

NSL 8/19/98

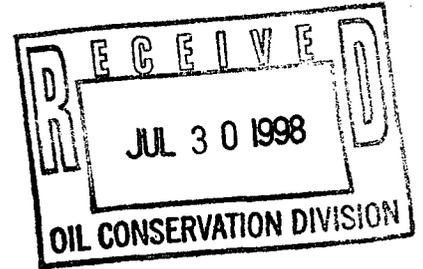
**CHESAPEAKE OPERATING, INC.**

P.O. BOX 18496  
OKLAHOMA CITY, OKLAHOMA 73154-0496  
405/848-8000, EXT. 414  
405/879-9562 FAX

LAND DEPARTMENT  
LYNDA F. TOWNSEND, CPL/ESA  
LANDMAN

July 28, 1998

VIA FEDERAL EXPRESS



Mr. Chris Williams  
New Mexico OCD  
1000 West Broadway  
Hobbs, NM 88240

Mr. William Stogner  
New Mexico OCD  
2040 South Pacheco  
Santa Fe, NM 87505

Re: John T. 1-6 well, Unorthodox Location  
4040' FSL and 435" FWL, Section 6-T16S-R~~36~~<sup>37</sup>E  
Lea County, New Mexico

Dear Mr. Williams and Mr. Stogner:

Pursuant to our recent telephone conversation regarding the captioned well, and in conjunction with our submittal of form C-101 and C-102, please consider this letter as Chesapeake's formal request for administrative approval of an unorthodox location for the John T. 1-6 well. The rules established for the Northeast Lovington - Pennsylvanian Pool allow for a well to be drilled within 150' of the center of a governmental quarter-quarter section or lot. As you will note on the enclosed plat, the John T. 1-6 location is 4,040' FSL and 435' FWL of Section 6, locating the wellbore outside the perimeters of the 150' rule.

Numerous Strawn tests in the local area have failed due to both tight and water wet reservoirs confirming the necessity for flexibility in locating wells. An unorthodox location is requested to insure the highest probability of discovering a productive Strawn reservoir in the referenced wellbore.

Enclosed herein are two maps, a time structure map and a Strawn Amplitude map generated from Chesapeake's 3D seismic coverage. These maps show the requested bottom hole location at both maximum structural attitude and stratigraphic growth development for reservoir quality Strawn. The location insures the highest probability of success and evidences the necessity for the requested unorthodox site location.

Page 2

Mr. Chris Williams and Mr. Michael Stogner

July 20, 1998

The nearest boundary line is the west line of the proposed unit, being the section line between Section 1-T16S-36E and Section 6-T16S-37E. Chesapeake Operating, Inc. is the operator and leasehold owner in the two adjacent lay-down 80-acre units located in Section 1-T16S-R36E, lots 9 and 10 and lots 15 and 16 respectively. Ownership is common to all three 80-acre units.

As of this date, three (3) letters of Notice and Request for Waiver have been sent by certified mail to diagonal offset operators and/or leasehold owners, copies of which are enclosed. All other immediately adjacent units are composed of Chesapeake leases.

Chesapeake would appreciate a favorable decision at your earliest possible convenience. Should you have questions or require any further information, please feel free to give me a call at the letterhead telephone number.

Yours truly,

A handwritten signature in cursive script that reads "Lynda F. Townsend". The signature is written in black ink and is positioned above the typed name.

Lynda F. Townsend

**CHESAPEAKE OPERATING, INC.**

---

P.O. BOX 18496  
OKLAHOMA CITY, OKLAHOMA 73154-0496  
405/848-8000  
405/879-9574 FAX

July 14, 1998

Mr. Chris Williams  
Oil Conservation Division  
P. O. Box 1980  
1000 W. Broadway  
Hobbs, NM 88240

RE: John T. #6-1  
Sec 6, 16S-37E  
Lea Co., NM

Dear Mr. Williams:

Enclosed for your approval are the following:

C-101 Original & 4 copies  
C-102 3 originals  
Location Verification Map  
Vicinity Map

If any additional information is required, please call Lynda Townsend, Dave Ault or Barbara Bale at the above number.

Sincerely,



Barbara J. Bale  
Regulatory Analyst

Cc: File, Lindsay-RS  
KD, DA, RH, LT, BJB

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

Form C-101  
 Revised February 10, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 6 Copies  
 Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address. Chesapeake Operating, Inc. P. O. Box 18496 Oklahoma City, OK 73154-0496		OGRID Number 147179
		API Number 30 - 0
Property Code	Property Name JOHN T. 6	Well No. 1

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12	6	16S	37E		4040	south	435	west	Lea

Proposed 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
Proposed Pool 1 N. E. Lovington-Penn					Proposed Pool 2				

Work Type Code N	Well Type Code O	Cable/Rotary R	Lease Type Code P	Ground Level Elevation GR: 3863'
Multiple N	Proposed Depth 12,000'	Formation Strawn	Contractor Patterson #47	Spud Date 08/20/98

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-7/8"	48#	450'	500	SFC
12-1/4"	9-5/8"	40#	4,400'	2000	SFC
7-7/8"	5-1/2"	17#	12,000	1500	±4,000'

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Chesapeake Operating, Inc. proposes to drill to 12,000' in the Strawn formation with Patterson as the drilling contractor.

