

DATE IN <u>6.6.12</u>	SUSPENSE <u>6-27</u>	ENGINEER <u>DB</u>	LOGGED IN <u>6.6.12</u>	TYPE <u>NSL</u>	APP NO. <u>1215840271</u>
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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 147179

## ADMINISTRATIVE APPLICATION CHECKLIST

PLU DIG SINKS 142430454  
30-015-40395 #14

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 \_\_\_\_\_

RECEIVED OGD  
2012 JUN -5 P 4:05

0-14-245-30E

### [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

NSL-6579

### [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.

Adam G. Rankin

Attorney

6/5/12

Print or Type Name

Signature

Title

Date

agrarkin@hollandhart.com  
e-mail Address

HOLLAND & HART<sup>LLP</sup>



**Adam G. Rankin**  
**Associate**

Phone 505-954-7294  
Fax 505-983-6043  
agrarkin@hollandhart.com

June 5, 2012

**VIA HAND DELIVERY**

Jami Bailey, 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 Amendment to Administrative Order NSL-6579 Approving An Unorthodox Well Location for the PLU Big Sinks 14 24 30 USA Well No. 1H in Section 14, Township 24 South, Range 30 East, NMPM, Eddy County, New Mexico.**

Dear Ms. Bailey:

By Administrative Order NSL-6579, dated March 30, 2012, the Division approved an unorthodox well location for Chesapeake Operating, Inc.'s ("Chesapeake") PLU Big Sinks 14 24 30 USA Well No. 1H located in Section 14, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. Under the NSL Order, the well is to be drilled in the Bone Spring formation at a surface location 50 feet from the South line and 1980 feet from the East line with a penetration point 330 feet from the South line and 1980 feet from the East line with a terminus location 100 feet from the North line and 1980 feet from the East line of Section 14. Notice was provided to the affected parties and no objection was received by the Division prior to issuance of Order NSL-6579.

As reflected on the attached amended C-102 report, Chesapeake now seeks to amend NSL-6579 to approve a surface location 50 feet from the South line and 2360 feet from the East line with the first perforations in the completed interval at a location 330 feet from the South line and 2339 feet from the East line of Section 14 for engineering reasons.

**Exhibit A** is a land plat for Section 14 and the surrounding sections that shows the adjoining units and existing wells. The proposed new surface location makes the well unorthodox because the acreage 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 new surface location will have a completed interval located 2339 feet from the East line of Section 14 for engineering reasons, and is, therefore, closer to the boundary of the spacing unit than allowed by Division rules.

**Holland & Hart LLP**

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

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

HOLLAND & HART<sup>LLP</sup>



**Exhibit B** is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the proposed change to the PLU Big Sinks 14 24 30 USA Well No. 1H well will place its first perforation closer than allowed to the spacing and proration unit to the West.

**Exhibit C** is a list of the affected parties. Pursuant to 19.15.4.12(A)(2)(c) NMAC, affected parties are those toward whom the non-standard location encroaches. Here, the proposed bottom-hole location encroaches to the West upon BOPCO. A copy of this application to amend NSL-6579 with all attachments was mailed to the notice recipient.

Accordingly, Chesapeake respectfully requests that Administrative Order NSL-6579 be amended to reflect approval of a surface location 50 feet from the South line and 2360 feet from the East line with the first perforations in the completed interval at a location 330 feet from the South line and 2339 feet from the East line of Section 14.

Your attention to this application is appreciated.

Sincerely,

Adam G. Rankin  
ATTORNEY FOR CHESAPEAKE OPERATING, INC.

Enclosures  
AGR

cc: David K. Brooks  
Monty Montgomery, BOPCO  
Teresa Long, Chesapeake Operating, Inc. w/o encls.

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

John H. Bemis  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

JamI Bailey  
Division Director  
Oil Conservation Division



March 30, 2012

Chesapeake Operating, Inc.  
c/o Holland & Hart LLP  
Attn: Mr. Adam G. Rankin

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6579  
Administrative Application Reference No. pTWG12-06029635

Chesapeake Operating, Inc.  
OGRID 147179  
PLU Big Sinks 14 24 30 USA Well No. 1H  
API No. 30-015

**Proposed Location:**

	Footages	Unit	Sec.	Township	Range	County
Surface	50 FSL & 1980 FEL	O	14	24S	30E	Eddy
Penetration Point	330 FSL & 1980 FEL	O	14	24S	30E	Eddy
Terminus	100 FNL & 1980 FEL	B	14	24S	30E	Eddy

