

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

Form C-129
Revised October 15, 2009

Submit one copy to appropriate
District Office

NFO Permit No. _____
(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)

RECEIVED

JUN 23 2010

NMOCD ARTESIA

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 _____ days or until

July, Yr 2011, for the following described tank battery (or LACT):

Name of Lease Malaga C # 3 Name of Pool Culebra Bluff, Bone Spring, South

Location of Battery: Unit Letter N Section 36 Township 23 South Range 28 East

Number of wells producing into battery 1

B. Based upon oil production of 3 BO barrels per day, the estimated * volume
of gas to be flared is 180 MCF; Value \$ 930.00 per day.

C. Name and location of nearest gas gathering facility:

Southern Union

D. Distance 2.5 miles Estimated cost of connection >\$100,000

E. This exception is requested for the following reasons: _____

There is no gas line nearby that makes it economically feasible for a gas line connection. There are no

occupied dwellings nearby. There nearest public road is >

1 mile.

API# 30-015-27449

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 06/21/2010 Telephone No. (405)935-3782

OIL CONSERVATION DIVISION

Approved Until _____

By Leuro D. Dade

Title Dist III Supervisor

Date 06/24/2010

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