

CHESAPEAKE OPERATING, INC.

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

LAND DEPARTMENT

LYNDA E. TOWNSEND, CPL/ESA
LANDMAN

**BOYCE 15-1 WELL
CHRONOLOGY**

1. 9-15-98 - Boyce 15-1 original location staked and surveyed – C NE/4 NE/4, 660' FNL, 660' FEL - unorthodox location to the Atoka formation – see plat attached;
2. 3-12-99 - Location re-staked and surveyed – N/2 SE/4, ^{NE/4} 1650' FNL, 660' FEL – orthodox location to the Atoka formation – see plat attached;
3. 3-22-99 – Proposed the Boyce 15-1 – see certified mail list attached:
S. P. Johnson, III
Patricia J. Cooper
Louis Mazzullo, Inc.
Fuel Products, Inc.
TMBR/Sharp Drilling, Inc.
Ameristate Oil & Gas, Inc.;
4. 3-25-99 – ADP issued for the Boyce 15-1 – see permit attached;
5. 4-26-99 – Application to the OCD for Compulsory Pooling;
6. 5-18-99 – Ameristate Oil & Gas, Inc. filed application for Compulsory Pooling for the Boyce 15-1;
7. 5-27-99 – Well proposal to additional owners of record and amended proposal to original owners of record – see certified mail list attached:
Louis Mazzullo, Inc.
Fuel Products, Inc.
TMBR/Sharp Drilling, Inc.
Ameristate Oil & Gas, Inc.
Richard L. Brown
Wright Family Living Trust
Gretchen B. Nearburg
Robert J. Dunn
MGC Limited Partnership
Joe Anna Arnett & James D. Asher
8. 6-4-99 – Ameristate Oil & Gas, Inc. dismissed Compulsory Pooling Application

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12186 Exhibit No. 2
Submitted By:
Chesapeake Operating
Hearing Date: June 24, 1999

June 22, 1999

9. 6-21-99 – Notice of amended depth to owners of record – see certified mail list attached;

Louis Mazzullo, Inc.
TMBR/Sharp Drilling, Inc.
Fuel Products, Inc.
Ameristate Oil & Gas, Inc.
Joe Anna Arnett & James D. Asher
MGC Limited Partnership
Wright Family Living Trust
Gretchen B. Nearburg
Robert J. Dunn
Richard L. Brown
S. P. Johnson, III
Patricia J. Cooper

10. Boyce 15-1, E/2, Section 15-16S-35E, Lea County, New Mexico –
Division of Interest:

Chesapeake Operating, Inc.	163.54 ac.	51.1067%
TMBR/Sharp Drilling, Inc.	71.06 ac.	22.2057%
Ameristate Oil & Gas, Inc.	35.25 ac.	11.0162%
Fuel Products, Inc.	13.94 ac.	4.3559%
Louis Mazzullo, Inc.	.50 ac.	0.1576%
Joe Anna Arnett & James D. Asher	1.04 ac.	0.3242%
MGC Limited Partnership	1.04 ac.	0.3242%
Robert J. Dunn	1.04 ac.	0.3242%
Wright Family Living Trust	1.04 ac.	0.3241%
Richard L. Brown	1.03 ac.	0.3241%
*Gretchen Nearburg	.52 ac.	0.1621%
TOTAL	320.0 ac.	100.0%

*Gretchen Nearburg has elected not to participate by letter dated 5-31-99 – see letter attached

DISTRICT I
A. Box 1880, Hobbs, NM 88241-1880

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, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1984
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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. Shoebar Atoka
Property Code	Property Name	Well Number
	BOYCE 15	1
OGRID No.	Operator Name	Elevation
147179	CHESAPEAKE OPERATING, INC.	3987

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	15	16 S	35 E		660	NORTH	660	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.						
320									

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>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i> <u>Barbara J. Bale</u> Signature Barbara J. Bale Printed Name Regulatory Analyst Title 10/14/98 Date	
	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> SEPTEMBER 15, 1998 Date Surveyed <u>Ronald E. Eidson</u> Signature Professional Surveyor NEW MEXICO W.O. Num. 98-1256 Certificate No. RONALD E. EIDSON, 3239 GARY L. EIDSON, 12841 CAROL MCDONALD, 12185	
	CDG	

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. 87604-2088

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
Property Code	Property Name BOYCE 15		Well Number 1
OGEID No.	Operator Name CHESAPEAKE OPERATING, INC.		Elevation 3989'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	15	16 S	35 E		1650	NORTH	660	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.			

