

ABOVE THIS LINE FOR DIVISION USE ONLY

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



*Chesapeake 147174*

*PLU Big Sinks 1924 31 USA 1H*

**ADMINISTRATIVE APPLICATION CHECKLIST**

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

6578

**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 \_\_\_\_\_

*C-19-245-31E*  
 2012 FEB 28 P 3:43  
 RECEIVED OGD  
*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.

Adam G. Rankin *[Signature]* Attorney 2/28/12  
 Print or Type Name Signature Title Date  
agrankin@hollandhart.com  
 e-mail Address



**Adam G. Rankin**  
**Associate**  
Phone 505-954-7294  
Fax 505-983-6043  
agrarkin@hollandhart.com

February 28, 2012

**VIA HAND DELIVERY**

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

RECEIVED OOD  
2012 FEB 28 P 3:44

**Re: Application of Chesapeake Operating, Inc. for administrative approval of an unorthodox well location for its PLU Big Sinks 19 24 31 USA 1H well in the Bone Spring Pool Section 19, Township 24 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.**

Dear Ms. Bailey:

Chesapeake Operating, Inc. (OGRID No. 147179) hereby seeks administrative approval pursuant to the provisions of Division Rule 19.15.15.13 NMAC for an unorthodox well location for its PLU Big Sinks 19 24 31 USA No. 1H to be located in Section 19, Township 24 South, Range 31 East, N.M.P.M., Eddy County, New Mexico. The proposed wildcat well is to be drilled at a surface location 150 feet from the North line with a penetration point 330 feet from the North line and approximately 1980 feet from the West line of Section 19. The bottom-hole location will be 100 feet from the South line and 1980 feet from the West line of Section 19. A 162.38-acre project area has been dedicated to this horizontal well comprised of the E/2 W/2 of Section 19.

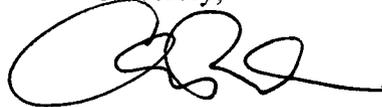
**Exhibit A** is a land plat for Section 19 and surrounding sections that shows the proposed non-standard location of the PLU Big Sinks 19 24 31 USA No. 1H in relation to adjoining units and existing wells. This location is unorthodox because the Bone Spring formation under this acreage is governed by the Division's statewide rules which provide for wells on 40-acre spacing units to be located no closer than 330 feet to the outer boundary of the spacing unit. The bottom-hole location of this well will be located 100 feet from the South line of Section 19 for engineering reasons, and is, therefore, closer to the section line than allowed by Division rules.

**Exhibit B** is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the proposed PLU Big Sinks 19 24 31 USA No. 1H well encroaches on the spacing and proration unit to the South.

**Exhibit C** is a list of the affected parties. Pursuant to 19.15.4.12(A)(2)(c) NMAC, affected parties are those toward whom the non-standard location encroaches. Here, the proposed bottom-hole location encroaches on to the South. The affected lessee is BEPCO. A copy of this application with all attachments was mailed to the notice recipient.

Your attention to this application is appreciated.

Sincerely,



Adam G. Rankin  
**ATTORNEY FOR CHESAPEAKE OPERATING, INC.**

cc: Jerris Johnson

13  
OGX  
8/1/2018  
Fed

Fed

PLU BIG SINKS  
24-24-30  
USA 1H

BASS  
HBP  
Fed

EOG  
HBP  
Fed 18

PLU BIG SINKS  
19-24-31  
USA 1H

EOG  
HBP  
Fed 17

30E  
4

29

24  
Bass/CHK  
HBP  
Fed

25  
Bass/CHK  
HBP  
Fed

20

Bass/CHK  
HBP  
Fed 19

33

OXY  
HBP  
Fed

Bass/CHK  
HBP  
Fed 30

30

Bass/CHK  
HBP  
Fed 20

24S 31E

OXY  
HBP  
Fed

Bass/CHK  
HBP  
Fed 29

29

tabbies

EXHIBIT

A

DEVON

DEVON

DISTRICT I  
1010 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1001 W. Grand Avenue, Artesia, NM 88210

DISTRICT III  
1000 Nio Dracos Rd., Artec, NM 87410

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-108  
Revised July 18, 2010

Submit one copy to appropriate  
District Office

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87506

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number	Pool Code 96403	Pool Name WILDCAT; BONE SPRING
Property Code	Property Name PLU BIG SINKS 19 24 31 USA	Well Number 1H
ONRD No. 147179	Operator Name CHESAPEAKE OPERATING CO.	Elevation 3495'

