

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



September 11, 2009

Kellahin & Kellahin
Attorney at Law
706 Gonzales Road
Santa Fe, New Mexico 87501

Re: **Case No. 14300, Order No. R-13148, Chesapeake Operating Overproduction
Make-Up Schedule from the Mosaic 34 Federal Well No. 3H**

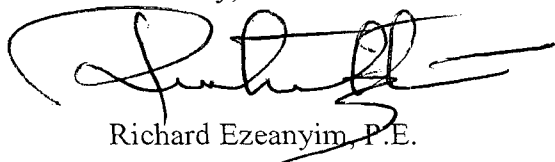
Dear Mr. Kellahin:

The Oil Conservation Division (OCD) received your letter on behalf of Chesapeake Operating, Inc. (Chesapeake) regarding the above referenced subject on August 20, 2009. The OCD has reviewed and approved Chesapeake's schedule of making up the overproduction from this well.

After the overproduction is made up in November 2009, Chesapeake shall be allowed to produce its depth bracket allowable for this unit or project area.

Please call me at 505-476-3467 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Ezeanyim".

Richard Ezeanyim, P.E.

Cc: Division District II Office – Artesia
William Jones, P.E. Examiner



KELLAHIN & KELLAHIN
Attorney at Law

W. THOMAS KELLAHIN
706 GONZALES ROAD
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TKELLAHIN@COMCAST.NET

August 20, 2009

HAND DELIVERED

Mr. Richard Ezeanyim,
Engineering Bureau
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

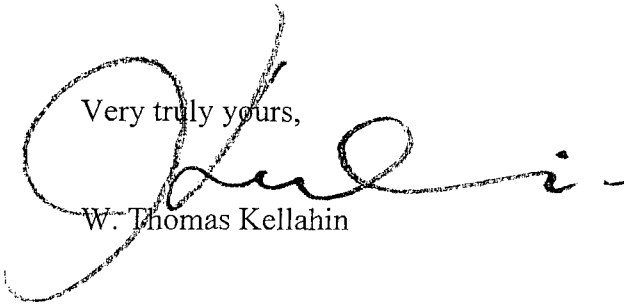
RECEIVED OCD
2009 AUG 20 A 8:01

Re: NMOCD Case 14300
Order R-13148
Application of Chesapeake Operating, Inc. for
Special Rules for the Southwest Willow Lake-Delaware Pool,
Eddy County, New Mexico

Dear Mr. Ezeanyim:

On behalf of Chesapeake Energy Corporation, and in compliance with Order R-13148, dated July 24, 2009, please find enclosed Chesapeake's plan on how it intends to make up overproduction from the Mosaic 34 Federal 3H wellbore. See enclosures "A" and "B"

Very truly yours,


W. Thomas Kellahin

cc: William Jones, OCD Examiner
Chesapeake Energy Corporation
Attn: Ray Taylor, engineer