Patterson's BOP stack consists of 11" x 5000# Blind & pipe rams with an 11" x 5000# annular BOP.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Barbara J. Bale*

Printed name:  
Barbara J. Bale

Title:  
Regulatory Analyst

Date:  
07/14/98

Phone:  
(405)848-8000

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date: Expiration Date:

Conditions of Approval:  
Attached

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
				N. E. LOVINGTON PENN	
Property Code		Property Name		Well Number	
		JOHN T. 6		1	
OGRID No.		Operator Name		Elevation	
147179		CHESAPEAKE OPERATING, INC.		3863	

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 12	6	16 S	37 E		4040	SOUTH	435	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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
103.36			

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>NAD 27 NME N-712759.9 E-817767.0</p>	4	3	2	1
	66.23 AC.	51.28 AC.	51.44 AC.	51.60 AC.
	5	6	7	8
	51.77 AC.	40.00 AC.	40.00 AC.	40.00 AC.
	12	11	10	9
	51.71 AC.	40.00 AC.	40.00 AC.	40.00 AC.
	15	14	15	16
	51.65 AC.	40.00 AC.	40.00 AC.	40.00 AC.
	17			
	51.59 AC.			
18				
51.53 AC.				

435'

4040'

**OPERATOR CERTIFICATION**

*I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.*

*Barbara J. Bale*  
Signature

Barbara J. Bale  
Printed Name

Regulatory Analyst  
Title

07/13/98  
Date

---

**SURVEYOR CERTIFICATION**

*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.*

JUNE 25, 1998

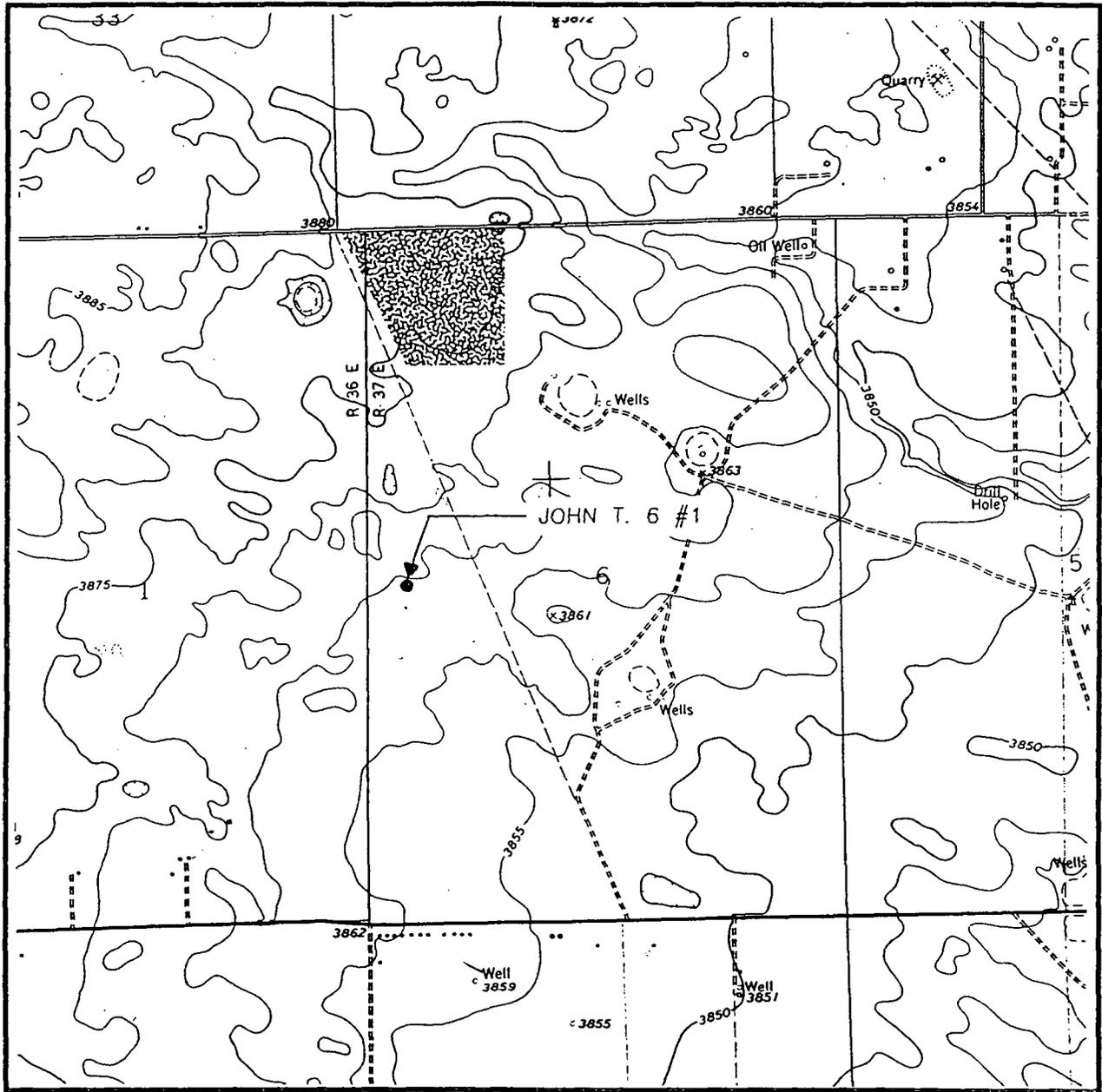
Date Surveyed \_\_\_\_\_ DMCC

Signature & Seal of Professional Surveyor

*Ronald J. Eidson* 7-02-98  
98-17-0923

Certificate No. JOHN W. WEST 676  
RONALD J. EIDSON 3239  
SAM EIDSON 12641

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
LOVINGTON - 5'

SEC. 6 TWP. 16-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 4040' FSL & 435' FWL

ELEVATION 3863

OPERATOR CHESAPEAKE OPERATING, INC.

