

New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



Administrative Order PLC-352

February 6, 2012

Adam Rankin
Attorney for Chesapeake Operating, Inc.
P.O. Box 2208
Santa Fe, NM 87504-2208

Attention: Adam Rankin:

Chesapeake Operating, Inc. ("Chesapeake") is hereby authorized to surface commingle **oil and gas production** from the following Pools located in Township 24 South, Ranges 31 East, NMPM, Eddy County, New Mexico,

Sand Dunes; Delaware, West Pool (**35815**)
Ingle Wells; Delaware Pool (**33745**)
Poker Lake; Delaware, East Pool (**50388**)

and from the following diversely owned wells located on Federal leases (**NMNM29234**, **NMNM63757**, and **NMNM56741**) in Eddy County, New Mexico:

Well Name & Number	API No.	Well Location
Lotus Federal Well No. 4	30 015 27593	NW/4SE/4, 9-24S-31E
Lotus C Fed. Well No. 905	30 015 32558	SE/4SE/4, 9-24S-31E
Lotus C Fed. Well No. 912	30 015 35356	SW/4SE/4, 9-24S-31E
Lotus 10 Fed. Well No. 3	30 015 29798	NE/4NE/4, 10-24S-31E
Lotus C fed. Well No. 901	30 015 28700	SE/4NE/4, 9-24S-31E
Lotus C Fed. Well No. 903	30 015 30043	SE/4SE/4, 9-24S-31E
Lotus C Fed. Well No. 907	30 015 34945	NW/4NE/4, 9-24S-31E



Lotus C Fed. Well No. 911 30-015-35357 SW/4NE/4, 9-24S-31E

Lotus Fed. Well No. A1 30-015-26174 NE/4NW/4, 15-24S-31E

[Note: The division Order No. CTB-417 issued on November 28, 1995, authorized the commingling of Lease No. NMNM29234, and NMNM63757. Now, Chesapeake Operating, Inc. requests to amend this order by adding another Lease No. NMNM56741 with wells producing from different pool. This amendment results in Order No. PLC-352].

The commingled oil and gas production shall be measured and sold at the Central Delivery Point (CDP) meter located in the NW/4SE/4 quarter of Section 9, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico. The oil and gas production from the wells is approved for off lease measurement and sales.

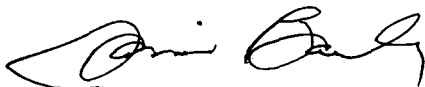
The oil and gas production from the wells shall be measured continuously with allocation meters before commingling with production from other wells. The allocation meters shall be calibrated semi-annually.

The producer/operator shall notify the transporter of this commingling authority.

The operator shall notify the Artesia district office of the Division upon commencement of commingling operations.

This Order supersedes Order No. CTB-417

DONE at Santa Fe, New Mexico, on February 6, 2012.



Jami Bailey
Division Director

JB/re

cc: Oil Conservation Division District Office – Artesia
Bureau of Land Management (BLM) - Roswell