

4.13.05

DATE IN

SUSPENSE

Jones

ENGINEER

4.13.05

LOGGED IN

DHC

TYPE

PSEM0510348885

APP NO.

3433

ABOVE THIS LINE FOR DIVISION USE ONLY

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



**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

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

[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     |           |       |      |



Midland Field Office

RECEIVED

APR 13 2005

OIL CONSERVATION  
DIVISION

April 6, 2005

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Attention: Downhole Commingle Dept.

RE: TCB 36 State #2  
API #: 30-025-36749

Dear Sir:

Chesapeake Operating, Inc., respectfully, request approval to downhole commingle the Warren:Drinkard, East and the D-K;Abo pools. Enclosed, for your consideration, is our application form C-107A along with all of the following attachments:

1. Well Location And Acreage Dedication Plat for both pools.
2. Production history for both pools.
3. All working, royalty and overriding royalty interest are the same.

Your administrative approval of our request would be greatly appreciated.

Yours truly,

Brenda Coffman  
Regulatory Analyst  
Chesapeake Permian District

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
1301 W. Grand Avenue, Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, 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-107A  
Revised June 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
 Single Well  
 Establish Pre-Approved Pools  
EXISTING WELLBORE  
 Yes  No

APPLICATION FOR DOWNHOLE COMMINGLING

DAC-3433

Chesapeake Operating, Inc.

P. O. Box 11050 Midland, TX 79702-8050

Operator TCB 36 State Well No. 2 Address C 36, T20S, R38E Lease Lea  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 147179 Property Code 34086 API No. 32-025-36749 Lease Type:  Federal  State  Fee

| DATA ELEMENT   | UPPER ZONE                                      | INTERMEDIATE ZONE | LOWER ZONE                                       |
|--|---|-------------------|--|
| Pool Name  | Warren;Drinkard,East                            |                   | D-K;Abo  |
| Pool Code  | 63120   |                   | 15200  |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval)   | 2955 - 7012                                     |                   | 7286 - 7362                                      |
| Method of Production (Flowing or Artificial Lift)  | Pumping Unit                                    |                   | Pumping Unit                                     |
| Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)    |   |                   |  |
| Oil Gravity or Gas BTU (Degree API or Gas BTU)   | 38 deg.   |                   | 38 deg.  |
| Producing, Shut-In or New Zone   | Producing                                       |                   | Shut In  |
| Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.) | Date: 12/15/2004<br>Rates: 4 BO, 42 BW, 33 MCFD | Date:<br>Rates:   | Date: 10/20/2004<br>Rates: 21 BO, 24 BW, 21 MCFD |
| Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)                  | Oil 16 % Gas 61 %                               | Oil % Gas %       | Oil 84 % Gas 39 %                                |

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes  No   
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes  No

Are all produced fluids from all commingled zones compatible with each other? Yes  No

Will commingling decrease the value of production? Yes  No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes  No

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

- Attachments:
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
  - Production curve for each zone for at least one year. (If not available, attach explanation.)
  - For zones with no production history, estimated production rates and supporting data.
  - Data to support allocation method or formula.
  - Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
  - Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Brenda Coffman TITLE Regulatory Analyst DATE 04/05/2005

TYPE OR PRINT NAME Brenda Coffman TELEPHONE NO. ( ) (432)687-2992

E-MAIL ADDRESS bcoffman@chkenegy.com

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                            |   |                    |                      |
|----------------------------|---|--------------------|----------------------|
| API Number<br>30-025-36749 |   | Pool Code<br>15200 | Pool Name<br>D-K;Abo |
| Property Code<br>34086     | Property Name<br>TCB 36 State               |                    | Well Number<br>2     |
| OGRID No.<br>147179        | Operator Name<br>Chesapeake Operating, Inc. |                    | Elevation<br>3565    |

<sup>10</sup>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             | 36      | 20S      | 38E   |         | 660           | North            | 1650          | West           | Lea    |

