

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

JASON KELLAHIN (RETIRED 1991)

April 17, 2000

FEDERAL EXPRESS

Mr. Chris Williams, Supervisor
Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240

Re: OXY "R-15" Well No. 1
Administrative Application of
Chesapeake Operating, Inc.,
for a Directional Wellbore
N/2SW/4 Section 15, T17S, R37E
Lea County, New Mexico

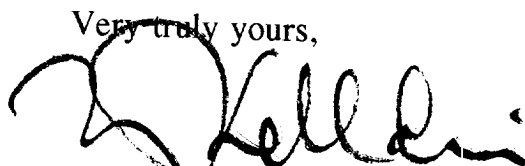
Dear Mr. Williams:

On behalf of Chesapeake Operating, Inc. and in accordance with Division Rule 111, please find enclosed the enclosed original of this application for approval to drill this well directionally to an unorthodox subsurface drilling and producing window.

Concurrently with this application, we have filed a separate application with OCD-Santa Fe requesting approval of the unorthodox bottom hole location.

Please call me if you have any questions.

Very truly yours,



W. Thomas Kellahin

cc: Mr. Michael E. Stogner (OCD-Santa Fe)
cc: Chesapeake Operating, Inc.
Attn: Lynda Townsend

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

**APPLICATION OF CHESAPEAKE OPERATING INC.
FOR A DIRECTIONAL WELLBORE
LEA COUNTY, NEW MEXICO**

ADMINISTRATIVE APPLICATION

Comes now Chesapeake Operating, Inc. ("Chesapeake"), by and through its attorneys, Kellahin & Kellahin, and in accordance with Division Rule 111 applies to the District Supervisor-Hobbs of the New Mexico Oil Conservation Division for approval for a Directional Wellbore for its OXY R-15 Well No. 1 and in support states:

(1) Chesapeake proposes to re-enter the OXY 15 Well No. 1 located in Unit L, Section 15, T17S, R37E, NMPM and directionally drill it to an unorthodox bottom hole location in the Strawn formation of the Humble City Strawn Pool and to dedicate the well to a standard 80-acre oil spacing unit consisting of the N/2SW/4 of this section.

(2) The special rules for the Humble City Strawn Pool provide for 80-acre spacing with a standard location to be within 150 feet of the center of a quarter-quarter section.

(3) Chesapeake has conducted a geologic investigation and has concluded that the optimum bottom location for a well in the N/2SW/4 of Section 15 would be approximately 2178 feet from the South line and 935 feet from the West line of this section in order to maximize structural attitude and stratigraphic growth over any standard location in Unit L of this section.

(4) There is substantial economic savings realized by re-entry of this existing wellbore and drilling directionally rather than drilling a new vertical wellbore.



(5) Accordingly, Chesapeake proposes to re-enter this well at its surface location 1986 feet from the South line and 661 feet from the West line of Section 15 and to drill this wellbore directionally to an unorthodox subsurface location at the top of the Strawn formation within 100 foot radius of a point approximately 2178 feet from the South line and 935 feet from the West line of Section 15.

(6) Therefore, Chesapeake requests approval to drill this well directionally to a standard subsurface location within a Producing Area and Producing Interval at the top of the Strawn formation within a Project Area consisting of the N/2SW/4 of Section 15 and:

(a) not closer than 510 feet from the south and west lines of Unit L;

(b) not closer than 360 feet to the north line of Unit L; and

(c) not closer than 285 feet to the north line of Unit L.

(7) Chesapeake proposes the following:

(a) **Project Area:**
320-acre oil dedication
(N/2SW/4 Section 15)

(b) **Producing Area & Producing Interval:**
being within an area at the top of the Strawn formation within a standard 80-acre spacing unit but not closer than 510 feet to the south and west lines nor closer than 360 feet to the north line nor closer than 285 feet to the east line of Unit L.

