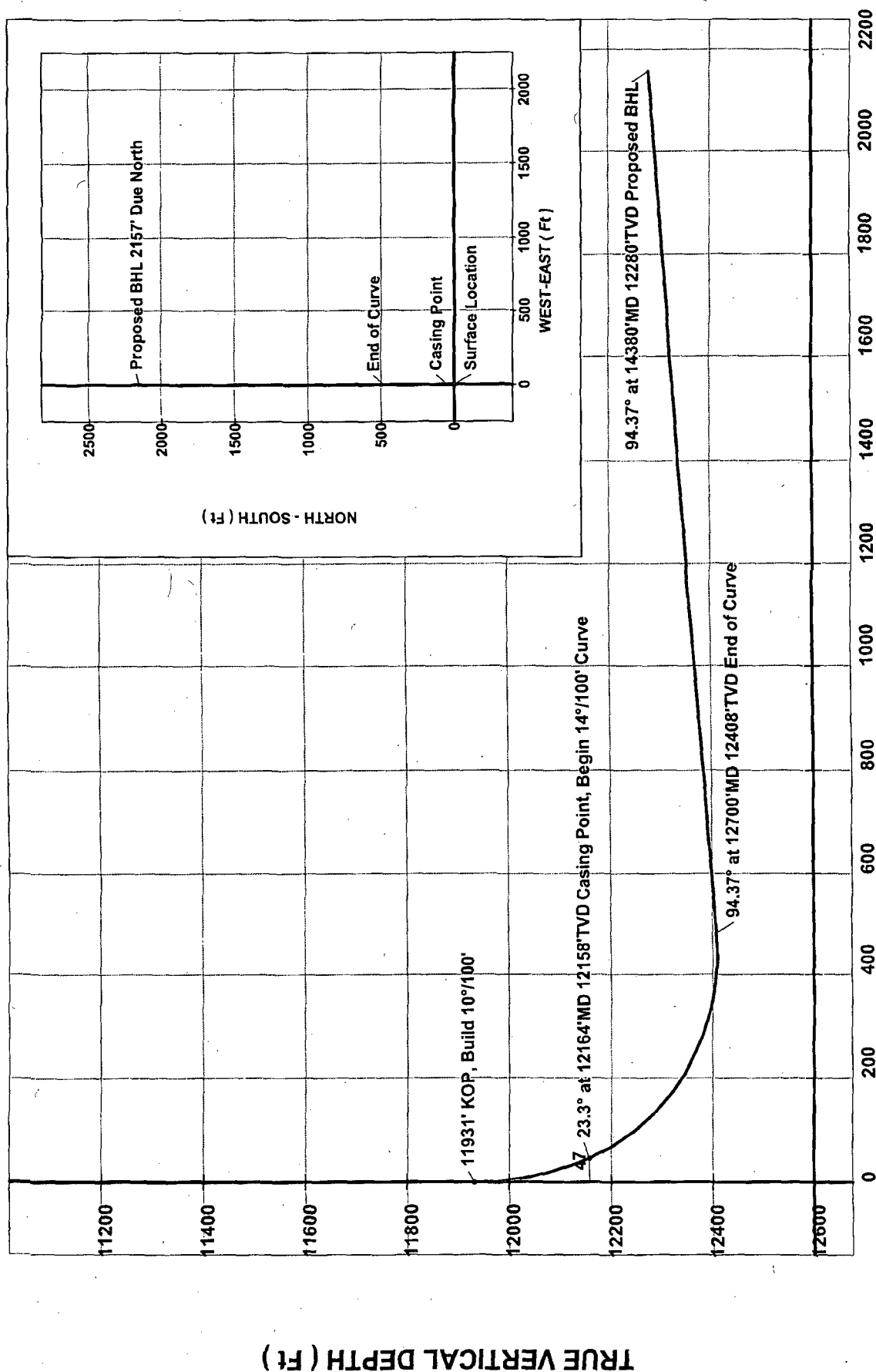
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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

<p>PROJECT AREA</p> <p>BOTTOM HOLE LOCATION Y = 504525.6 N X = 826343.9 E</p> <p>PRODUCING AREA</p> <p>GRID AZ. = 359°22'52" HORZ. DIST. = 1650.0'</p> <p>PENETRATION POINT Y = 502876.0 N X = 826361.7 E</p> <p>GRID AZ. = 359°22'52" HORZ. DIST. = 530.5'</p> <p>GEODETIC COORDINATES NAD 27 NME Y=502345.6 N X=826367.4 E LAT.=32.376630° N LONG.=103.276199° W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>SEPTEMBER 10, 2007</p> <p>Date Surveyed _____ REV. 10/24/07 AR</p> <p>Signature & Seal of Professional Surveyor</p> <p>3239</p> <p>GARY EIDSON</p> <p>Certificate No. GARY EIDSON 12841</p>
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Company: Chesapeake Operating, Inc.
Lease/Well: Langley Greer Com #3H
Location: Lea County
State/Country: New Mexico



VERTICAL SECTION (Ft) @ .00°