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KELLAHIN

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FAX TRANSMITTAL FORM

To

Name: Florene Davidson
Agency: NMOCD

Fax: 505-476-3462

From

W. Thomas Kellahin

Telephone 505-982-4285
Facsimile 505-982-2047
tkellahin@comcast.net

- ☐ Urgent
☐ For Review
☐ Please Comment
☐ Please Reply

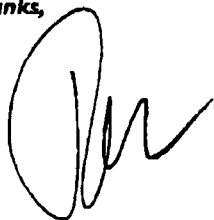
Date sent: 9-25-08
Time sent: 6:30 am
Number of pages including cover page:

-4-

Dear Florene,

Please find enclosed my pre-hearing statement for Case 14165, Chesapeake's compulsory pooling case on the October 2nd docket.

Thanks,



NOTICE OF CONFIDENTIALITY

THE INFORMATION CONTAINED IN THIS FACSIMILE MESSAGE IS CONFIDENTIAL AND INTENDED FOR THE USE OF THE INDIVIDUAL OR ENTITY NAMED ABOVE. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING IT TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION, COPYING, OR UNAUTHORIZED USE OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS FACSIMILE IN ERROR, PLEASE NOTIFY THE SENDER IMMEDIATELY BY TELEPHONE AND RETURN THE FACSIMILE TO THE SENDER AT THE ABOVE ADDRESS. THANK YOU.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF HEARING:**

**APPLICATION OF CHESAPEAKE OPERATING, INC.
FOR COMPULSORY POOLING,
LEA COUNTY NEW MEXICO**

CASE 14165

PRE-HEARING STATEMENT

**Chesapeake Operating, Inc. submits this pre-hearing statement as required by the
New Mexico Oil Conservation Division.**

APPEARANCES OF THE PARTIES

APPLICANT

**Chesapeake Operating, Inc.
6100 N. Western Ave
Oklahoma City, OK 73118
Attn: Ed Birdshead
405-879-8409**

ATTORNEY

**Thomas Kellahin, Esq.
P. O. Box 2265
Santa Fe, New Mexico 87504
505-982-4285**

OPPONENT

None

ATTORNEY

89/03/08
WVJ-TCM

STATEMENT OF THE CASE

APPLICANT:

CHESAPEAKE ENERGY CORPORATION, L.L.C. ("Chesapeake"), and in accordance with Section 70-2-17(c) NMSA (1978), applies to the New Mexico Oil Conservation Division, seeks to amend Order R-11993 to authorize subsequent operations for the recompletion of the Duncan Well No. 1 (API #30-025-36235) located in Unit A of Section 19, T20S, R39E into the Tubb and Drinkard formations and to commingle that production with the existing Abo formation.

This wellbore is currently dedicated to production from the DK-Abo Pool underlying the NE/4NE/4 in Section 19, T20S, R39E, NMPM.

Effective May 7, 2004, Chesapeake Operating, Inc., on behalf of Chesapeake Exploration Company, L.L.C., succeeded Xeric Oil & Gas Corporation as the operator of this spacing unit and this wellbore.

This spacing unit is subject to Division's Order R-11993, dated August 1, 2003, compulsory pooling this 40-acre spacing unit.

An amended of this order is required because Division Rule 36 does not provide the necessary subsequent operations procedure for this situation.

On June 12, 2008, Chesapeake proposed to all parties subject to this compulsory pooling order that the Duncan 19 Well No. 1 be to recompleted in the Tubb and Drinkard formations and commingled with the existing Abo production and dedicated as a standard 40-acre oil spacing unit consisting of the NE/4NE/4 of this section for production from the DK- Drinkard Pool, DK-Abo Pool and East Warren-Tubb Pool. Form C-102 attached as Exhibit "A".

Chesapeake has not been able to obtain a written voluntary agreement from all the party listed on Exhibit "B" to the application

Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, the applicant needs an order of the Division amended Order R-11993 to include a method for sequent operations in order to recover incremental hydrocarbons, protect correlative rights and prevent waste.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EST. EXHIBITS
Ed Birdshead (land) by affidavit	15 min	@ 6

PROCEDURAL MATTERS

None

KELLAHIN & KELLAHIN

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', is written over the firm name.