LEASE JOHN T. 6

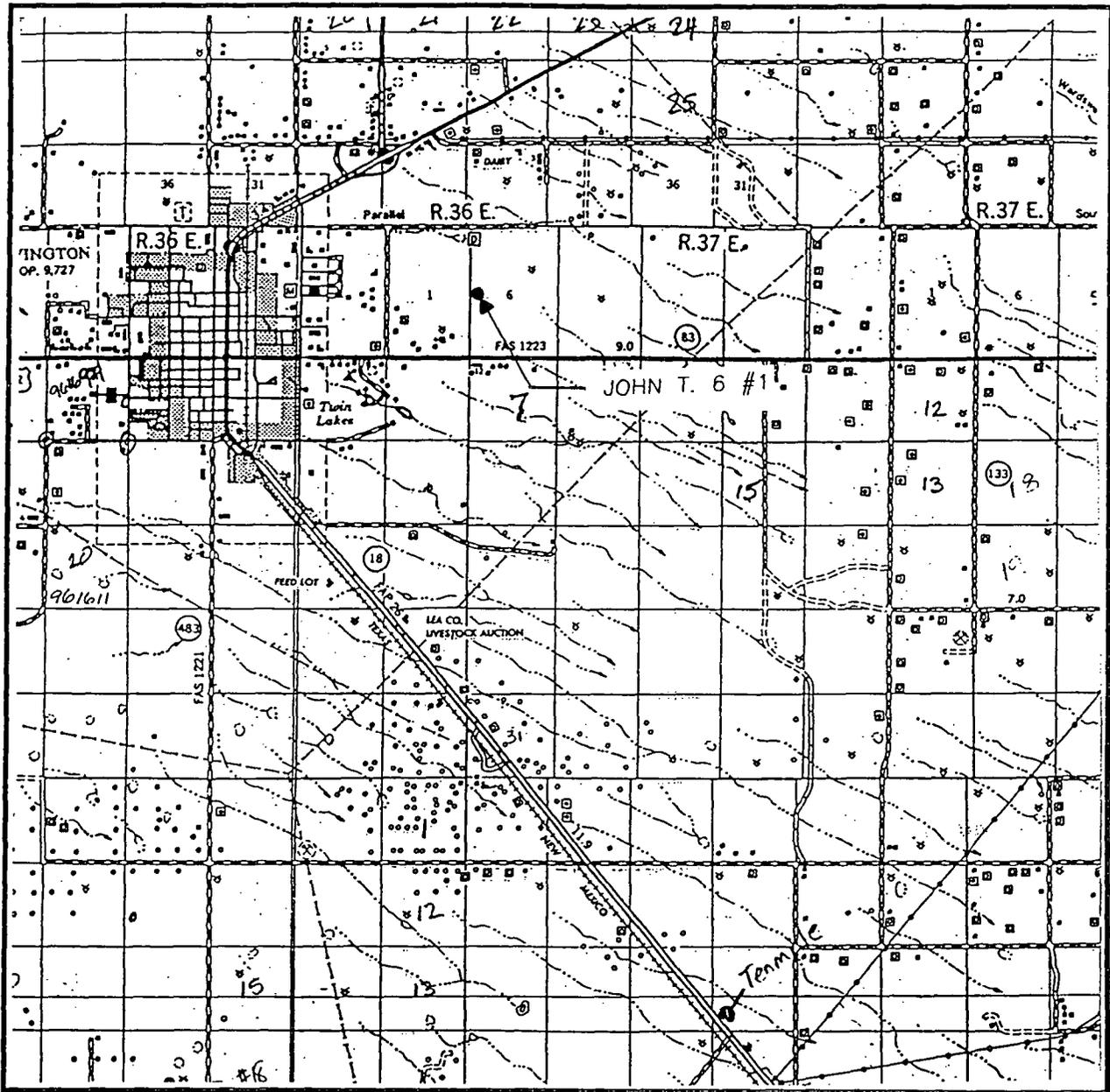
U.S.G.S. TOPOGRAPHIC MAP

LOVINGTON, N.M.

**JOHN WEST ENGINEERING  
HOBBS, NEW MEXICO**

**(505) 393-3117**

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 6 TWP. 16-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 4040' FSL & 435' FWL

ELEVATION 3863

OPERATOR CHESAPEAKE OPERATING, INC.

LEASE JOHN T. 6

**JOHN WEST ENGINEERING  
HOBBS, NEW MEXICO**

**(505) 393-3117**

OFFSET OPERATORS AND LEASEHOLD OWNERS

JOHN T. 6-1 UNIT  
LOTS 12 & 13, SECTION 6-T16S-R37E  
LEA COUNTY, NEW MEXICO

SECTION 1-T16S-R36E:

Lots 1, 2, 7 & 8	Texaco, Inc. – 100% Leasehold
Lots 9 & 10	Chesapeake Operating, Inc. – 100% Leasehold
Lots 15 & 16	Chesapeake Operating, Inc. – Operator HBP – Lorena 1-1 Well
N/2 SE/4	Kevin D. Butler & Associates – Operator HBP – Butler '87 Anderson Well

SECTION 6-T16S-R37E:

Lots 5 & 6	Chesapeake Operating, Inc. – Operator HBP – Easley 6-1 Well
Lots 11 & 14	Chesapeake Operating, Inc. – 100% Leasehold
NE/4 SW/4	Doug Schutz – 100% Leasehold
Lot 17	Chesapeake Operating, Inc. – 100% Leasehold