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

	Y=701334.247 X=815737.251 NAD 83 NEW MEXICO EAST	OPERATOR CERTIFICATION I hereby certify the information contained herein is true and complete to the best of my knowledge and belief. Signature _____ Printed Name _____ Title _____ Date _____
	Y=701334.247 X=815737.251 NAD 83 NEW MEXICO EAST	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. MARCH 12, 1999 Date Surveyed _____ COG Signature _____ Printed Name _____ Professional Surveyor NEW MEXICO 3-16-99 199-11-0789 State No. _____ EIDSON 3239 Professional Surveyor 12641

CERTIFIED MAIL AND PROPOSAL LOG

6/22/99

SENT TO	MAILED DATE	TRACKING NUMBER	REGARDING	RECEIPT RECEIVED	COMMENTS
Mr. and Mrs. S. P. Johnson, III	3/22/99	Z339478634	Boyce 1-15, Well Proposal	3/29/99	
Patricia J. Cooper	3/22/99	Z339478635	Boyce 1-15, Well Proposal	3/29/99	
Thomas M. Beall, Fuel Products	3/22/99	Z339478638	Boyce 1-15, Well Proposal	3/29/99	
Don Lawson, TMBR\Sharp Drilling	3/22/99	Z339478639	Boyce 1-15, Well Proposal	3/29/99	
Mark K. Nearburg, Ameristate	3/22/99	Z339478640	Boyce 1-15, Well Proposal	3/29/99	
Louis Mazzullo, Inc.	3/22/99	Z339478637	Boyce 1-15, Well Proposal	4/6/99	
Wright Family Living Trust, Joe R. Wright Trustee	5/27/99	Z334478835	Boyce 1-15, Well Proposal	5/28/99	Copy to Tom Kellahin 1Z4352W50140632749
Joe Ann Arnet and James D. Asher	5/27/99	Z334478834	Boyce 1-15, Well Proposal	5/28/99	Copy to Tom Kellahin 1Z4352W50140632749
Gretchen B. Nearburg	5/27/99	Z334478832	Boyce 1-15, Well Proposal	5/28/99	Copy to Tom Kellahin 1Z4352W50140632749
Robert J. Dunn	5/27/99	Z334478833	Boyce 1-15, Well Proposal	6/7/99	Copy to Tom Kellahin 1Z4352W50140632749
Richard L. Brown	5/27/99	Z334478831	Boyce 1-15, Well Proposal		Copy to Tom Kellahin 1Z4352W50140632749
Anna A. Reischman, MGC Limited	5/27/99	Z334478826	Boyce 1-15, Well Proposal	6/7/99	Copy to Tom Kellahin 1Z4352W50140632749
Mark K. Nearburg, Ameristate	5/27/99	Z334478828	Boyce 1-15, Well Proposal dtd 3/22/99, adjusted interest	5/28/99	Copy to Tom Kellahin 1Z4352W50140632749
Don Lawson, TMBR\Sharp Drilling	5/27/99	Z334478827	Boyce 1-15, Well Proposal dtd 3/22/99, adjusted interest	5/28/99	Copy to Tom Kellahin 1Z4352W50140632749
Thomas M. Beall, Fuel Products	5/27/99	Z334478829	Boyce 1-15, Well Proposal dtd 3/22/99, adjusted interest	5/28/99	Copy to Tom Kellahin 1Z4352W50140632749
Louis Mazzullo, Inc.	5/27/99	Z334478838	Boyce 1-15, Well Proposal dtd 3/22/99, adjusted interest	6/7/99	Copy to Tom Kellahin 1Z4352W50140632749
Thomas M. Beall	6/21/99	Z334478837	Boyce 1-15, Well Proposal dtd 3/22/99, depth amendment		Copy faxed to Tom Kellahin
Robert J. Dunn	6/21/99	Z334478838	Boyce 1-15, Well Proposal dtd 3/22/99, depth amendment		Copy faxed to Tom Kellahin
Richard L. Brown	6/21/99	Z334478839	Boyce 1-15, Well Proposal dtd 3/22/99, depth amendment		Copy faxed to Tom Kellahin

