

District I
1625 N. French Dr., 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

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

RECEIVED

JUL 15 2010

Form C-129
Revised October 15, 2009

NMOC D ARTESIA

Submit one copy to appropriate
District Office

NFO Permit No. _____

2-1025
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

30-015-36998

- A. Applicant Chesapeake Operating, Inc.,
whose address is P.O. Box 18496 Oklahoma City, OK 73154-0496,
hereby requests an exception to Rule 19.15.18.12 for 3-4 days days or until
_____, Yr _____, for the following described tank battery (or LACT):
Name of Lease PLU Pierce Canyon 5 State #1H Name of Pool Wildcat; Bone Spring
Location of Battery: Unit Letter P Section 5 Township 25 South Range 30 East
Number of wells producing into battery 2
- B. Based upon oil production of 192 barrels per day, the estimated * volume
of gas to be flared is 2077 MCF; Value \$ 9012 per day.
- C. Name and location of nearest gas gathering facility:
Southern Union
- D. Distance Connected Estimated cost of connection N/A
- E. This exception is requested for the following reasons: _____
Southern Union Gas Company is having a shut in on the gas line that will affect three of our PLU wells.
Each well has sub pumps installed and will lock up the pumps if they are shut in. This would cost a
significant amount of money to have these wells pulled if they go down. We request to flare the gas until
the shut in is complete. The gas company is expecting the shut in to take 3-4 days.

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Bryan Arrant

Printed Name
& Title Bryan Arrant; Senior Regulatory Compl. Sp.

E-mail Address bryan.arrant@chk.com

Date 07/14/2010 Telephone No. (405)935-3782

OIL CONSERVATION DIVISION

JUL 31 2010

Approved Until _____

By Signed By Mike Beaman

Title Envu Spec

Date JUL 16 2010

* Gas-Oil ratio test may be required to verify estimated gas volume.