

DATE IN 12/7/09	SUSPENSE	ENGINEER Brooks	LOGGED IN 12/7/09	TYPE NSL	PTGW APP NO. 0934133469
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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

Dinnwiddie 23 Feb #1

ADMINISTRATIVE APPLICATION CHECKLIST

30-025-38242

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

6126

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]

[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 _____

DHC-4030

[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.

Ocean Munds-Dry

Print or Type Name

Ocean Munds-Dry

Signature

Attorney

Title

12-4-09

Date

omundsdry@hollandhart.com
 e-mail Address

HOLLAND & HART LLP



Ocean Munds-Dry

omundsdry@hollandhart.com
RECEIVED OGD

2009 DEC -4 P 2: 50

December 4, 2009

HAND-DELIVERED

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Chesapeake Operating, Inc. for administrative approval of an unorthodox well location for its Dinwiddie 23 Federal Well No. 1 drilled from a location 1400 feet from the North line and 660 feet from the East line of Section 23, Township 25 South, Range 35 East, NMPM, Eddy County, New Mexico.

Dear Mr. Fesmire:

Chesapeake Operating, Inc. ("Chesapeake") hereby seeks administrative approval pursuant to the provisions of Division Rule 19.15.15.13 for an unorthodox well location for its Dinwiddie 23 Federal Well No. 1. This well is located in Section 23, Township 25 South, Range 35 East, N.M.P.M., Eddy County, New Mexico to be re-completed in the Delaware formation at a location 1400 feet from the North line and 660 feet from the East line of Section 23, Eddy County, New Mexico. A 40-acre spacing unit will be dedicated to this well comprised of the SE/4 NE/4 (Unit H) of Section 23.

This proposed location in the Delaware formation is unorthodox because it is governed by the Division's statewide rules which provide for wells on 40-acre spacing units to be located no closer than 330 feet to the outer boundary of the spacing unit. The proposed location is 80 feet from the spacing unit boundary.

This well was drilled and completed at a standard gas well location in the Wolfcamp and the Strawn formations. Chesapeake now plans to re-complete in the Delaware formation. When this well was drilling, mudlogs revealed a potential productive sand in the Delaware. The proposed location is the most efficient and reasonable way to develop these reserves. It would not be economic to drill a new well to test this zone.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻

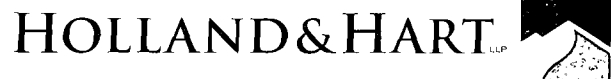


Exhibit A is a C-102 for this well. Chesapeake is the operator in the adjoining unit towards which the well is encroaching and working interest ownership is common. Therefore, no notice is required pursuant to Division rules.

Your attention to this application is appreciated.

Sincerely,

A handwritten signature in black ink that reads "Ocean Munds-Dry".

Ocean Munds-Dry
Attorney for Chesapeake Operating, Inc.

Enclosures

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised October 15, 2009

Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-38242	² Pool Code	³ Pool Name Wildcat; Delaware
⁴ Property Code 38242	⁵ Property Name Dimwiddie 23 Federal	⁶ Well Number 1
⁷ OGRID No. 147179	⁸ Operator Name Chesapeake Operating, Inc.	⁹ Elevation 3128' GR

¹⁰ Surface Location

UL or lot no. H	Section 23	Township 25 South	Range 35 East	Lot Idn	Feet from the 1400'	North/South line North	Feet from the 660'	East/West line East	County Lea
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¹¹ 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
¹² Dedicated Acres 40					¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No. NSL Pending

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.

¹⁶				¹⁷ 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 undivided 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. Signature Bryan Arrant Printed Name 11/25/2009 Date	
<i>originally drilled as a narrow gas well</i>				1400' FNL	
				660' FEL	
				¹⁸ 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. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number	

EXHIBIT

tabbles

A