**Proposed Project Area:**

Description	Acres	Pool	Pool Code
W/2 E/2 of Section 14	162.14	Wildcat Bone Spring	

Reference is made to your application received on February 28, 2012.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units with wells located at least 330 feet from a unit outer boundary, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are less than 330 feet from an outer boundary of the project area.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

March 30, 2012  
Page 2

It is our understanding that you are seeking this location for engineering reasons, in order to maximize the productive length of the wellbore lateral within the producing area.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Jami Bailey  
Director

JB/db

cc: New Mexico Oil Conservation Division -- Artesia  
United States Bureau of Land Management

DATE <u>2-29-12</u>	SUBPENSE	ENGINEER <u>DB</u>	LOGGED IN	TYPE <u>NSL</u>	APP NO. <u>1206029635</u>
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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*  
*147179*

*PLU Big Sinks 147430 USA #14*

### 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:

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[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.

Adam G. Rankin  
Print or Type Name

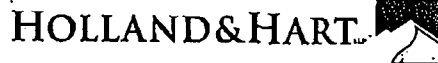
[Signature]  
Signature

Attorney  
Title

2/28/12  
Date

agarankin@hollandhart.com  
e-mail Address

RECEIVED  
2012 FEB 28 3:44 PM  
0-14-24-30  
eddy



Adam G. Rankin  
Associate  
Phone 505-954-7294  
Fax 505-983-6043  
agrarkin@hollandhart.com

February 28, 2012

**VIA HAND DELIVERY**

Jami Bailey  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

RECEIVED OGD  
FEB 28 2 34 PM

**Re: Application of Chesapeake Operating, Inc. for administrative approval of an unorthodox well location for its PLU Big Sinks 14 24 30 USA 1H well in the Bone Spring Pool Section 14, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.**

Dear Ms. Bailey:

Chesapeake Operating, Inc. (OGRID No. 147179) hereby seeks administrative approval pursuant to the provisions of Division Rule 19.15.15.13 NMAC for an unorthodox well location for its PLU Big Sinks 14 24 30 USA No. 1H to be located in Section 14, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. The proposed wildcat well is to be drilled at a surface location 150 feet from the South line with a penetration point 330 feet from the South line and approximately 1980 feet from the East line of Section 14. The bottom-hole location will be 100 feet from the North line and 1980 feet from the East line of Section 14. A 162.14-acre project area has been dedicated to this horizontal well comprised of the W/2 E/2 of Section 14.

Exhibit A is a land plat for Section 14 and surrounding sections that shows the proposed non-standard location of the PLU Big Sinks 14 24 30 USA No. 1H in relation to adjoining units and existing wells. This location is unorthodox because the Bone Spring formation under this acreage 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 bottom-hole location of this well will be located 100 feet from the North line of Section 14 for engineering reasons, and is, therefore, closer to the section line than allowed by Division rules.

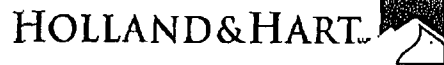
Exhibit B is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the proposed PLU Big Sinks 14 24 30 USA No. 1H well encroaches on the spacing and proration unit to the North.

Holland & Hart LLP

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. O



PLU Big Sinks 14 24 30 USA IH  
February 28, 2012  
Page 2

Exhibit C is a list of the affected parties. Pursuant to 19.15.4.12(A)(2)(c) NMAC, affected parties are those toward whom the non-standard location encroaches. Here, the proposed bottom-hole location encroaches on the spacing and proration unit to the North. The affected party is BEPCO. A copy of this application with all attachments was mailed to the notice recipient.

Your attention to this application is appreciated.