**W. Thomas Kellahin
706 Gonzales Road
Santa Fe, New Mexico 875041
Phone 505-982-4285
Fax 505-982-2047
E-mail: tkellahin@comcast.net**

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
811 South First, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

WELL API NO. 30-025-36235
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: Duncan
8. Well No. 1
9. Pool name or Wildcat DK Abo
10. Elevation (Show whether DR, RKB, RT, GR, etc.) GR 3527'

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
Xeric Oil & Gas Corporation

3. Address of Operator
P. O. Box 352
Midland, TX 79702

4. Well Location
Unit Letter A : 600 feet from the North line and 500 feet from the East line
Section 19 Township 20S Range 39E NMPM County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
GR 3527'

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:
REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☒ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

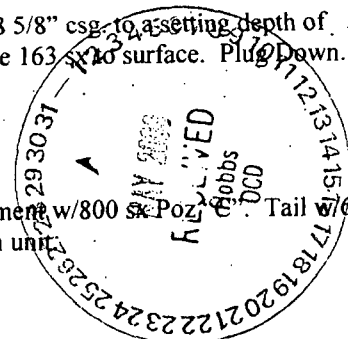
12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

5/04/03 Spud well @ 2:00 AM CDT with Key Drilling Rig #7.

5/06/03 TD 12 1/4" surface hole @ 1,627'. Circulate hole clean. RIH w/46 jts. 24# J-55 8 5/8" csg. to a setting depth of 1,627'. Cement with lead of 650 sx Poz "C", tail w/200 sx Class "C". Circulate 163 sx to surface. Plug Down. WOC 8 hrs. Nipple up BOP. Install H2S equipment as per NMOC orders.

5/19/03 TD 7 7/8" hole @ 7,750. Circulate hole. Run Open Hole Logs.

5/20/03 RIH w/197 jts 17# N-80 5 1/2" csg (7775') to a setting depth of 7,750'. Lead cement w/800 sx Poz "C". Tail w/650 sx Class "H". Circulated 109 sx to surface. Release rig. Waiting on completion unit.



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

SIGNATURE Angie Crawford TITLE Production Analyst DATE 5/29/03
Angie Crawford 432-683-3171
Type or print name Telephone No.

(This space for State use)

APPROVED BY Paul J. [Signature] TITLE PETROLEUM ENGINEER DATE JUN 03 2003
Conditions of approval, if any:

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

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

WELL API NO.	30-025-36235
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
State Oil & Gas Lease No.	

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____	7. Lease Name or Unit Agreement Name Duncan
b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. WELL OVER BACK RESVR. <input type="checkbox"/> OTHER	8. Well No. 1
2. Name of Operator Xeric Oil & Gas Corporation	9. Pool name or Wildcat DK Abo
3. Address of Operator PO Box 352 Midland, Texas 79702	

4. Well Location Unit Letter <u>A</u> : <u>600</u> Feet From The <u>North</u> Line and <u>500</u> Feet From The <u>East</u> Line Section <u>19</u> Township <u>20S</u> Range <u>39E</u> NMPM Lea County					
10. Date Spudded 5/4/03	11. Date T.D. Reached 5/19/03	12. Date Compl. (Ready to Prod.) 6/6/03	13. Elevations (DF& RKB, RT, GR, etc.) GR 3527'	14. Elev. Casinghead	
15. Total Depth 7750'	16. Plug Back T.D. 7689'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By Rotary Tools XX	Cable Tools	
19. Producing Interval(s), of this completion - Top, Bottom, Name 7400'-7486', DK Abo				20. Was Directional Survey Made	
21. Type Electric and Other Logs Run Open Hole				22. Was Well Cored No	

23. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24# J-55	1627'	12 1/4"	850 sx Class C	
5 1/2"	17# N80 LT&C	7750'	7 7/8"	1450 sx Class C	
24. LINER RECORD					
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	
25. TUBING RECORD					
SIZE	DEPTH SET	PACKER SET			
2 7/8"	7198'	7198'			
26. Perforation record (interval, size, and number) 7400'-7486', 2 spf, 74 holes			27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.		
			DEPTH INTERVAL		
			AMOUNT AND KIND MATERIAL USED		
			7400-7486 1000 gal Nefe + 6000 gal HCL		
			+ 33 tons CO2		