<sup>11</sup>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<br>40 |         | 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>16</p> | <p><sup>17</sup> OPERATOR CERTIFICATION<br/>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Brenda Coffman</i><br/>Signature</p> <p>Brenda Coffman<br/>Printed Name<br/>Regulatory Analyst<br/>bcoffman@chkenergy.com<br/>Title and E-mail Address</p> <p>04/05/2005<br/>Date</p> |  |  |
|           | <p><sup>18</sup> SURVEYOR CERTIFICATION<br/>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>Date of Survey<br/>Signature and Seal of Professional Surveyor:</p>                            |  |  |
|           | <p>Certificate Number</p>   |  |  |
|           |   |  |  |

District I  
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State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|   |  |  |
|---|--|--|
| <sup>1</sup> API Number<br>30-025-36749 | <sup>2</sup> Pool Code<br>63120                          | <sup>3</sup> Pool Name<br>Warren;Drinkard,East |
| <sup>4</sup> Property Code<br>34086     | <sup>5</sup> Property Name<br>TCB 36 State               |  |
| <sup>7</sup> OGRID No.<br>147179        | <sup>6</sup> Operator Name<br>Chesapeake Operating, Inc. | <sup>8</sup> Well Number<br>2                  |
|   |  | <sup>9</sup> Elevation<br>3565                 |

<sup>10</sup> 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             | 36      | 20S      | 38E   |         | 660           | North            | 1650          | West           | Lea    |

<sup>11</sup> 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 |
|-------------------------------------|---------|-------------------------------|-------|----------------------------------|---------------|-------------------------|---------------|----------------|--------|
|                                     |         |                               |       |                                  |               |                         |               |                |        |
| <sup>12</sup> Dedicated Acres<br>40 |         | <sup>13</sup> Joint or Infill |       | <sup>14</sup> Consolidation Code |               | <sup>15</sup> 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>16</p>                 | <p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Brenda Coffman</i></p> <p>Signature</p> <p>Brenda Coffman</p> <p>Printed Name</p> <p>Regulatory Analyst</p> <p>bcoffman@chkenergy.com</p> <p>Title and E-mail Address</p> <p>04/05/2005</p> <p>Date</p> |
|                           | <p><sup>18</sup> 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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>   |
| <p>Certificate Number</p> |  |

| TCB 36 State #2 |      |      |      |              |      |      |
|-----------------|------|------|------|--------------|------|------|
|                 | Abo  |      |      | Abo-Drinkard |      |      |
| Date            | BOPD | BWPD | MCFD | BOPD         | BWPD | MCFD |
| 9/19/2004       | 11   | 70   | 29   |              |      |      |
| 9/20/2004       | 82   | 75   | 57   |              |      |      |
| 9/21/2004       | 48   | 61   | 61   |              |      |      |
| 9/22/2004       | 50   | 44   | 8    |              |      |      |
| 9/23/2004       | 22   | 29   | 0    |              |      |      |
| 9/24/2004       | 17   | 45   | 0    |              |      |      |
| 9/25/2004       | 45   | 36   | 0    |              |      |      |
| 9/26/2004       | 24   | 28   | 0    |              |      |      |
| 9/27/2004       | 0    | 0    | 0    |              |      |      |
| 9/28/2004       | 0    | 0    | 5    |              |      |      |
| 9/29/2004       | 64   | 38   | 18   |              |      |      |
| 9/30/2004       | 39   | 31   | 8    |              |      |      |
| 10/1/2004       | 34   | 26   | 25   |              |      |      |
| 10/2/2004       | 31   | 25   | 22   |              |      |      |
| 10/3/2004       | 29   | 24   | 21   |              |      |      |
| 10/4/2004       | 28   | 26   | 20   |              |      |      |
| 10/5/2004       | 27   | 24   | 16   |              |      |      |
| 10/6/2004       | 28   | 24   | 0    |              |      |      |
| 10/7/2004       | 26   | 22   | 2    |              |      |      |
| 10/8/2004       | 28   | 24   | 14   |              |      |      |
| 10/9/2004       | 26   | 26   | 27   |              |      |      |
| 10/10/2004      | 26   | 26   | 28   |              |      |      |
| 10/11/2004      | 27   | 26   | 18   |              |      |      |
| 10/12/2004      | 24   | 28   | 17   |              |      |      |
| 10/13/2004      | 24   | 26   | 24   |              |      |      |
| 10/14/2004      | 24   | 28   | 21   |              |      |      |
| 10/15/2004      | 21   | 23   | 22   |              |      |      |
| 10/16/2004      | 21   | 24   | 23   |              |      |      |
| 10/17/2004      | 22   | 26   | 23   |              |      |      |
| 10/18/2004      | 22   | 26   | 21   |              |      |      |
| 10/19/2004      | 23   | 26   | 22   |              |      |      |
| 10/20/2004      | 21   | 24   | 21   |              |      |      |
|                 |      |      |      |              |      |      |
| 11/7/2004       |      |      |      | 50           | 119  | 15   |
| 11/8/2004       |      |      |      | 5            | 138  | 44   |
| 11/9/2004       |      |      |      | 6            | 196  | 51   |
| 11/10/2004      |      |      |      | 9            | 196  | 72   |
| 11/11/2004      |      |      |      | 36           | 191  | 84   |
| 11/12/2004      |      |      |      | 33           | 148  | 7    |
| 11/13/2004      |      |      |      | 8            | 156  | 100  |