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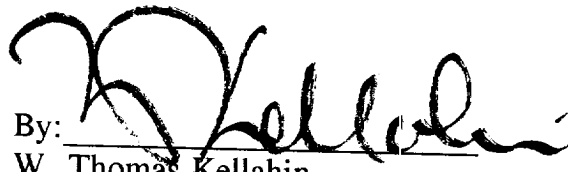
(8) The following exhibits are attached:

- Exhibit 1: Area Locator Plat indicating spacing unit, surface and subsurface well location, offset owners
- Exhibit 2: C-102
- Exhibit 3: APD
- Exhibit 4: Scientific Drilling International's vertical oriented plan view and horizontal plan view and 3 pages of numerical tabulation of program.
- Exhibit 5: 3-D seismic display of Strawn feature

WHEREFORE, Applicant requests that this application be approved.

Respectfully submitted,

KELLAHIN & KELLAHIN

By: 
W. Thomas Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285
Attorneys for Applicant

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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 D3, 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 30-025-29636	Pool Code	Pool Name Humble City Strawn
Property Code	Property Name OXY R-15	Well Number 1
OGRED No. 147179	Operator Name CHESAPEAKE OPERATING, INC.	Elevation 3749'

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	15	17 S	37 E		1986	SOUTH	661	WEST	LEA

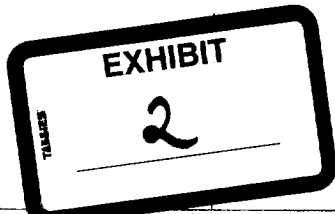
Bottom Hole Location If Different From Surface

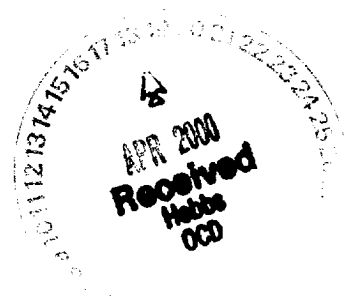
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	15	17 S	37 E		2178	SOUTH	935	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
80			

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><u>BOTTOM HOLE</u> Y=668645 X=834488 NAD 1927 NEW MEXICO EAST</p> <p><u>LOCATION</u> Y=668454 X=834216 NAD 1927 NEW MEXICO EAST</p>	<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Barbara J. Bale</i> Signature</p> <p>Barbara J. Bale Printed Name</p> <p>Regulatory Analyst Title</p> <p>03/02/2000 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p><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></p> <p>JANUARY 18, 1999 Date Surveyed</p> <p>CGG Signature & Seal of Professional Surveyor</p> <p></p> <p>Certified by No. RONALD J. OLSON 3239 GARY E. EIDSEN 2641</p>





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-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 30-025-2963L
Property Code	Property Name OXY R-15	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
L	15	17S	37E		1986	South	661	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
L	15	17S	37E		2178	South	935	West	Lea

Proposed Pool 1 Humble City Strawn	Proposed Pool 2
---------------------------------------	-----------------

Work Type Code E	Well Type Code O	Cable/Rotary R	Lease Type Code P	Ground Level Elevation 3749'
Multiple No	Proposed Depth 11,530'	Formation Strawn	Contractor Patterson	Spud Date 03/15/99

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 & 61#	406'	400	Surf
11"	8-5/8"	24 & 32#	4500'	2150	
7-7/8"	5-1/2"	17#	11,530'	1500	4000'

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 re-enter the well & drill to 11,530 TD in the Strawn formation with Patterson as the drilling contractor.

Patterson's BOP stack consists of 11" 5M# blind rams, pipe rams & annular

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: 03-02-2000

Phone: (405)848-8000

OIL CONSERVATION DEPARTMENT

Approved by:

Title:

Approval Date:

Expiration:

Conditions of Approval:

Attached





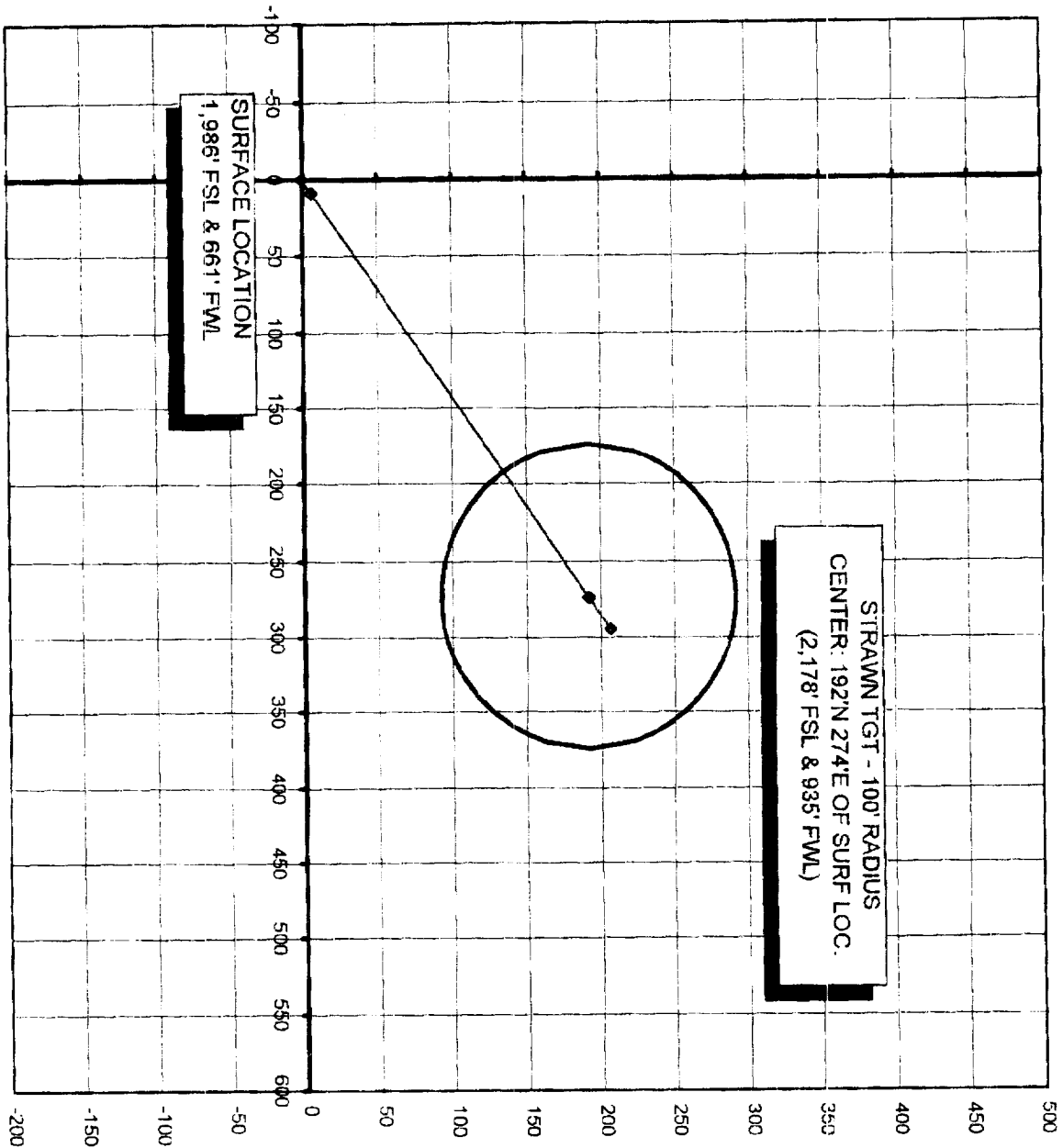


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Well Name Oxy 1R-15
 County Lea, NM
 Rig Survey Co.

Survey	Measured Depth	Inclination	Azimuth	Course Length	TVI	North (+) South (-)	East (+) West (-)	VS	RUR	DIS	Relation to Wolfcamp	Relation to Strawn	Relation to TGT
Wolfcamp Target #1			10282.00	KBTVD	0.00	Dip(- Up)	54.98	Section Plane					
Strawn Target #2			11190.00	KBTVD	0.00	Dip(- Up)	54.98	Section Plane					
TGT Target #3			11194.00	KBTVD	0.00	Dip(- Up)	54.98	Section Plane					
Tie In		0.00	330.00	0.0	0.0	0	0.0	0.0	0.00	0.00	3682.0	4590.0	4594.0
KOP	6.600	0.00	0.00	6600.0	6600.0	0.0	0.0	0.0	0.00	0.00	3395.6	4303.6	4307.6
EOB	6.887	4.30	54.98	286.6	6886.4	6.2	8.8	10.7	1.50	1.50	-908.0	0.0	4.0
STRAWN	11.202	4.30	54.98	4315.6	11190.0	191.8	273.8	334.3	0.00	0.00	-912.0	-4.0	0.0
TGT	11.206	4.30	54.98	4.0	11194.0	192.0	274.0	334.6	0.00	0.00	-1248.0	-340.0	-336.0
TD	11.543	4.30	54.08	336.9	11530.0	206.5	294.7	359.9	0.00	0.00			

