

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

COMMINGLING ORDER CTB-561

Chesapeake Energy Corporation P.O. Box 11050 Midland, Texas 79701

Attention: Ms. Brenda Coffman

The above-named company is hereby authorized to surface commingle Brushy Draw-Delaware Pool (Oil – 08080) production from the following-described federal leases located in Eddy County, New Mexico:

Lease:

Brushy "12" Federal Lease (Federal Lease No. LC-071066)

Description:

SE/4 SW/4, NW/4 SW/4 of Section 12, Township 26 South, Range 29

East, NMPM;

Well:

Brushy "12" Federal Well No. 1 (API No. 30-015-25416) Unit N

Brushy "12" Federal Well No. 4 (API No. 30-015-25604) Unit L

Lease:

Brushy "12A" Federal Lease (Federal Lease No. NM-11039)

Description:

SW/4 NW/4 of Section 12, Township 26 South, Range 29 East, NMPM;

Wells:

Brushy "12A" Federal Well No. 1 (API No. 30-015-25615) Unit E

Due to the diversity of ownership, production from each of the above-described wells shall be separately metered prior to commingling.

Production shall be stored at a central tank battery located on the Brushy "12A" Federal Lease in the SW/4 NW/4 of Section 12, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

The operator shall notify the Artesia district office of the Division prior to implementation of commingling operations.

Oil Conservation Division * 1220 South St. Francis Drive * Santa Fe, New Mexico 87505 Phone: (505) 476-3440 * Fax (505) 476-3462 * http://www.emnrd.state.nm.us



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DONE at Santa Fe, New Mexico, on this 8th day of February, 2006.

Mark E. Fesmire, PE

Director

MEF/drc

cc: Oil Conservation Division – Artesia

Bureau of Land Management-Carlsbad