**CHESAPEAKE OPERATING, INC.**

P.O. BOX 18496  
OKLAHOMA CITY, OKLAHOMA 73154-0496  
405/848-8000, EXT. 414  
405/879-9562 FAX

LAND DEPARTMENT  
LYNDA F. TOWNSEND, CPL/ESA  
LANDMAN

July 28, 1998

VIA CERTIFIED MAIL

Mr. Kevin D. Butler  
Kevin D. Butler & Associates  
P. O. Box 1171  
Midland, TX 79702

Re: Notice and Request for Waiver  
John T. 6-1 Well,  
4,040' FNL and 435' FWL  
Lots 12 & 13, Section 6-T16S-R36E  
Lea County, New Mexico

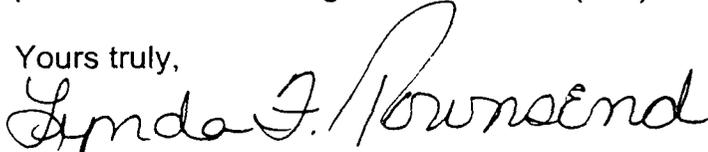
Dear Mr. Butler:

Chesapeake Operating, Inc. has made application to the New Mexico Oil Conservation Division for an unorthodox location for the above captioned well. As an offset operator, you are hereby given notice of said application.

In addition, please consider this letter as a formal request for Kevin D. Butler & Associates waiver of protest to Chesapeake's application. Any production from the John T. 6-1 well should have no detrimental effect on Butler's acreage located in the N/2 SE/4 of Section 1-T16S-R36E. As evidenced by the enclosed plat, the proposed location encroaches upon Chesapeake's wells and acreage located in Section 1-T16S-R36E, lots 9 and 10 and lots 15 and 16 respectively.

Chesapeake would appreciate Butler signing the waiver to protest in the space so provided and returning via facsimile to (405) 879-9535.

Yours truly,

  
Lynda F. Townsend

Agree to Waiver of Protest this \_\_\_\_\_ day of July 1998.

BY: \_\_\_\_\_  
Kevin D. Butler & Associates

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-10  
Revised February 10, 196  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		N. E. LOVINGTON PENN
Property Code	Property Name	Well Number
	JOHN T. 6	1
OGRID No.	Operator Name	Elevation
147179	CHESAPEAKE OPERATING, INC.	3863

Surface Location

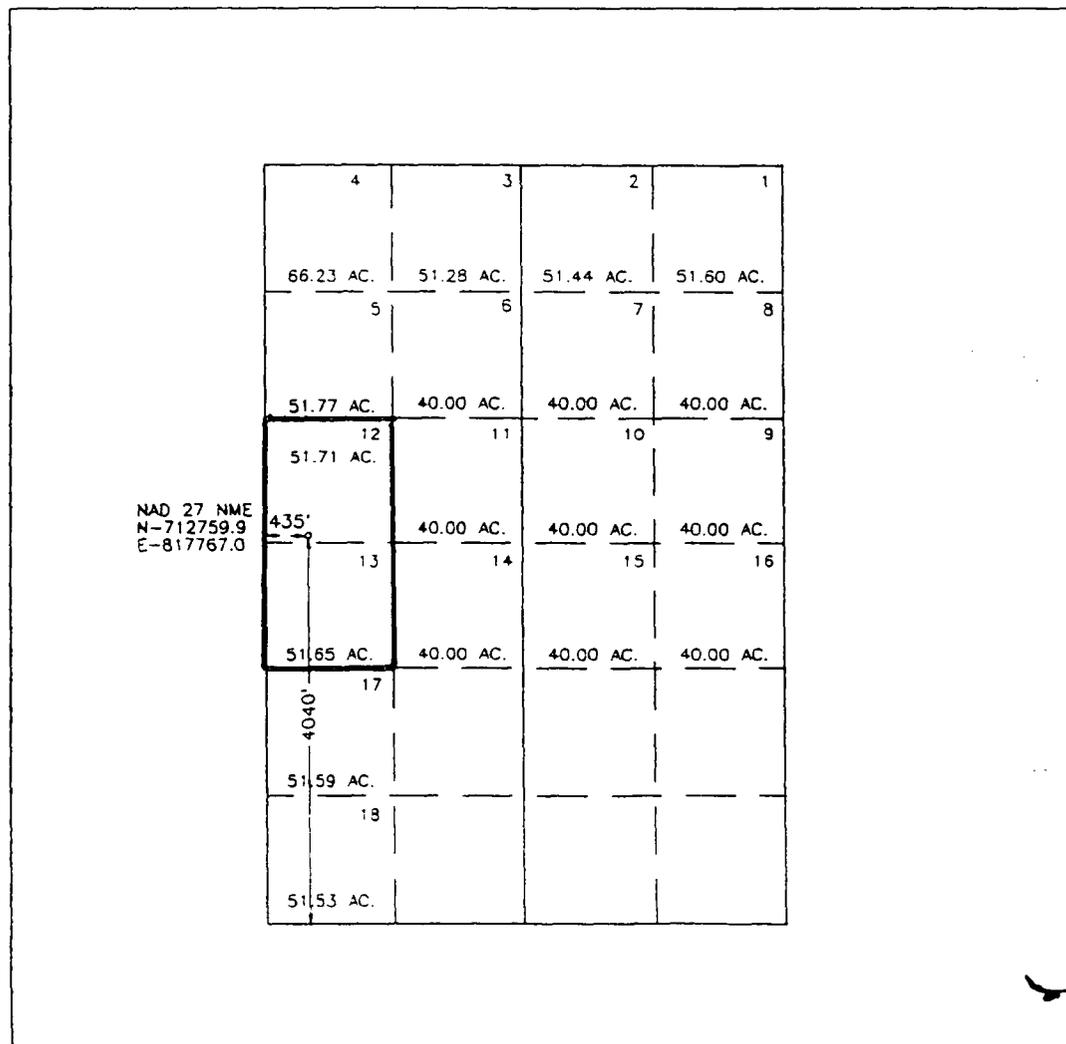
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 12	6	16 S	37 E		4040	SOUTH	435	WEST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
103.36			