|            |  |  |  |  |    |     |     |
|------------|--|--|--|--|----|-----|-----|
| 11/14/2004 |  |  |  |  | 11 | 188 | 81  |
| 11/15/2004 |  |  |  |  | 6  | 128 | 103 |
| 11/16/2004 |  |  |  |  | 8  | 133 | 105 |
| 11/17/2004 |  |  |  |  | 10 | 89  | 109 |
| 11/18/2004 |  |  |  |  | 44 | 139 | 107 |
| 11/19/2004 |  |  |  |  | 30 | 90  | 108 |
| 11/20/2004 |  |  |  |  | 36 | 92  | 52  |
| 11/21/2004 |  |  |  |  | 41 | 150 | 74  |
| 11/22/2004 |  |  |  |  | 36 | 131 | 76  |
| 11/23/2004 |  |  |  |  | 28 | 133 | 67  |
| 11/24/2004 |  |  |  |  | 8  | 60  | 33  |
| 11/25/2004 |  |  |  |  | 0  | 0   | 10  |
| 11/26/2004 |  |  |  |  | 0  | 0   | 1   |
| 11/27/2004 |  |  |  |  | 0  | 0   | 1   |
| 11/28/2004 |  |  |  |  | 0  | 0   | 1   |
| 11/29/2004 |  |  |  |  | 0  | 0   | 1   |
| 11/30/2004 |  |  |  |  |    |     |     |
| 12/1/2004  |  |  |  |  | 52 | 91  | 9   |
| 12/2/2004  |  |  |  |  | 55 | 27  | 75  |
| 12/3/2004  |  |  |  |  | 52 | 107 | 64  |
| 12/4/2004  |  |  |  |  | 45 | 86  | 74  |
| 12/5/2004  |  |  |  |  | 5  | 20  | 15  |
| 12/6/2004  |  |  |  |  | 0  | 0   | 5   |
| 12/7/2004  |  |  |  |  | 0  | 0   | 9   |
| 12/8/2004  |  |  |  |  | 44 | 69  | 36  |
| 12/9/2004  |  |  |  |  | 65 | 85  | 67  |
| 12/10/2004 |  |  |  |  | 41 | 94  | 60  |
| 12/11/2004 |  |  |  |  | 46 | 93  | 66  |
| 12/12/2004 |  |  |  |  | 44 | 90  | 66  |
| 12/13/2004 |  |  |  |  | 42 | 87  | 75  |
| 12/14/2004 |  |  |  |  | 25 | 69  | 52  |
| 12/15/2004 |  |  |  |  | 25 | 66  | 54  |
| 12/16/2004 |  |  |  |  | 20 | 69  | 52  |
| 12/17/2004 |  |  |  |  | 17 | 74  | 51  |