28. PRODUCTION							
Date First Production 6/5/03		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing			Well Status (Prod. or Shut-in) Producing		
Date of Test 6/27/03	Hours Tested 24	Choke Size 40/64	Prod'n For Test Period	Oil - Bbl 52	Gas - MCF 292	Water - Bbl. -0-	Gas - Oil Ratio 5.423
Flow Tubing Press. 280 psi	Casing Pressure N/A	Calculated 24-Hour Rate	Oil - Bbl. 52	Gas - MCF 292	Water - Bbl. -0-	Oil Gravity - API - (Corr.) 37.3	
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Dynergy Midstream						Test Witnessed By Donny Money	

30. List Attachments Inclination Survey, Logs (DLML & SDDSN), Letter of Confidentiality			
31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief			
Signature <i>Angie Crawford</i>	Printed Name Angie Crawford	Title Production Analyst	Date 6/27/03

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

T. Anhy		T. Canyon	
T. Salt	1596	T. Strawn	
B. Salt	2770	T. Atoka	
T. Yates	2890	T. Miss	
T. 7 Rivers	3000	T. Devonian	
T. Queen		T. Silurian	
T. Grayburg		T. Montoya	
T. San Andres	4314	T. Simpson	
T. Glorieta	5620	T. McKee	
T. Paddock		T. Ellenburger	
T. Blinebry	6060	T. Gr. Wash	
T. Tubb	6590	T. Delaware Sand	
T. Drinkard	6865	T. Bone Springs	
T. Abo	7108	T.	
T. Wolfcamp		T.	
T. Penn		T.	
T. Cisco (Bough C)		T.	

Northwestern New Mexico

T. Ojo Alamo		T. Penn. "B"	
T. Kirtland-Fruitland		T. Penn. "C"	
T. Pictured Cliffs		T. Penn. "D"	
T. Cliff House		T. Leadville	
T. Menefee		T. Madison	
T. Point Lookout		T. Elbert	
T. Mancos		T. McCracken	
T. Gallup		T. Ignacio Otzte	
Base Greenhorn		T. Granite	
T. Dakota		T.	
T. Morrison		T.	
T. Todilto		T.	
T. Entrada		T.	
T. Wingate		T.	
T. Chinle		T.	
T. Permian		T.	
T. Penn "A"		T.	

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
No. 2, from.....to.....

No. 3, from.....to.....
No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
No. 2, from.....to.....feet.....
No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
2800	2900		Anhydrite, Salt				
2900	3000		Dolomite, Anhydrite, Shale,				
			Sandstone				
3000	3900		Anhydrite, Dolomite,				
			Sandstone				
3900	4320		Anhydrite, Dolomite				
4320	5360		Dolomite				
5360	5620		Dolomite, Limestone				
5620	6060		Dolomite, Limestone, Sandstone				
6060	6660		Dolomite, Sandstone				
6660	6960		Dolomite				
6960	7752		Dolomite, Limestone				

District I

1625 N. French Dr., Hobbs, NM
88240

State of New Mexico
Energy, Minerals and Natural Resources

Form C-104A
Permit 872

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Change of Operator

Previous Operator Information

OGRID: 25482
Name: XERIC OIL & GAS CORP
Address: PO Box 352
Address: _____
City, State, Zip: Midland, TX 79702

New Operator Information

Effective Date: 05/07/2004
OGRID: 147179
Name: CHESAPEAKE OPERATING, INC.
Address: PO Box 18496
Address: _____
City, State, Zip: Oklahoma City, OK 73154-0496

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Previous Operator

Signature: *R.C. Barnett*
Printed Name: R.C. Barnett
Title: President

NMOCDA Approval
New Operator

Electronic Signature: Chris Williams
Date: May 20, 2004
By: Chesapeake Exploration Limited Partnership
By: an Oklahoma limited partnership
By: Chesapeake Operating, Inc. - general partner
By: Michael Sawatzky
Acquisitions & Divestitures