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

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Barbara J. Bale*  
Signature

Barbara J. Bale  
Printed Name

Regulatory Analyst  
Title

07/13/98  
Date

SURVEYOR CERTIFICATION

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.

JUNE 25, 1998

Date Surveyed DMCC

Signature & Seal of Professional Surveyor

*Ronald J. Eidsen*  
7-02-98  
98-11-0923

Certificate No. JOHN W. WEST 575  
RONALD J. EIDSON 3239  
OFFICE OF THE SURVEYOR 12641

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesa, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

Form C-10  
 Revised February 10, 1999  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 6 Copies  
 Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address. Chesapeake Operating, Inc. P. O. Box 18496 Oklahoma City, OK 73154-0496		OGRID Number 147179
		API Number 30-0
Property Code	Property Name JOHN T. 6	Well No. 1

Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
12	6	16S	37E		4040	south	435	west	Lea

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

Proposed Pool 1 N. E. Lovington-Penn	Proposed Pool 2
---	-----------------

Work Type Code N	Well Type Code O	Cable/Rotary R	Lease Type Code P	Ground Level Elevation GR: 3863'
Multiple N	Proposed Depth 12,000'	Formation Strawn	Contractor Patterson #47	Spud Date 08/20/98

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-7/8"	48#	450'	500	SFC
12-1/4"	9-5/8"	40#	4,400'	2000	SFC
7-7/8"	5-1/2"	17#	12,000	1500	±4,000'

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Chesapeake Operating, Inc. proposes to drill to 12,000' in the Strawn formation with Patterson as the drilling contractor.

Patterson's BOP stack consists of 11" x 5000# Blind & pipe rams with an 11" x 5000# annular BOP.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Barbara J. Bale*

Printed name: Barbara J. Bale

Title: Regulatory Analyst

Date: 07/14/98

Phone: (405)848-8000

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached

**CHESAPEAKE OPERATING, INC.**

P.O. BOX 18496  
OKLAHOMA CITY, OKLAHOMA 73154-0496  
405/848-8000, EXT. 414  
405/879-9562 FAX

**LAND DEPARTMENT**

LYNDA F. TOWNSEND, CPL/ESA  
LANDMAN

July 28, 1998

VIA CERTIFIED MAIL

Mr. Ron Lanning  
Texaco, Inc.  
P. O. Box 3109  
Midland, TX 79705

Re: Notice and Request for Waiver  
John T. 6-1 Well,  
4,040' FNL and 435' FWL  
Lots 12 & 13, Section 6-T16S-R36E  
Lea County, New Mexico

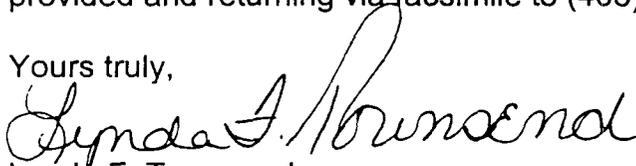
Dear Mr. Lanning:

Chesapeake Operating, Inc. has made application to the New Mexico Oil Conservation Division for an unorthodox location for the above captioned well. As an offset leasehold owner, you are hereby given notice of said application.

In addition, please consider this letter as a formal request for Texaco, Inc.'s waiver of protest to Chesapeake's application. Any production from the John T. 6-1 well should have no detrimental effect on Texaco's acreage located in Lot 8 of Section 1-T16S-R36E. As evidenced by the enclosed plat, the proposed location encroaches upon Chesapeake's wells and acreage located in Section 1-T16S-R36E, lots 9 and 10 and lots 15 and 16 respectively.

Chesapeake would appreciate Texaco signing the waiver to protest in the space so provided and returning via facsimile to (405) 879-9535.

Yours truly,

  
Lynda F. Townsend

Agree to Waiver of Protest this \_\_\_\_\_ day of July 1998.

BY: \_\_\_\_\_  
Texaco, Inc.

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 199-  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Ateco, NM 87410

DISTRICT IV  
P.O. BOX 2086, SANTA FE, N.M. 87504-2086

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		N. E. LOVINGTON PENN
Property Code	Property Name	Well Number
	JOHN T. 6	1
OGRID No.	Operator Name	Elevation
147179	CHESAPEAKE OPERATING, INC.	3863

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 12	6	16 S	37 E		4040	SOUTH	435	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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
103.36			

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

	4	3	2	1
	66.23 AC.	51.28 AC.	51.44 AC.	51.60 AC.
	5	5	7	8
	51.77 AC.	40.00 AC.	40.00 AC.	40.00 AC.
	12	11	10	9
	51.71 AC.			
435'	13	14	15	16
	51.65 AC.	40.00 AC.	40.00 AC.	40.00 AC.
4040'	17			
	51.59 AC.			
	18			
	51.53 AC.			

