



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

July 1, 2005

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

Chesapeake Operating, Inc.  
c/o Kellahin & Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87504

Attention: **W. Thomas Kellahin**  
[kellahin@earthlink.net](mailto:kellahin@earthlink.net)

*Administrative Order NSL-5228*

Dear Mr. Kellahin:

Reference is made to the following: (i) your application on behalf of the operator, Chesapeake Operating, Inc. ("Chesapeake") that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 20, 2005 (**administrative application reference No. pSEM0-517236027**); and (ii) the Division's records in Santa Fe: all concerning Chesapeake's request for an unorthodox Bone Spring oil well location for its proposed Neuhaus "14" Federal Well No. 5 to be drilled 1090 feet from the North line and 330 feet from the East line (Unit A) of Section 14, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico. The NE/4 NE/4 of Section 14 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit within the East Featherstone-Bone Spring Pool (**24270**).

This application has been duly filed under the provisions of Division Rule 104.F.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox oil well location will be at a more favorable geologic position within the potentially productive interval of the Wolfcamp formation than a well drilled at a location considered to be standard within the proposed standard 40-acre oil spacing and proration unit.

Further, the Division understands that the NE/4 of Section 14 is included within a single Federal lease issued by the U. S. Bureau of Land Management (*U. S. Government lease No. NM-16635*) with common mineral interest in which Chesapeake is the leasehold operator.

By the authority granted me under the provision of Division Rule 104.F (2), as revised, the above-described unorthodox Bone Spring oil well location for Chasepeake's proposed Neuhaus "14" Federal Well No. 5 is hereby approved.

Sincerely,

Mark E. Fesmire, P. E.  
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs  
U. S. Bureau of Land Management – Carlsbad