Date: 5/7/04 Phone: (432) 683-3171 Date: 5/7/04 Phone: (405) 848-8000

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. Box 2088, Santa Fe, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-36235	Pool Code 15200	Pool Name DK ABO
Property Code 32154	Property Name DUNCAN	
OGRID No. 025482	Operator Name XERIC OIL & GAS CORPORATION	Well Number 1
		Elevation 3527'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	19	20-S	39-E		600	NORTH	500	EAST	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.
40	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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature <u><i>Angie Crawford</i></u> Printed Name <u>Angie Crawford</u> Title <u>Production Analyst</u> Date <u>3/27/03</u>	
	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. Date Surveyed <u>MARCH 19, 2003</u> L.A. Signature & Seal of Professional Surveyor <u><i>Gary G. Eidson</i></u> Certificate No. <u>RONALD J. EIDSON 3239</u> <u>GARY EIDSON 12641</u>	
	A RECEIVED Hobbs OGD	
	03-11-0305	

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

State of New Mexico
Energy Minerals and Natural Resources

RECEIVED

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr
Santa Fe, NM 87505
MAY 15 2008
it to appropriate District Office
AMENDED REPORT

HOBBS OGD

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
Property Code 300 227	Property Name Duncan 19	API Number 30 025-36235
Proposed Pool 1 Warren; Tubb, East		Well No 1
Proposed Pool 2 D-K; Drinkard		

Surface Location

UL or lot no A	Section 19	Township 20S	Range 39E	Lot Idn	Feet from the 600'	North/South line North	Feet from the 500'	East/Westline East	County Lea
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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/Westline	County
--------------	---------	----------	-------	---------	---------------	------------------	---------------	---------------	--------

Additional Well Information

Work Type Code P	Well Type Code O	Cable/Rotary R	Lease Type Code P	Ground Level Elevation 3527'
Multiple Y	Proposed Depth 7200'	Formation Drinkard	Contractor TBD	Spud Date 05/15/2008
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Liner Synthetic <input type="checkbox"/> milst thick Clay <input type="checkbox"/>		Pit Volume <input type="checkbox"/> bbls		Drilling Method
Closed-Loop System <input checked="" type="checkbox"/>		Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>		

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#	1627'	850 Sxs Poz C	Surface
7 7/8"	5 12"	17#	7750'	1450 Sxs Cl. C & H	Surface

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. plans to recomplete to the Drinkard and Tubb formations per the attached procedure.
A current well-bore diagram is also attached for your review.
These pools were pre-approved by NMOCD Division Order PC-1108.
Please note that per PC-1108, form C-103 will be submitted in accordance with NMOCD's 19.15.5.303 (C)(3)(b).

Permit Expires 2 Years From Approval
Date Unless Drilling Underway
Plugback

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name Linda Good Linda Good		Approved by: [Signature]	
Title Reg. Compl. Spec.		Title PETROLEUM ENGINEER	
E-mail Address linda.good@chk.com		Approval Date MAY 19 2008 Expiration Date	
Date 05/12/2008	Phone (405)767-4275	Conditions of Approval Approval to drill & test all new zones separate, but cannot produce Downhole commingle until DHC is approved in Hobbs District office according to R-11363	

Current Wellbore Schematic

DUNCAN 19-1

Field: DK ABO
County: LEA
State: NEW MEXICO
Elevation: GL 3,527.00 KB 3,542.00
KB Height: 15.00

Location: SEC 19, 20S-39E, 600 FNL & 500 FEL

Spud Date: 5/4/2003
Initial Compl. Date:
AP# #: 3002536235
CHK Property #: 891142
1st Prod Date: 6/6/2003
PBTD: Original Hole - 7655.0
TD: 7,750.0

Well Config - Original Hole, 5/9/2008 9:51:19 AM		Well History	
Schematic - Actual		Date	Event
<p>Original Hole, 12 1/4, 15, 1,627</p> <p>Original Hole, 7 7/8, 1,627, 7,750</p> <p>Tubing, 2 7/8, 7,198</p> <p>ABO, 7,400, 7,486</p> <p>7,400, 7,486, 6/1/2003</p> <p>PBTD, 7,655</p> <p>TD, 7,750, 5/19/2003</p>		6/6/2003	Tubing - Production set at 7,198.0ftKB on 6/6/2003