NAD 27 NME  
N-712759.9  
E-817767.0

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

*Barbara J. Bale*  
Signature  
Barbara J. Bale  
Printed Name  
Regulatory Analyst  
Title  
07/13/98  
Date

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JUNE 25, 1998

Date Surveyed  
Signature & Seal of Professional Surveyor

*Ronald J. Eason*  
98-11-092

Certificate No. JOHN W. WEST 575  
RONALD J. EASON 3239  
DARYL EASON 12641

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesa, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

Form C-10  
 Revised February 10, 1991  
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		API Number 30 - 0
Property Code	Property Name JOHN T. 6	Well No. 1

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12	6	16S	37E		4040	south	435	west	Lea

8 Proposed 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
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Signature: *Barbara J. Bale*

Printed name:  
Barbara J. Bale

Title:  
Regulatory Analyst

Date:  
07/14/98

Phone:  
(405)848-8000

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached

**CHESAPEAKE OPERATING, INC.**

PO. BOX 18496  
OKLAHOMA CITY, OKLAHOMA 73154-0496  
405/848-8000, EXT. 414  
405/879-9562 FAX

LAND DEPARTMENT  
LYNDA F. TOWNSEND, CPL/ESA  
LANDMAN

July 28, 1998

VIA CERTIFIED MAIL

Mr. Doug Schutz  
P. O. Box 973  
Santa Fe, New Mexico 87504

Re: Notice and Request for Waiver  
John T. 6-1 Well,  
4,040' FNL and 435' FWL  
Lots 12 & 13, Section 6-T16S-R36E  
Lea County, New Mexico

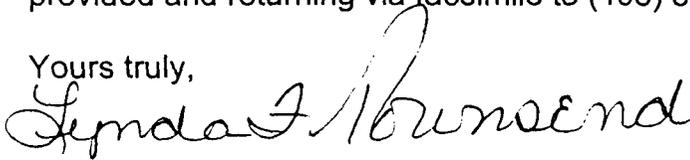
Dear Mr. Schutz:

Chesapeake Operating, Inc. has made application to the New Mexico Oil Conservation Division for an unorthodox location for the above captioned well. As an offset leasehold owner, you are hereby given notice of said application.

In addition, please consider this letter as a formal request for Schutz's waiver of protest to Chesapeake's application. Any production from the John T. 6-1 well should have no detrimental effect on Schutz's acreage located in NE/4 SW/4 of Section 6-T16S-R37E. As evidenced by the enclosed plat, the proposed location encroaches upon Chesapeake's wells and acreage located in Section 1-T16S-R36E, lots 9 and 10 and lots 15 and 16 respectively.

Chesapeake would appreciate Schutz signing the waiver to protest in the space so provided and returning via facsimile to (405) 879-9535.

Yours truly,



Lynda F. Townsend

Agree to Waiver of Protest this \_\_\_\_\_ day of July 1998.

BY: \_\_\_\_\_

Doug Schutz

DISTRICT I  
P.O. Box 1880, Hobbs, NM 88241-1880

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-10  
Revised February 10, 1988  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		N. E. LOVINGTON PENN
Property Code	Property Name	Well Number
	JOHN T. 6	1
OGRID No.	Operator Name	Elevation
147179	CHESAPEAKE OPERATING, INC.	3863

Surface Location

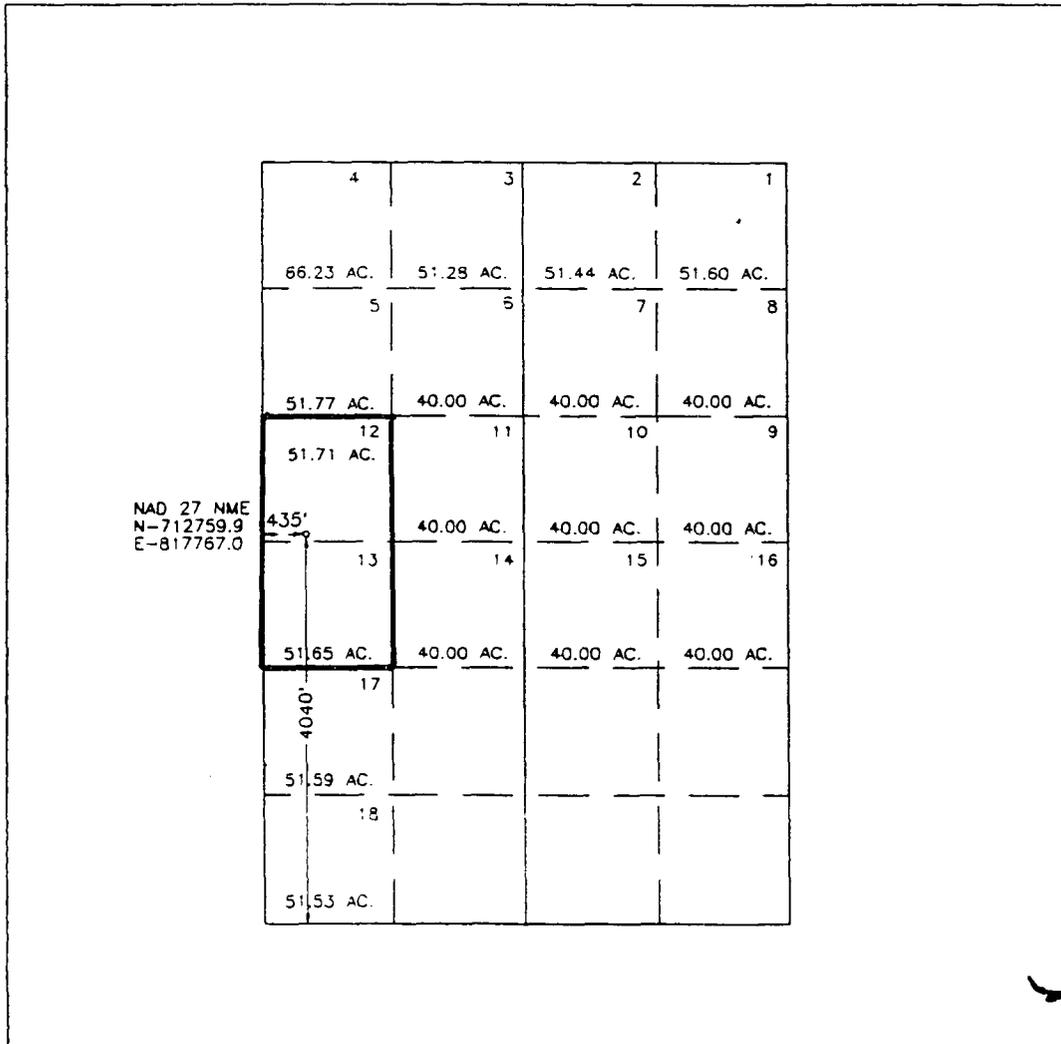
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 12	6	16 S	37 E		4040	SOUTH	435	WEST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
103.36			

