

DATE IN 4/9	SUSPENSE 4/30/10	ENGINEER DB	LOGGED IN 4/12/10	TYPE KSL	APP NO. PUNK/010235	132
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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



PLU Big Sinks 22 Fed  
Com #14  
amend  
6171-A

**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-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 \_\_\_\_\_

[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 Ocean Munds-Dry attorney 4-9-10  
Print or Type Name Signature Title Date  
omundsdry@hollandhart.com  
e-mail Address

HOLLAND & HART<sup>LLP</sup>



RECEIVED  
Ocean Munds-Dry  
omundsdy@hollandhart.com  
2010 APR -9 P 2:12

April 9, 2010

**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. to amend Administrative Order  
NSL-6171.**

Dear Mr. Fesmire:

Chesapeake Operating, Inc. ("Chesapeake") hereby seeks administrative approval to amend Administrative Order NSL-6171 which approved a non-standard location for the PLU Big Sinks 22 Federal Com Well No. 1H at a surface location 100 feet from the South line and 400 feet from the East line, a penetration point 118 feet from the South line and 400 feet from the East line and a bottomhole location 330 feet from the North line and 400 feet from the East line of Section 22, Township 24 South, Range 30 East, NMPM, Eddy County, New Mexico.

Chesapeake has revised the surface location and penetration point for the horizontal well. As shown on the attached C-102, the surface location will be 175 feet from the South line and 400 feet from the East line and a penetration point 193 feet from the South line and 400 feet from the East line of said Section 22. The bottomhole location remains at a standard location 330 feet from the North line and 400 feet from the East line of Section 22. A 160-acre project area has been dedicated to the well consisting of the E/2 E/2 of Section 22.

This location is unorthodox because the wellbore penetrates the Bone Spring formation at a point 193 feet from the South line of Section 22 and is therefore closer than allowed by Division rules.

A copy of this application with all attachments was mailed to BEPCo., LP who is the operator of the Unit. BEPCo. was advised that if they have an objection to this application it must be filed in writing with the Division's Santa Fe office within twenty days from the date notice was sent. It was also advised that if no objections were received by the Division within twenty days, the

**Holland & Hart<sup>LLP</sup>**

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

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

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

HOLLAND & HART<sup>LLP</sup>



Your attention to this application is appreciated.

Sincerely,

*Ocean Munds-Dry*

Ocean Munds-Dry

**ATTORNEY FOR**

**CHESAPEAKE OPERATING, INC.**

Enclosures

cc: OCD/Artesia, District 2

DISTRICT I  
1825 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 and Natural Resources Department

Form C-102  
Revised October 15, 2009

Submit one copy to appropriate  
District Office

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
		Wildcat; Bone Spring
Property Code	Property Name	Well Number
	PLU BIG SINKS "22" FEDERAL COM	1H
OGRID No.	Operator Name	Elevation
147179	CHESAPEAKE OPERATING CO.	3400'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	22	24 S	30 E		175	SOUTH	400	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
A	22	24 S	30 E		330	NORTH	400	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><b>PROPOSED BOTTOM HOLE LOCATION</b> Lot - N 32.20969243 Long - W 103.8615745 NMSPCE - N 440340.383 E 687244.026 (NAD-83)</p>	<p><b>OPERATOR CERTIFICATION</b> 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.  3/23/2010 Signature Date Bryan Arrant Printed Name</p>
	<p><b>Penetration Point</b> 193' FSL &amp; 400' FEL <b>SURFACE LOCATION</b> Lot - N 32.19660128 Long - W 103.86159641 NMSPCE - N 435577.987 E 687258.143 (NAD-83)</p>	<p><b>SURVEYOR CERTIFICATION</b> 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 Surveyed Signature of Professional Surveyor 7977 Certificate No. Gary L. Jones 7977 BASIN SURVEYS</p>