

1-17-12	SUSPENSE	ENGINEER	D13	LOGGED IN 1.18.11	TYPE NSL	APP NO. 1201859346
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



Chesapeake H7179
PLU Pierce Canyon
20 24 30 #1H

ADMINISTRATIVE APPLICATION CHECKLIST 30-015-39692

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]

6486-A

[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 _____

B-20-745-30E

Fed

[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 17, 2012

VIA HAND DELIVERY

Jami Bailey, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED OGD
2012 JAN 17 P 3:15

Re: Application of Chesapeake Operating, Inc. for Amendment to Administrative Order NSL-6486 Approving An Unorthodox Well Location for the PLU Pierce Canyon 20 24 30 USA Well No. 1H in Section 20, Township 24 South, Range 30 East, NMPM, Eddy County, New Mexico.

Dear Ms. Bailey:

By Administrative Order NSL-6486 dated October 14, 2011, the Division approved an unorthodox well location for Chesapeake Operating, Inc.'s ("Chesapeake") PLU Pierce Canyon 20 24 30 USA Well No. 1H located in Section 20, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. Under the NSL Order, the well is to be drilled in the Bone Spring formation at a surface location and a penetration point 75 feet from the North line and 1725 feet from the East line with a terminus location 350 feet from the South line and 1980 feet from the East line of Section 20. Notice was provided to the affected parties and no objection was received by the Division prior to issuance of Order NSL-6486.

As reflected on the attached amended C-102 report, Chesapeake now seeks to drill the well to a terminus location 100 feet from the South line of Section 20 in order to maximize the length of the completion interval within the target zone. Included with this cover letter is a letter from Bass Operating and Production Company, the only affected interest, waiving any objections to Chesapeake's request for such an amendment.

Accordingly, Chesapeake respectfully requests that Administrative Order NSL-6486 be amended to reflect approval of a terminus location 100 feet instead of 350 feet from the South line of Section 20.



Your attention to this application is appreciated.

Sincerely,

Adam G. Rankin
ATTORNEY FOR CHESAPEAKE OPERATING, INC.

Enclosures
AGR

cc: David K. Brooks
Monty Montgomery, BOPCO
Bryan Arrant, Chesapeake Operating, Inc. w/o encls.

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

1901 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Asteo, NM 87410

DISTRICT IV

1820 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102

Revised July 16, 2010

Submit one copy to appropriate
District Office**OIL CONSERVATION DIVISION**1220 South St. Francis Dr.
Santa Fe, New Mexico 87506**WELL LOCATION AND ACREAGE DEDICATION PLAT**☐ AMENDED REPORT

API Number 30-015-39692	Pool Code 96403	Pool Name WILDCAT; BONE SPRING
Property Code 38938	Property Name PLU PIERCE CANYON 20 24 30 USA	Well Number 1H
OGRID No. 147179	Operator Name CHESAPEAKE OPERATING CO.	Elevation 3272'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	20	24 S	30 E		75	NORTH	1725	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	20	24 S	30 E		100	SOUTH	1980	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>SURFACE LOCATION Lot - N 32.21021755' Long - W 103.9004616' NMSPCE - N 440480.804 E 675216.069 (NAD-83) Lot - N 32.21009439' Long - W 103.89997555' NMSPCE - N 440421.980 E 634031.948 (NAD-27)</p>	<p>3259.7' 3272.9' 1725' 3278.6' 3293.5' 5121.7' 100' B.H. 1980'</p>	<p>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>Bryan Arrant</i> 12/29/2011 Signature Date Bryan Arrant Printed Name bryan.arrant@chk.com Email Address</p>
<p>PROPOSED BOTTOM HOLE LOCATION Lot - N 32.1961577' Long - W 103.9013241' NMSPCE - N 435364.993 E 674969.671 (NAD-83) Lot - N 32.19603443' Long - W 103.90083858' NMSPCE - N 435306.278 E 633785.599 (NAD-27)</p>		<p>SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief. Approved by Gary L. Jones Date Surveyed Signature & Seal of Professional Surveyor Certificate No. Gary L. Jones 7977 BASIN SURVEYS 24819</p>



Regulatory Department

January 5, 2012

BEPCO
201 Main Street, Suite 3100
Forth Worth, TX 76102

Attention: Mr. Monty Montgomery

Re: Chesapeake Operating, Inc., PLU Pierce Canyon 20-24 30 USA Well 1-H, Section 20, Township 24, Range 34, NMPM, Eddy, New Mexico

Mr. Rankin,

Chesapeake Operating, Inc., ("Chesapeake") will be submitting a request to amend Administrative Order NSL-6486 to the New Mexico Oil Conservation Division to change the approved terminus location from 350 feet from the South line of said Section 20 to 100 feet from the South line of said Section 20. A copy of Chesapeake's amended C-102 is enclosed for reference. A copy of Division Order NSL-6486 that Chesapeake seeks to amend also is enclosed for your reference. Notice was previously provided regarding the original administrative application and no objection was received by the Division prior to the issuance of Order NSL-6486.

Chesapeake is seeking an amended order to relocate the well's terminus location to maximize the completed interval within the target zone. The above-referenced well has been spudded and is currently being drilled; therefore, Chesapeake is requesting your waiver of any objection to amending Order NSL-6486 to provide that the well terminus be located 100 feet from the South line.

We respectfully request you that you sign this letter and either return by e-mail or overnight delivery as soon as possible.

Thank you for your consideration of this matter. Should you wish to discuss please feel free to call me at (405) 935-3782.

Sincerely,

Bryan Arrant
Regulatory Specialist II
Chesapeake Energy Corporation

BOPCO, L.P. agrees to waive objection to Chesapeake Operating, Inc.'s request to amend Order NSL-6486 for a non-standard location for the PLU Pierce Canyon 20 24 30 USA Well 1-H, Section 20, Township 24, Range 34, NMPM, Eddy, New Mexico.

BOPCO, L.P., a Delaware limited partnership

By: BOPCO GP, L.L.C., a Delaware limited liability company, general partner

By: W. Frank McCreight
W. Frank McCreight
Sr. Vice President MM

DISTRICT I
1025 N. French Dr., Hobbs, NM 88240

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1801 W. Grand Avenue, Artesia, NM 88210

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1820 S. St. Francis Dr., Santa Fe, NM 87503

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87506

Form C-102
Revised July 10, 2010

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-39692	Pool Code 96403	Pool Name WILDCAT; BONE SPRING
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Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

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