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



NAD 27 NME  
N-712759.9  
E-817767.0

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

*Barbara J. Bale*  
Signature

Barbara J. Bale  
Printed Name

Regulatory Analyst  
Title

07/13/98  
Date

SURVEYOR CERTIFICATION

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.

JUNE 25, 1998

Date Surveyed  
Signature & Seal of Professional Surveyor

*Ronald J. Edson*  
98-11-0923

Certificate No. JOHN W. WEST 576  
RONALD J. EDSON 3239  
CARY EDSON 1264

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesa, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

Form C-10  
 Revised February 10, 199-  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 6 Copies  
 Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address: Chesapeake Operating, Inc. P. O. Box 18496 Oklahoma City, OK 73154-0496		OGRID Number 147179
		API Number 30 - 0
Property Code	Property Name JOHN T. 6	Well No. 1

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
12	6	16S	37E		4040	south	435	west	Lea

<sup>8</sup> Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
Proposed Pool 1 N. E. Lovington-Penn					Proposed Pool 2				

Work Type Code N	Well Type Code O	Cable/Rotary R	Lease Type Code P	Ground Level Elevation GR: 3863'
Multiple N	Proposed Depth 12,000'	Formation Strawn	Contractor Patterson #47	Spud Date 08/20/98

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-7/8"	48#	450'	500	SFC
12-1/4"	9-5/8"	40#	4,400'	2000	SFC
7-7/8"	5-1/2"	17#	12,000	1500	±4,000'

<sup>19</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Chesapeake Operating, Inc. proposes to drill to 12,000' in the Strawn formation with Patterson as the drilling contractor.

Patterson's BOP stack consists of 11" x 5000# Blind & pipe rams with an 11" x 5000# annular BOP.

<sup>18</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Barbara J. Bale*

Printed name: Barbara J. Bale

Title: Regulatory Analyst

Date: 07/14/98

Phone: (405)848-8000

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

08/13/98 15:26:31  
OGOIV -EMEA  
PAGE NO: 1

Sec : 06 Twp : 16S Rng : 37E Section Type : LONG

12	4	5	11	3	6	10	2	7	1	8	9
51.71	66.23	51.77	40.00	51.28	40.00	40.00	51.44	40.00	51.60	40.00	40.00
MH	MH		MH	MH	MH	MH	MH	MH	MH	MH	MH
V05087	0000	05/02	V05087	0000	05/02	V05087	0000	05/02	V05087	0000	05/02
CHESAPEAKE	OPERAT		CHESAPEAKE	OPERAT		CHESAPEAKE	OPERAT		CHESAPEAKE	OPERAT	
A	A	A									
13			14			15			16		
51.65			40.00			40.00			40.00		
						MH			MH		
Federal owned			Federal owned			V05087	0000	05/02	V05087	0000	05/02
R			R			CHESAPEAKE	OPERAT		CHESAPEAKE	OPERAT	

PF01 HELP      PF02              PF03 EXIT      PF04 GoTo      PF05              PF06  
PF07 BKWD      PF08 FWD          PF09 PRINT      PF10 SDIV      PF11              PF12

10336

Sec : 06 Twp : 16S Rng : 37E Section Type : LONG

17 51.59  Federal owned	K 40.00  Federal owned	J 40.00  Fee owned	I 40.00  Fee owned
18 51.53  Fee owned  P	N 40.00  Fee owned	O 40.00  Fee owned	P 40.00  Fee owned