CERTIFIED MAIL AND PROPOSAL LOG

6/22/99

SENT TO	MAILED DATE	TRACKING NUMBER	REGARDING	RECEIPT RECEIVED	COMMENTS
Mark K. Nearburg, Ameristate	6/21/99	Z334478840	Boyce 1-15, Well Proposal dtd 3/22/99, depth amendment		Copy faxed to Tom Kellahin
Louis Mazzullo, Inc.	6/21/99	Z334478841	Boyce 1-15, Well Proposal dtd 3/22/99, depth amendment		Copy faxed to Tom Kellahin
Gretchen B. Nearburg	6/21/99	Z334478842	Boyce 1-15, Well Proposal dtd 3/22/99, depth amendment		Copy faxed to Tom Kellahin
Don Lawson, TMBR\Sharp Drilling	6/21/99	Z334478843	Boyce 1-15, Well Proposal dtd 3/22/99, depth amendment		Copy faxed to Tom Kellahin
Anna A. Reischman, MGC Limited	6/21/99	Z334478844	Boyce 1-15, Well Proposal dtd 3/22/99, depth amendment		Copy faxed to Tom Kellahin
The Wright Family Living Trust, Joe R. Wright, Trustee	6/21/99	Z334478845	Boyce 1-15, Well Proposal dtd 3/22/99, depth amendment		Copy faxed to Tom Kellahin
Joe Ann Arnet and James D. Asher	6/21/99	Z334478846	Boyce 1-15, Well Proposal dtd 3/22/99, depth amendment		Copy faxed to Tom Kellahin

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
Property Code 24402	Property Name Boyce 15	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
H	15	16S	35E		1650	North	660	East	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
Proposed Pool 1 Townsend Morrow					Proposed Pool 2				

Work Type Code N	Well Type Code OG	Cable/Rotary R	Lease Type Code P	Grossed Level Elevation 3989'
Multiple No	Proposed Depth 12,100'	Formation Atoka Sandstone	Contractor Patterson	Spud Date 01/01/99

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	54.5#	450'	500	Surface
12-1/4"	9-5/8"	40#	4,200'	1400	Surface
7-7/8"	5-1/2"	17#	12,100	1600	3,700'

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. proposed to drill to 12,100' T.D. in the Atoka Sandstone with Patterson as the drilling contractor.

Patterson's BOP stack consists of 11" 5M# x Blind & pipe rams with 11" 5M# Annular.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

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:

03-22-99

Phone:

(405)848-8000

OIL CONSERVATION DIVISION

Approved by:

ORRILL A. JONES

Title:

Approval Date:

03/22/99

Expiration Date:

Conditions of Approval:

Attached ☐

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

OIL CONSERVATION DIVISION
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

WELL API NO.
30-025-34591

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

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 ☒ Permitted new well

2. Name of Operator
Chesapeake Operating, Inc.

3. Address of Operator
P. O. Box 18496, Oklahoma City, OK 73154-0496

4. Well Location
Unit Letter H : 1650 Feet From The North Line and 660 Feet From The East Line
Section 15 Township 16S Range 35E NMPM LEA County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
GR : 3989'

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 ☐
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.

Chesapeake proposes to amend T.D. to 12,500' and
amend 5-1/2" casing setting depth to 12,500'. There will
be no change in the targeted formation

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

SIGNATURE Barbara J. Bale TITLE Regulatory Analyst DATE 06/18/99

TYPE OR PRINT NAME Barbara J. Bale

TELEPHONE NO. (405) 848-8000

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

JUN 11 4 1999

GRETCHEN B. NEARBURG
1608 Lakeway Blvd.
Lakeway, Texas 78734

May 31, 1999

Lynda F. Townsend
Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City Oklahoma 73154

Re: Chesapeake's Boyce 1-15, Well Proposal

Dear Ms. Townsend:

Thank you for your letter of May 27, 1999 describing the proposed drilling of the Boyce 1-15.

I am not interested in participating in this project at this time but would appreciate you sending me the drilling reports once the well has been spudded.

Yours truly,

A handwritten signature in cursive script, appearing to read 'Gretchen Nearburg', written in black ink.

Gretchen Nearburg