

ABOVE THIS LINE FOR DIVISION USE ONLY

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



561

**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			



January 16, 2006

RECEIVED

JAN 19 2006

Midland Field Office

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

New Mexico Oil Conservation Division  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Attention: Mr. David Catanach

RE: Surface Co-mingle Form C-107-B  
Brushy Draw; Delaware  
Eddy County, New Mexico

Dear Mr. Catanach:

Chesapeake, respectfully, request permission to surface co-mingle the following wells in the Brushy Draw; Delaware pool:

Brushy 12 Federal #4	API #30-015-25604
Brushy 12 Federal #1	API #30-015- <del>25519</del> 25416
Brushy 12A Federal #1	API #30-015 25615

Enclosed, for your consideration, is the required schematic diagram of the facility, a plat showing lease boundaries and well and facility location. Also enclosed is a list of all interest owners that have been notified by certified mail. The BLM has been notified.

Your consideration of our request is appreciated. Should you need further information, please contact me at (432) 687-2992 or at the below address.

Yours truly,

Brenda Coffman  
Regulatory Analyst

268.292

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
1301 W. Grand Ave, 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-107-B  
Revised June 10, 2003

OIL CONSERVATION DIVISION  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Chesapeake Operating Inc.  
OPERATOR ADDRESS: P. O. Box 11050 Midland, TX 79702-8050  
APPLICATION TYPE:

Pool Commingling  Lease Commingling  Pool and Lease Commingling  Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE:  Fee  State  Federal

Is this an Amendment to existing Order?  Yes  No If #Yes#, please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
 Yes  No

(A) POOL COMMINGLING  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No.  
(4) Measurement type:  Metering  Other (Specify)  
(5) Will commingling decrease the value of production?  Yes  No If #yes#, describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code. Brushy Draw; Delaware  
(2) Is all production from same source of supply?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No  
(4) Measurement type:  Metering  Other (Specify) Separator at each well

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

- (1) Is all production from same source of supply?  Yes  No  
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

