

PTGW

DATE IN 12-28-11	SUSPENSE	ENGINEER DB	LOGGED IN 12.28.11	TYPE NSL	APP NO. 1136256961
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Chesapeake 147175
 PLU Big Sink
 2 24 30 # USA# 1H

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-39246

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

6458-A

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____

E-2-245-30E
 eddy

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name	Signature	Title	Date
		e-mail Address	

HOLLAND & HART^{LLP}



Michael H. Feldewert
Recognized Specialist in the Area of
Natural Resources - oil and gas law -
New Mexico Board of Legal
Specialization
mfeldewert@hollandhart.com

December 28, 2011

HAND-DELIVERED

Jami Bailey
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

2011 DEC 28 A 10:19
RECEIVED OGD

Re: Application of Chesapeake Operating, Inc. for Amendment to Administrative Order NSL-6458 Approving An Unorthodox Well Location for the PLU Big Sinks 2 24 30 USA Well No. 1H in Section 2, Township 24 South, Range 30 East, NMPM, Eddy County, New Mexico.

Dear Ms. Bailey:

By Administrative Order NSL-6458 dated August 30, 2011, the Division approved an unorthodox well location for Chesapeake's PLU Big Sinks 2 24 30 USA Well No. 1H located in Section 2, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. Under the NSL Order, the well was to be drilled in the Bone Spring formation at a surface location and a penetration point 1980 feet from the North line and 200 feet from the West line with a terminus location 1980 feet from the North line and 100 feet from the East line of Section 2. Notice was provided to the affected parties and no objection was received by the Division prior to the issuance of Order NSL-6458.

As reflected on the attached amended C-102 report, Chesapeake has since drilled the well to a total depth of 14,209 feet and determined that the terminus of the well is actually 93 feet instead of 100 feet from the East line of Section 2. A frac plug is set at 14,200 feet and the perforations remain 128 feet from the East line of Section 2.

Chesapeake respectfully requests that Administrative Order NSL-6458 be amended to reflect approval of a terminus location 93 feet instead of 100 feet from the East line of Section 2.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻️

Your attention to this application is appreciated.

Sincerely,



Michael H. Feldewert

ATTORNEY FOR CHESAPEAKE OPERATING, INC.

Enclosure

cc: David K. Brooks

DISTRICT I
1025 N. French Dr., Hobbs, NM 88240

DISTRICT II
1801 W. Grand Avenue, Artesia, NM 88210

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

DISTRICT IV
1820 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised July 16, 2010.

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-39246	Pool Code 96804	Pool Name Wildcat, Bone Spring
Property Code 38712	Property Name BIG SINKS 2 24 30 STATE	Well Number 1H
OGRID No. 147179	Operator Name CHESAPEAKE OPERATING CO.	Elevation 3465'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	2	24 S	30 E		1980	NORTH	200	WEST	EDDY

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
H	2	24 S	30 E		1972	NORTH	93	EAST	EDDY

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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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>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. <i>Bryan Arrant</i> 12/19/2011 Signature Date Bryan Arrant Printed Name bryan.arrant@cdk.com Email Address</p>	<p>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 Signature & Seal of Professional Surveyor Certificate No. Gary L. Jones 7977 BASIN SURVEYS 24817</p>

HOLLAND & HART^{LLP}



Michael H. Feldewert
Recognized Specialist in the Area of
Natural Resources - oil and gas law -
New Mexico Board of Legal
Specialization
mfeldewert@hollandhart.com

December 28, 2011

HAND-DELIVERED

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As reflected on the attached amended C-102 report, Chesapeake has since drilled the well to a total depth of 14,209 feet and determined that the terminus of the well is actually 93 feet instead of 100 feet from the East line of Section 2. A frac plug is set at 14,200 feet and the perforations remain 128 feet from the East line of Section 2.

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HOLLAND & HART^{LLP}



Jami Bailey
December 28, 2011
Page 2

Your attention to this application is appreciated.

Sincerely,

Michael H. Feldewert

ATTORNEY FOR CHESAPEAKE OPERATING, INC.

Enclosure

cc: David K. Brooks

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1801 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1600 N.W. Brazos Rd., Aztec, NM 87410

DISTRICT IV
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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised July 16, 2010

Submit one copy to appropriate
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OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87605

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

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Property Code 38712	Property Name BIG SINKS 2 24 30 STATE	Well Number 1H
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Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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<p>1980</p> <p>1972</p> <p>3481.4'</p> <p>200'</p> <p>3485.1'</p> <p>5047.2'</p> <p>93'</p> <p>Producing Area</p> <p>Project Area</p> <p>Penetration Point & Surface Location Lat - N 32.24866530 Long - W 103.6595993 NMSPC - N 454520.880 E 687792.411 (NAD-83)</p> <p>Actual Bottom Hole Location Lat - N 32.24870953 Long - W 103.6432774 NMSPC - N 454559.615 E 692838.302 (NAD-83)</p> <p>B.H. for Bottom Perfs: 1972' ENL & 128' FEL</p>	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Bryan Arrant</i> 12/19/2011 Signature Date</p> <p>Bryan Arrant Printed Name bryan.arrant@chuk.com Email Address</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p><i>Gary L. Jones</i> Date Surveyed Signature & Seal of Professional Surveyor</p>
	<p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS 24817</p>