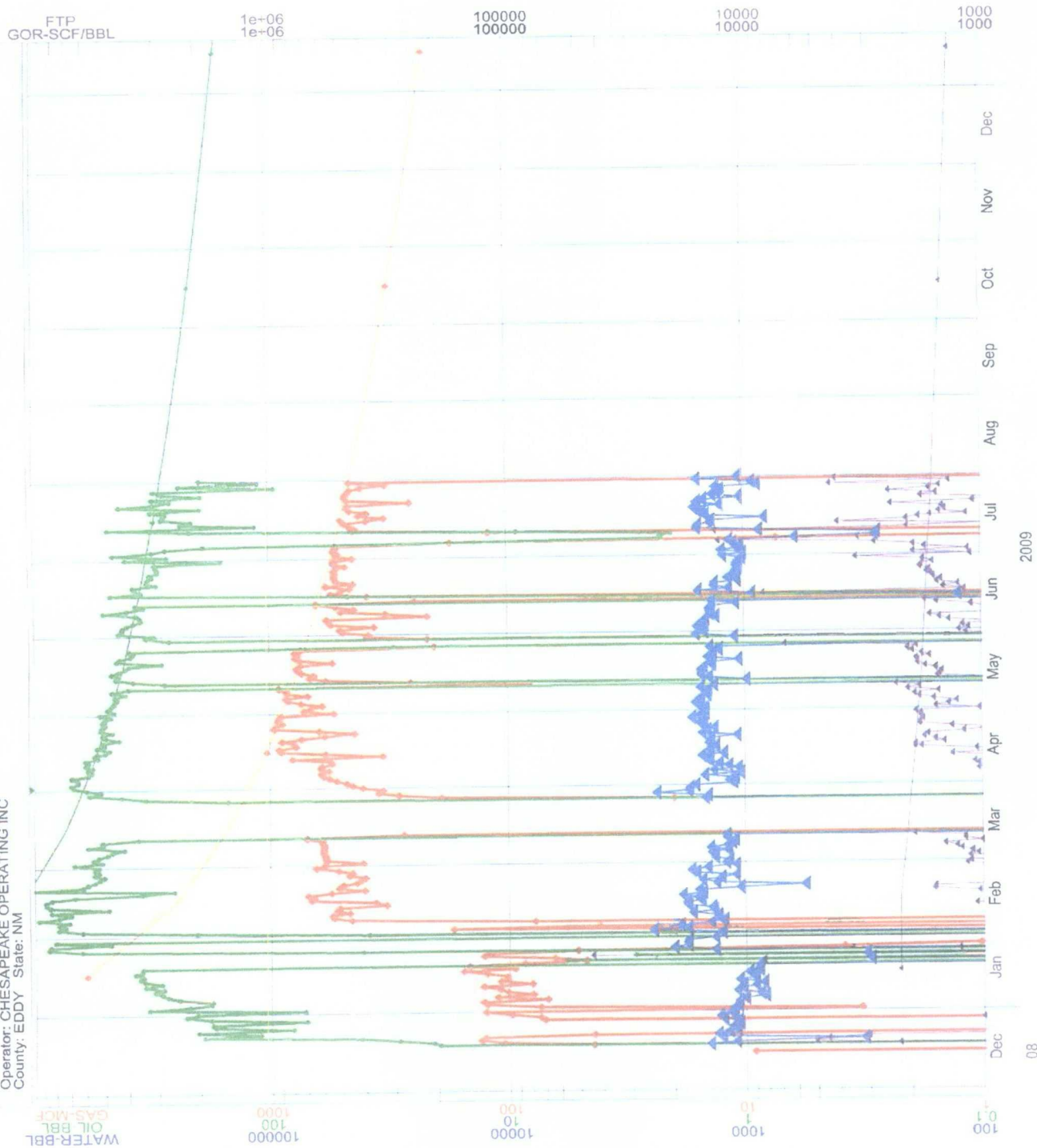
PROPOSED OVERPRODUCTION MITIGATION
SOUTHWEST WILLOW LAKE (DELAWARE) POOL
CHESAPEAKE OPERATING INC
MOSAIC 34 FEDERAL 3H
SECTION 34-T24S-R28E
EDDY COUNTY, NEW MEXICO

MOYR	OIL PRODUCTION (BBL)	DEPTH BRACKET ALLOWABLE (BBL)	STATUS (BBL)	CUM STATUS (BBL)	TEST ALLOWABLE (BBL)	STATUS (BBL)	GAS PRODUCTION (MCF)	ALLOWABLE 2000 : 1 GOR (MCF)	STATUS (MCF)	CUM STATUS (MCF)
DEC / 2008	1,269	5,440	(4,171)	(4,171)			887	10,800	(9,913)	(9,913)
TOTAL	1,269	5,440	(4,171)				887	10,800	(9,913)	
JAN / 2009	8,951	9,920	(969)	(5,140)			2,318	19,840	(17,522)	(27,435)
FEB / 2009	18,578	8,960	9,618	4,478			11,831	17,920	(6,089)	(33,524)
MAR / 2009	8,057	9,920	(1,863)	2,615			8,566	19,840	(11,274)	(44,798)
APR / 2009	16,318	9,600	6,718	9,333			20,513	19,200	1,313	(43,485)
MAY / 2009	11,288	9,920	1,368	10,701			18,284	19,840	(1,556)	(45,041)
JUN / 2009	9,726	9,600	126	10,827			14,265	19,200	(4,935)	(49,976)
JUL / 2009	6,829	9,920	(3,091)	7,736			11,374	19,840	(8,466)	(58,442)
AUG / 2009	8,120	9,920	(1,800)	5,936			12,660	19,840	(7,180)	(65,622)
SEP / 2009	7,220	9,600	(2,380)	3,556			10,840	19,200	(8,360)	(73,982)
OCT / 2009	6,500	9,920	(3,420)	136			9,430	19,840	(10,410)	(84,392)
NOV / 2009	5,910	9,600	(3,690)	(3,554)			8,310	19,200	(10,890)	(95,282)
DEC / 2009	5,420	9,920	(4,500)	(8,054)			7,400	19,840	(12,440)	(107,722)
TOTAL	112,917	116,800	(3,883)				135,791	233,600	(97,809)	
GRAND TOTAL	114,186	122,240	(8,054)				136,678	244,400	(107,722)	

ITALICIZED OIL AND GAS PRODUCTION DATA BASED UPON PROJECTION TAKEN FROM RATE vs TIME CURVE

District: PERMIAN

Lease: MOSAIC 34 FEDERAL #3H
 Aries Code: DMC0018 Prop_Num: 616369
 Field: WILLOW LAKE
 Operator: CHESAPEAKE OPERATING INC
 County: EDDY State: NM



CASE NO. 14300
 ORDER NO. R-13148