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 Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 30-025-36235		'Pool Code 87085		'Pool Name Warren; Tubb, East	
'Property Code 300227		'Property Name Duncan 19			'Well Number 1
'OGRID No. 147179		'Operator Name Chesapeake Operating, Inc.			'Elevation 3527'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	19	20S	39E		600'	North	500'	East	Lea

¹¹ 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 40	"Joint or Infill	"Consolidation Code	"Order No. PC-1108
------------------------	------------------	---------------------	-----------------------

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.

16				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature <u>Linda Good</u> Date <u>05/12/2008</u> Printed Name <u>Linda Good</u>
				¹⁸ 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. Date of Survey Signature and Seal of Professional Surveyor <u>Please refer to original plat</u>
				Certificate Number

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 Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
☐ AMENDED REPORT

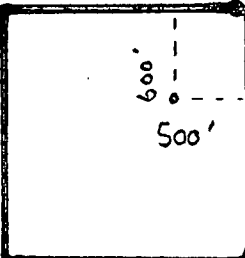
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36235		Pool Code 15390 ✓		Pool Name D-K; Drinkard	
Property Code 300227		Property Name Duncan 19			Well Number 1
OGRID No. 147179		Operator Name Chesapeake Operating, Inc.			Elevation 3527'

10 Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	19	20S	39E		600'	North	500'	East	Lea

11 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 40 ✓				Joint or Infill		Consolidation Code		Order No. PC-1108	

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.

16		17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</i>	
		Signature: <u>Linda Good</u> Date: <u>05/12/2008</u>	
		Printed Name: <u>Linda Good</u>	
		18 SURVEYOR CERTIFICATION <i>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</i>	
Date of Survey		Signature and Seal of Professional Surveyor	
		Please refer to original plat	
		Certificate Number	



**Duncan #19-1
Drinkard Re-Completion
Lea County, New Mexico**

Location: Section 19, 20S-39E, 600 FNL & 500 FEL

Production

Casing: 5 1/2" 17# N-80 0-7,734', ID=4.892", Drift=4.767", Burst=6,280#

PBTD/TD: 7,655'/7,750'

Current Perfs: Abo 7,400'- 7,486'

Procedure

Hold Tailgate Safety meeting prior to beginning work each morning and as required for specific operations.

1. Prep location. Check anchors and clean area for workover.
2. MIRU workover rig. POH w/pump and rods. ND WH. NU BOP. POH w/ tbg.
3. RU wireline unit. RIH w/ gauge ring and junk basket to PBTD @ 7,655'. RIH and set CBP @ 7,200'. POH.
4. RIH and perforate Drinkard as follows:

Drinkard	7,000' – 7,012'	12'	2 SPF 180° Phased	24 holes
Drinkard	6,986' – 6,990'	4'	2 SPF 180° Phased	8 holes
Drinkard	6,954' – 6,980'	26'	2 SPF 180° Phased	52 holes
Drinkard	6,935' – 6,942'	7'	2 SPF 180° Phased	14 holes
Drinkard	6,922' – 6,930'	8'	2 SPF 180° Phased	16 holes
Drinkard	6,900' – 6,910'	10'	2 SPF 180° Phased	20 holes
Totals		67'		134 holes

Correlate to attached log. RDMO wireline.

5. RU frac service and frac Drinkard perfs 6,900' – 7,012' (134 holes). Frac design/pump schedule will be provided separately once finalized. Record ISIP-5-10-15 min pressures.
6. RIH and set CBP @ 6,833'. POH.
7. RIH and perforate Tubb as follows:

Tubb	6,758' – 6,766'	8'	2 SPF 180° Phased	16 holes
Tubb	6,690' – 6,710'	20'	2 SPF 180° Phased	40 holes
		28'		56 holes

8. RU frac service and frac Tubb perfs 6,690' – 6,766' (56 holes). Frac design/pump schedule will be provided separately once finalized. Record ISIP-5-10-15 min pressures.