AS DRILLED LAND PLAT

HOLLAND & HART^{LLP}



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HOLLAND & HART^{LLP}



Jami Bailey
December 28, 2011
Page 2

Your attention to this application is appreciated.

Sincerely,

A handwritten signature in black ink that reads "Michael H. Feldewert". The signature is fluid and cursive, with the first name being the most prominent.

Michael H. Feldewert

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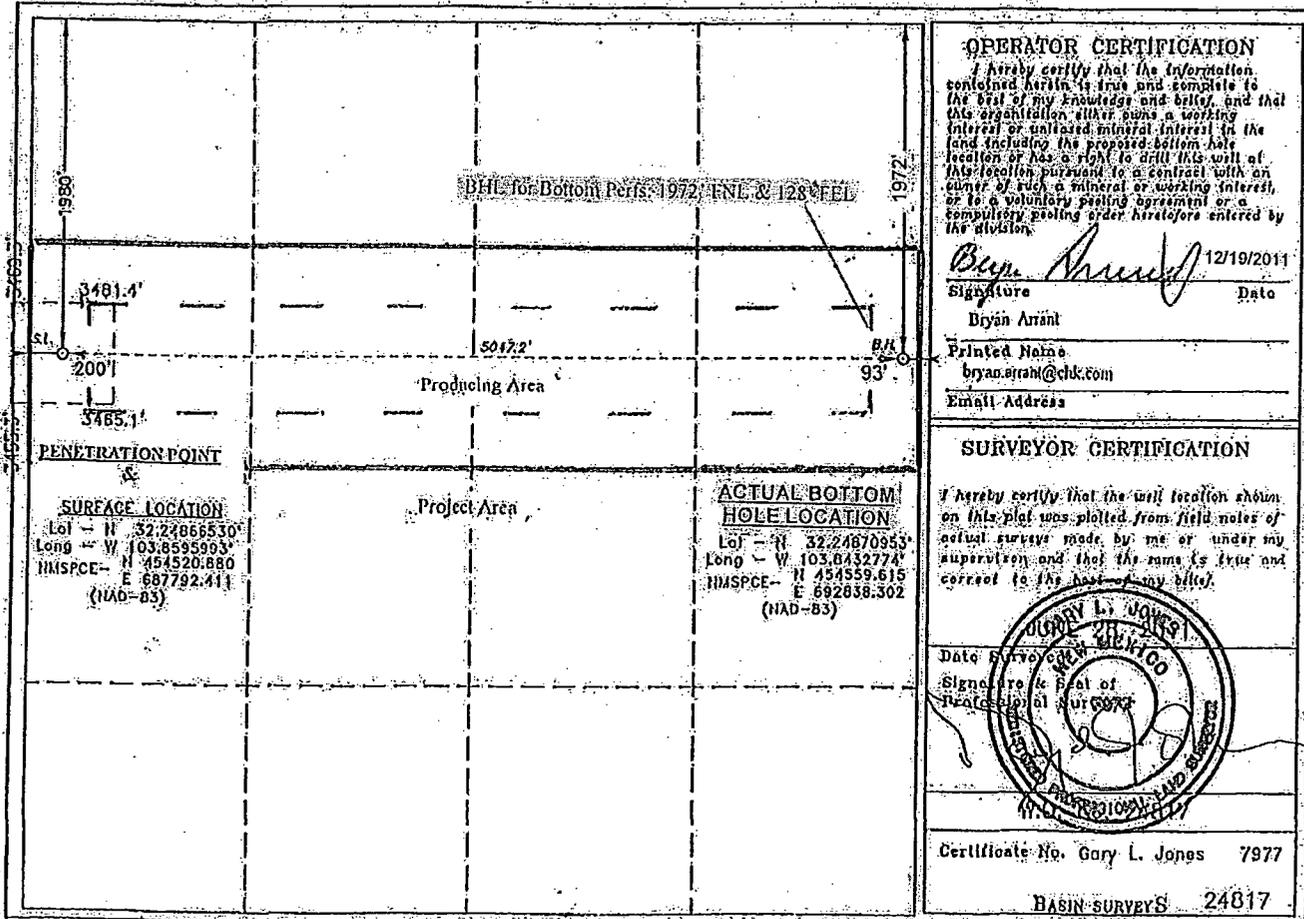
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