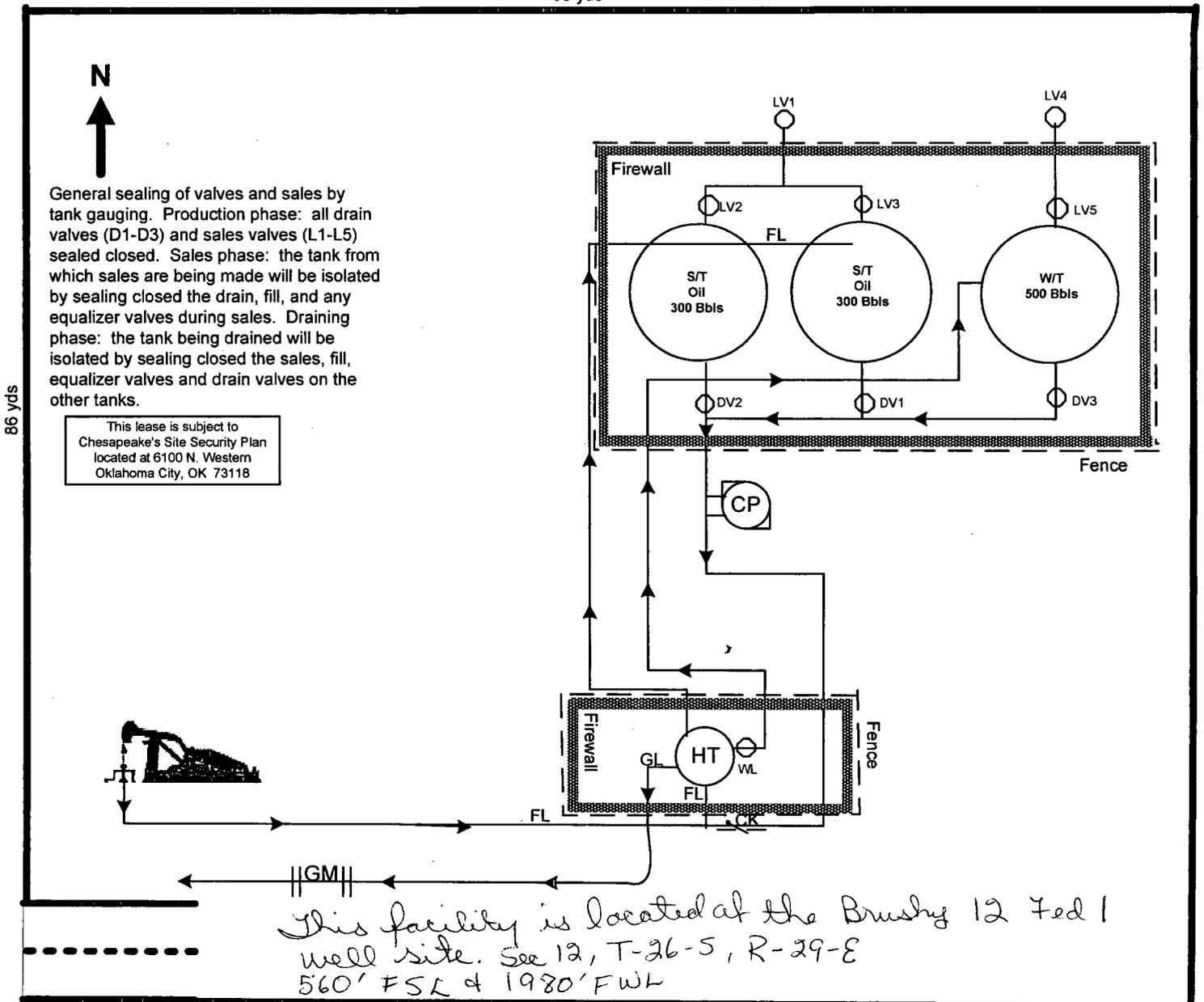
SIGNATURE: Brenda Coffman TITLE: Regulatory Analyst DATE: 01/16/2006  
TYPE OR PRINT NAME Brenda Coffman TELEPHONE NO.: (432)687-2992  
E-MAIL ADDRESS: bcoffman@chkenergy.com

# CHESAPEAKE OPERATING, INC.

CHK Name & Number: BRUSHY 12 FEDERAL 1 891205  
 API number: 3001525416  
 County: EDDY  
 State: NM  
 Field:  
 Qtr Qtr Calls: S2 SE SW - 560 FSL 1980 FWL  
 Sec/Twnshp/Rng: 0012, 026S, 029E  
 Well Latitude / Longitude: 32.0510100 / -103.93840  
 District: PERMIAN  
 Number of Acres: 160  
 Well Status: PRODUCING  
 Tribe Name: undefined

Regulatory Agency:  
 Lease Sign Type:  
 CA#: 100% BLM LEASE  
 APD Lease #: NMLC71066  
 Federal/Indian: Federal  
 Last Violation:  
 Pumper: HOB-NM-Route 39- Mike Campbell  
 Foreman: James Clary  
 Field Office: HOBBS  
 Alottee Name: undefined

65 yds



BRUSHY 12 FEDERAL #1 891205

EXHIBIT "B"

Direction of Flow off Site: S

Prepared by: DEBBIE HERNANDEZ  
 Date: 09-8-2005

Approved by:  
 Date:

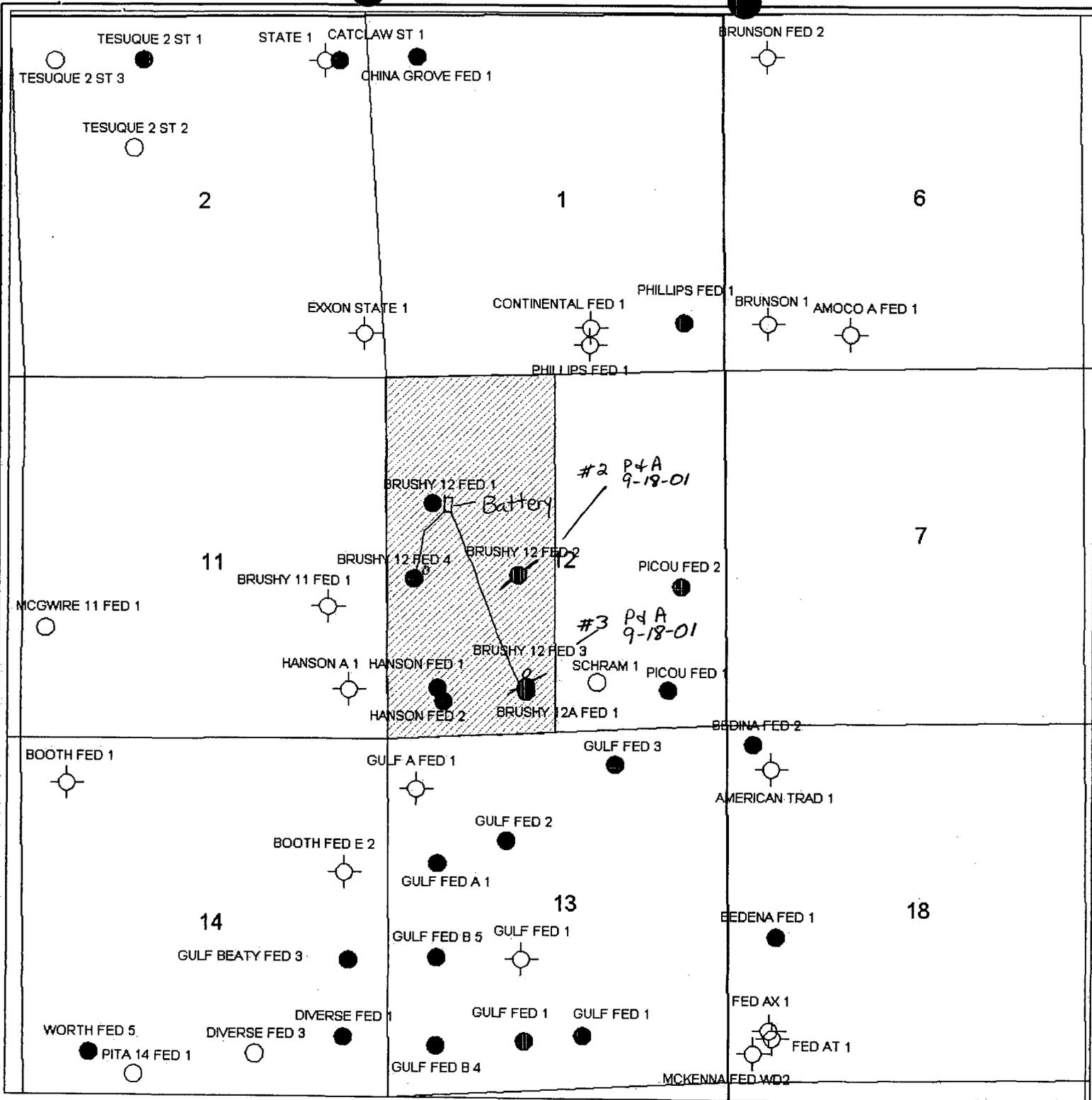


EXHIBIT "A"

- Separator
- Pipeline
- ▭ Battery

 Chesapeake <small>Natural Gas Natural Advantages</small>	<b>CHESAPEAKE OPERATING, INC.</b>
Delaware Basin Eddy County, NM Brushy 12 and 12A	
<small>DKB Brushy12 and 12A.gmp</small>	
Date: 1 November, 2005	Geologist: Doug Bellis

