



New Mexico Energy, Minerals and Natural Resources Department

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Division Director
Oil Conservation Division



June 15, 2011

Administrative Order IPI-399
Application No. pTGW1114457911

Chesapeake Operating, Inc.
P.O. Box 18496
Oakhoma City, OK 73154-0496

Attention: Bryan Arrant

RE: Injection Pressure Increase
Trinity Burrus Abo Unit Waterflood Project
Lea County, New Mexico

Dear Mr. Arrant:

Reference is made to your request on behalf of Chesapeake Operating, Inc. (OGRID 147179) received by the Division on May 24, 2011 to increase the surface injection pressure on one (1) well within the Trinity Burrus Abo Unit Waterflood Project. This request is based upon step rate test recently conducted on this well. The results of the step rate tests for the TBAU Well No. 2 indicate that an increase in the surface injection pressure for this well is justified and will not result in the fracturing of the injection formation and confining strata.

It is our understanding that this well will not take a sufficient volume of water at the present pressure limits and a higher pressure limits are needed for waterflood operations.

Based on a step rate injection test was conducted May 13, 2011 you are hereby authorized to increase the surface injection pressure on the following well located in Lea County, New Mexico:



Well Number	Wolfcamp Perforations	Surface Injection Pressure
TBAU Well No. 2 API No. 30-025-35188, Unit P, Section 22, Township 12 South, Range 38 East	9098'-9506'	2239 PSIG

This approval is based on a provision that the tubing size, packer setting depth and perforation depths do not change. You are prohibited from injecting at pressures that would induce fracturing.

The operator is responsible for ensuring injected waters do not migrate upward inside or outside of this casing and enter formations above the permitted injection interval.

This approval is subject to your being in compliance with all other Division rules, including but not limited to Division Rule 19.15.5.9.

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected fluid is not being confined to the injection zone or is endangering any fresh water aquifers.

The injection authority granted herein shall terminate two years after the effective date of this order if the operator has not commenced injection operations into the subject wells, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Sincerely,



Jami Bailey
Director

JB/tw

cc: Oil Conservation Division – Hobbs