

17. April. 07 DATE IN	SUSPENSE	D. Brooks ENGINEER	18. April. 07 LOGGED IN	NSL TYPE	0710828053 PCLP0710829083 APP NO.
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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



*Trinidad*  
*Simone 13 State #1*  
*5615*

## ADMINISTRATIVE APPLICATION CHECKLIST

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-Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [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 \_\_\_\_\_

- [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

KELLAMIN & KELLAMIN  
Attorneys At Law  
P.O. Box 2265  
Santa Fe, NM 87504-2265

Date

4/17/02

2007 APR 17 PM 4 15

**KELLAHIN & KELLAHIN**  
**Attorney at Law**

**W. THOMAS KELLAHIN**  
706 GONZALES ROAD  
SANTA FE, NEW MEXICO 87501

TELEPHONE 505-982-4285  
FACSIMILE 505-982-2047  
TKELLAHIN@COMCAST.NET

April 17, 2007

**HAND DELIVERED**

Mr. Mark E. Fesmire, Director  
Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Re: Administrative Application of Chesapeake Operating Company  
for an unorthodox oil well location,  
Undesignated Bone Springs Formation  
Lea County, New Mexico

Dual Completion

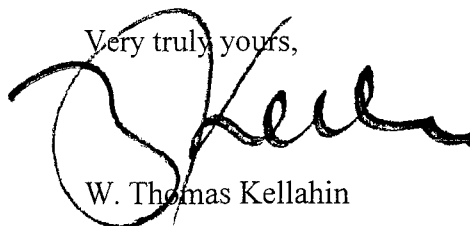
Sims "13" State Well No. 1 (API # 30-025-37294)  
Unit L Section 13, T20S, R35E, Lea County, New Mexico  
Dedication: 320-acre, W/2 Section 13 for West Osudo Morrow Gas Pool  
Standard Gas Well Location: 1980 feet FSL and 1140 feet FWL  
Dedication: 40-acre oil- Unit L (NW/4SW/4)  
Unorthodox Oil Well Location for Bone Springs production

*undesignated E Featherstone BS  
24270*

Dear Mr. Fesmire:

On behalf of Chesapeake Operating Company, please find enclosed our referenced administrative application seeking approval for the oil zone to be produced by this dually completed wellbore.

Very truly yours,

  
W. Thomas Kellahin

cc: Chesapeake Operating, Inc.  
Attn: Lynda Townsend

2007 APR 17 PM 4 16

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF CHESAPEAKE OPERATING, INC.  
FOR AN UNORTHODOX OIL WELL LOCATION,  
LEA COUNTY, NEW MEXICO.

ADMINISTRATIVE APPLICATION

CHESAPEAKE OPERATING, INC. ("Chesapeake") by its attorneys, Kellahin & Kellahin, and seeks an order authorizing the production of its Sims "13" State Well No. 1 (API # 30-025-37294) as a dually completed wellbore at an unorthodox oil well location 1980 feet from the South line and 1140 feet from the West line (Unit L) of Section 13, Township 20 South Range 35 East, NMPM to be dedicate to a standard 320-acre gas spacing unit dedicated to production from Morrow formations and to a standard 40-acre oil well spacing unit dedicated to production from the Bone Springs formation

In support of its application Chesapeake states:

1. Chesapeake has permitted and drill its Sims "13" State Well No. 1 as a Morrow test in the West Osudo Morrow Gas Pool. The well was completed in such a way as to test both the Morrow formation and the Bone Springs formations. But in doing so, the Morrow will be a standard gas well location while the Bone Springs is be at an unorthodox oil well location. **See Exhibit "A" locator map.**

2. This wellbore is in Unit L (NW/4SW/4) 180 feet from the eastern boundary instead of the standard 330 feet thereby encroaching towards Unit M (NE4SW/4)

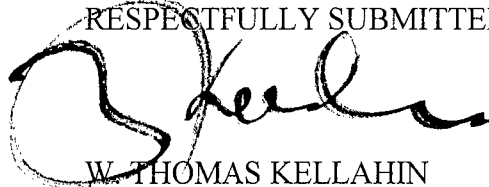
3. All of the W/2 of this section is within the same State of New Mexico oil and gas lease VB-0666 with Chesapeake owning 100% of the working interest ownership and therefore no notification in required.

NMOCD Application  
Chesapeake Oil Company  
-Page 2-

4. This spacing unit is subject Division Rule 104.

WHEREFORE, Chesapeake, as applicant, requests that the Division enter its order approving this requested unorthodox oil well location

RESPECTFULLY SUBMITTED:

A handwritten signature in dark ink, appearing to read 'W. Kellahin', is written over a circular stamp. The signature is fluid and cursive.

W. THOMAS KELLAHIN  
KELLAHIN & KELLAHIN  
706 Gonzales Road  
Santa Fe, New Mexico 87504  
Telephone: (505) 982-4285  
Fax: (505) 982-2047

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV1220 S. St Francis Dr., Santa Fe, NM  
87505State of New Mexico  
Energy, Minerals and Natural Resources

## Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-102

Permit 12266

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-37294	Pool Name OSUDO;MORROW, WEST (GAS)	Pool Code 82240
Property Code 34862	Property Name SIMS 13 STATE	Well No. 001
OGRID No. 147179	Operator Name CHESAPEAKE OPERATING, INC.	Elevation 3660

## Surface And Bottom Hole Location

UL or Lot L	Section 13	Township 20S	Range 35E	Lot Ldn L	Feet From 1980	N/S Line S	Feet From 1140	E/W Line W	County Lea
Dedicated Acres 320		Joint or Infill		Consolidation Code		Order No.			


## OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true  
and complete to the best of my knowledge and belief.

Electronically Signed By: Brenda Coffman

Title: Regulatory Analyst

Date: 06/14/2005

## 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.

Surveyed By: Gary G Eidson

Date of Survey: 05/11/2005

Certificate Number: 12641

"A"

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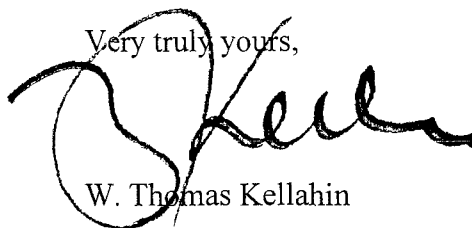
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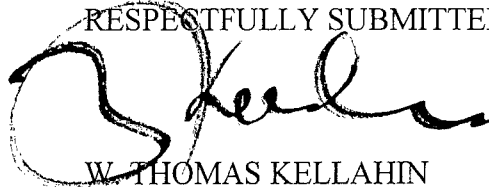
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