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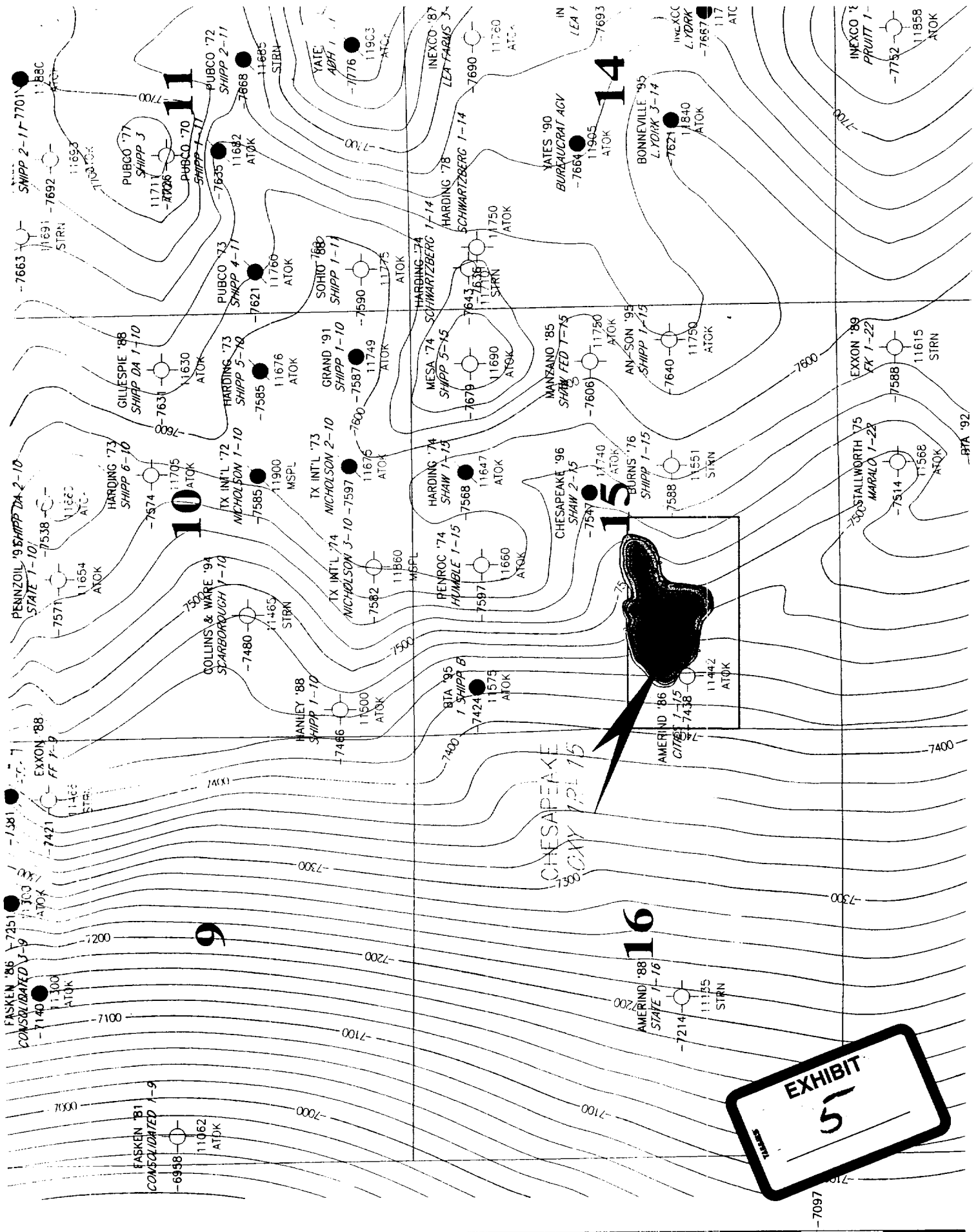


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