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12

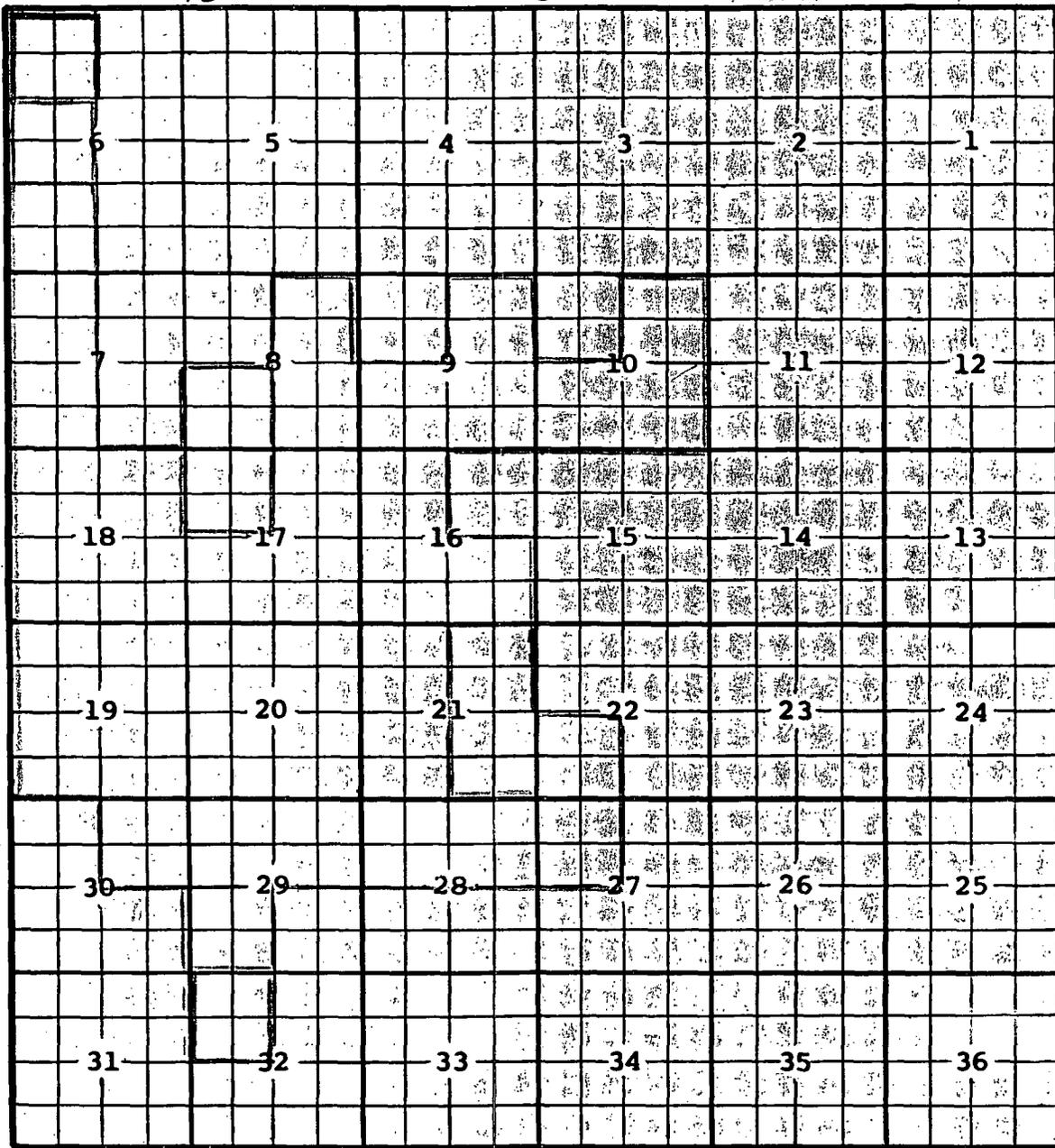
COUNTY LEA

POOL NORTHEAST LOVINGSTON - PENNSYLVANIAN

TOWNSHIP 16S

RANGE 37E

NMPM



DESC: SW/4 SEC 16; SE/4 SEC 17; SE/4 SEC 18; ALL SEC 19; NE/4 & 1/2 SEC 20;  
 NW/4 SEC 21 (R-3816, 8/14/69, EFFEC: 9/1/69) EXT: NE/4 SEC 18 (R-6328, 5/1/80)  
 EXT: NW/4 SEC 29 (R-8536, 12/1/80) EXT: 1/2 SEC 18 (R-6724, 7/16/81)  
 EXT: SW/4 SEC 7 (R-6923, 3/9/82) EXT: NW/4 SEC 20 (R-7076, 9/27/82)  
 EXT: SE/4 SEC 8, NE/4 SEC 17 (R-7322, 8/1/83) EXT: NE/4 SEC 30 (R-7351, 9/19/83)  
 EXT: SW/4 SEC 21 (R-7607, 7/27/84) EXT: NW/4 SEC 28 (R-7800, 1/31/85)  
 EXT: 1/2, NE/4 SEC 9 (R-7858, 3/28/88) EXT: NE/4 SEC 28 (R-7959, 6/12/85)  
 EXT: NE/4 SEC 8, 1/2 SEC 10 (R-8193, 3/21/86) EXT: SW/4 SEC 17, NE/4 SEC 29 (R-8214, 5/1/89)  
 EXT: SW/4 SEC 6, NW/4 SEC 7 (R-8388, 1/14/87) EXT: SE/4 SEC 16 (R-8409, 3/7/87)  
 EXT: NW/4 SEC 16, SW/4 SEC 29 (R-8584, 1/11/88) EXT: NE/4 SEC 10 (R-8603, 2/19/88)  
 EXT: SW/4 SEC 8, NW/4 SEC 17, NW/4 SEC 32 (R-8826, 12-22-88) EXT: E/2 SEC 21  
 (R-8946, 7-1-89) EXT: LOTS 11, 12, 13, & 14 SEC 6 (R-8772, 11-1-88) EXT: LOTS 3, 4, 5, 6 SEC 6 (R-10977, 4-13-98)