Interest Owners

**Rapada Energy, Inc.**  
**P.O. Box 341809**  
**Austin, TX 78734-0031**

**Patricia P. Freel**  
**P.O. Box 341809**  
**Austin, TX 78734-0031**

**Hal S. Dean**  
**550 W. Texas Ste 1230**  
**Midland, TX 79701**

**McBride Oil & Gas Corp.**  
**P.O. Box 1515**  
**Roswell, NM 88202-1515**

**William J. Graham**  
**3612 Pennsylvania Lane**  
**Plano, TX 75075**

**RKC Inc. Apache Property Acct**  
**C/O Anthony Kochevar**  
**7029 E Briarwood Circle**  
**Englewood, CO 80112**

**Southwest Gas Systems Inc.**  
**Attn: Jeff Panelek**  
**17010 Seven Pines Dr. Ste 101**  
**Spring, TX 77379**

**Steven C Hofer, Jr.**  
**P.O. Box 50174**  
**Midland, TX 79701-0174**

**Stephanie Hofer Lowe**  
**P.O. Box 50174**  
**Midland, TX 79701-0174**

**Carbon Techs Energy Inc.**  
**1150 727-75th Ave SW**  
**Calgary AB, Canada T20 0Z7**

**Hanson McBride Petroleum**  
**P.O. Box 1515**  
**Roswell, NM 88201**

**Michael DeBakey**  
**Baylor College of Medicine**  
**P.O. Box 22795**  
**Houston, TX 77227-2795**

**Enerstar Resources O&G LLC**  
**P.O. Box 606**  
**Carlsbad, NM 88221**

**Drilmor Inc.**  
**911 N. Midkiff**  
**Midland, TX 79707**

**Jon G Massey**  
**410 N. Main St.**  
**Midland, TX 79701**

**Dakota Resources Corp.**  
**911 N. Midkiff Road**  
**Midland, TX 79701-2112**

**Mitchell Exploration, Inc.**  
**P.O. Box 2415**  
**Midland, TX 79702**

**Ernest O DeBakey, M.D.**  
**3000 Post Oak Blvd. Ste. 1480**  
**Houston, TX 77056-6582**

**Henderson & Erickson**  
**410 N. Main**  
**Midland, TX 79710**

**Randell K. Ford**  
**P.O. Box 51037**  
**Midland, TX 79710**

**Sharon Ginder Life Estate**  
**5860 Valley Forge**  
**Houston, TX 77057**

**Barry E. DeBakey**  
**3406 W. Alabama**  
**Houston, TX 77027**

**Marguerite G. Crocker**  
**2713 Stoney Brook #702**  
**Houston, TX 77063-4632**

**Michael M. DeBakey**  
**PB-215 Box 52-6350**  
**Miami, FL 33152**

**Mary Kirklin**  
**9415 Cedarcrest Dr.**  
**Austin, TX 78750**

**Dennis A DeBakey**  
**2122 Grey Falls Dr.**  
**Houston, TX 77002**

**Ed S. Crocker**  
**5902 Stones Throw**  
**Houston, TX 77057**

**Catanach, David, EMNRD**

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**From:** Brenda Coffman [BCoffman@chkenergy.com]  
**Sent:** Monday, January 23, 2006 1:13 PM  
**To:** Catanach, David, EMNRD  
**Subject:** RE: Application

David, The Federal Lease numbers are as follows:  
Brushy 12 Federal #2 and 4 and under Federal LC 071066  
Brushy 12A Federal #1 is NM 11039

There are royalty or working interest differences in the three wells. We plan to put a separator at each well in order to keep up with the production separately. I have notified the BLM and all of the interest owners, per the list I sent you, of our plans and have received no objections from any of them. If you need anything else, please, let me know.

Thanks,

Brenda Coffman  
Regulatory Analyst  
Phone: (432) 687-2992, ext. 6032  
Fax: (432) 687-4112

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**From:** Catanach, David, EMNRD [mailto:david.catanach@state.nm.us]  
**Sent:** Monday, January 23, 2006 11:05 AM  
**To:** Brenda Coffman  
**Subject:** Application

Brenda,

I'm reviewing your application to surface commingle Delaware production on the Brushy Federal lease. I have a question. Is the Brushy 12 and the Brushy 12A two separate federal leases? If so, is the interest ownership different between these two leases? In addition, please provide me with federal lease numbers.

Thanks,

David Catanach  
Engineer  
505) 476-3466

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1/24/2006