Surface Location

Ul. or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	24 S	31 E		150	NORTH	1980	WEST	EDDY

Bottom Hole Location If Different From Surface

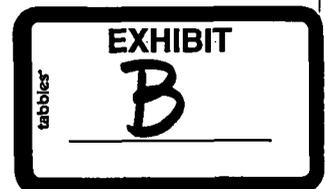
Ul. or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	19	24 S	31 E		100	SOUTH	1980	WEST	EDDY

Dedicated Acres 162.38	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

	<p><b>SURFACE LOCATION</b> Lat - N 32.20888491' Long - W 103.81928184' NMSPC - E 700324.893 (HAD-83) Lat - N 32.20883180' Long - W 103.81878807' NMSPC - E 440327.921 (HAD-27)</p>	<p><b>OPERATOR CERTIFICATION</b> 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 undivided 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> 02/03/2012 Signature _____ Date _____ Printed Name Bryan Arrant Email Address bryan.arrant@chk.com</p>
	<p><b>PROPOSED BOTTOM HOLE LOCATION</b> Lat - N 32.10581043' Long - W 103.81880718' NMSPC - E 435350.274 (HAD-83) Lat - N 32.10588888' Long - W 103.81880718' NMSPC - E 435291.591 (HAD-27)</p>	

Terminus



**EXHIBIT C**

**Chesapeake's NSL Application  
PLU Big Sinks 19 24 31 USA No. 1H**

BEPCO  
201 Main Street, Suite 3100  
Ft. Worth, Texas 76102



Teresa Long  
Assistant Landman - Permian District

February 14, 2012

Mr. Monty Montgomery  
BEPCO  
201 Main Street, Suite 3100  
Ft. Worth, TX 76102

Re: Application of Chesapeake Operating, Inc. for administrative approval of an unorthodox well location for its PLU Big Sinks 19 24 31 USA 1H well in the Bone Spring Pool Section 19, Township 24 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.

Dear Mr. Montgomery:

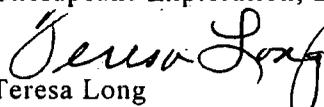
Chesapeake Operating, Inc. has submitted the above-referenced application to the New Mexico Oil Conservation Division for an unorthodox well location for its PLU Big Sinks 19 24 31 USA 1H well. This well is located in Section 19, Township 24 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and is to be drilled horizontally in the Bone Spring pool at a surface location 150 feet from the North line and a penetration point 330 feet from the North line, and approximately 1980 feet from the West line of Section 19. The bottom-hole location will be 100 feet from the South line and 1980 feet from the West line of Section 19.

Division Rules provide that an application may be approved sooner if the applicant obtains waivers from affected parties. We therefore request your waiver of objection to this administrative application. We respectfully request you that you sign this letter and return it by e-mail or overnight delivery as soon as possible.

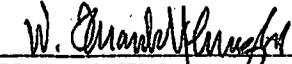
Thank you for your consideration of this matter. Should you wish to discuss, please feel free to call me at 405-935-9175.

Sincerely,

Chesapeake Exploration, L.L.C.

  
Teresa Long

BEPCO agrees to waive objection to Chesapeake Operating, Inc.'s application for an unorthodox well location for its PLU Big Sinks 19 24 31 USA 1H well.

By:   
Name & Title | W. Frank McCreight, Sr. Vice President *MM*

Date: 2.27.12

HOLLAND & HART<sup>LLP</sup>



**Adam G. Rankin**  
Phone 505-988-4421  
Fax 505-983-6043  
agrarkin@hollandhart.com

February 28, 2012

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO AFFECTED PARTIES**

**Re: Application of Chesapeake Operating, Inc. for administrative approval of an unorthodox well location for its PLU Big Sinks 19 24 31 USA 1H well in the Bone Spring Pool Section 19, Township 24 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.**

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date by Chesapeake Operating Co. for administrative approval of an unorthodox well location for its PLU Big Sinks 19 24 31 USA Well No. 1H. The proposed wildcat well is to be drilled at a surface location 150 feet from the North line and a penetration point 330 feet from the North line, and approximately 1980 feet from the West line of Section 19. The bottom-hole location will be 100 feet from the South line and 1980 feet from the West line of Section 19.

As an owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing within twenty days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico. 87505. If no objection is received within this twenty-day period, this application for an unorthodox well location may be approved.

Sincerely,

Adam G. Rankin  
ATTORNEY FOR CHESAPEAKE OPERATING, INC.

Enclosures

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

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

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