



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
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Cabinet Secretary-Designate

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Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



Administrative Order OLM-57

December 29, 2011

Chesapeake Operating, Inc.
PO Box 18496
Oklahoma City, OK 73154

Attention: Bryan Arrant

Chesapeake Operating, Inc. ("Chesapeake") is hereby authorized to measure gas production Off-Lease from the following well while producing from the Waterhole Corral; Atoka Gas Pool (97945) in Eddy County, New Mexico:

Beggs 21 State Com Well No. 1 (API 30-015-35708)
Unit letter A, Sec. 21, T-25S, R-27E, NMPM, State Leases
E/2 (360-acres, more or less) of Section 21 Gas Spacing Unit

All gas production shall flow north and be measured and sold through a dedicated gas sales meter located in Unit letter P of Section 16, T-25S, R-27E, NMPM, in Eddy County, New Mexico.

No other wells or pools shall be commingled with this well completion unless subsequently permitted.

The operator shall notify the Artesia district office of the Division before commencement of Off-Lease Measurement.

This permit is subject to like approval from the New Mexico State Land Office.



JAMI BAILEY
Division Director

JB/wvjj

cc: Oil Conservation Division – Artesia
State Land Office – Oil, Gas, and Minerals Division