Sincerely,

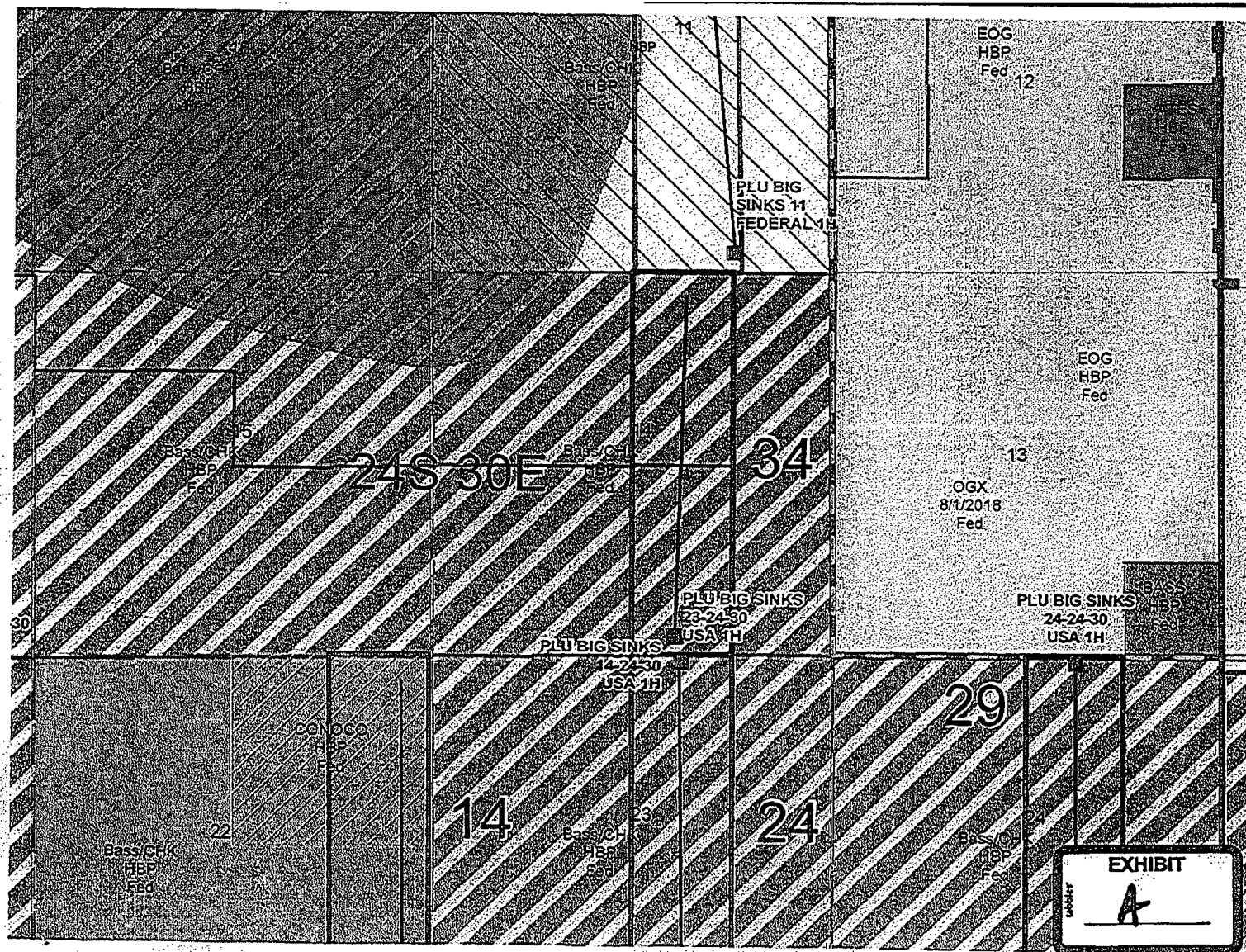
A handwritten signature in black ink, appearing to read "Adam G. Rankin".

Adam G. Rankin  
ATTORNEY FOR CHESAPEAKE OPERATING, INC.

AGR

cc: Jerris Johnson





DISTRICT I  
1815 N. French Dr., Mesquite, NM 88048  
Phone (505) 833-4111 Fax (505) 833-4118

DISTRICT II  
1111 S. Riva St., Artesia, NM 88210  
Phone (505) 745-5111 Fax (505) 745-5118

DISTRICT III  
1620 N. Broadway, Rd., Alamogordo, NM 88410  
Phone (505) 584-1111 Fax (505) 584-1118

DISTRICT IV  
1111 S. Riva St., Artesia, NM 88210  
Phone (505) 745-5111 Fax (505) 745-5118

State of New Mexico  
Energy, Minerals and Natural Resources Department

**OIL CONSERVATION DIVISION**  
1820 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
	98403	WILDCAT BONE SPRING
Property Code	Property Name	Well Number
	PLU BIG SINKS 14 24 30 USA	1H
COORD No.	Operator Name	Elevation
147179	CHESAPEAKE OPERATING CO.	3428'

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	14	24 S	30 E		150	SOUTH	1980	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
B	14	24 S	30 E		100	NORTH	1980	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
162.14			

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></p> <p>Lat - N 32.224882381° Long - W 103.849318842° INUSPCE - N 445875.855° E 891009.723° (NAD-83)</p> <p>Lat - N 32.224739210° Long - W 103.848833370° INUSPCE - N 445878.828° E 890925.701° (NAD-83)</p>	<p><b>PROJECT AREA</b></p> <p>3428.0'</p> <p>3427.7'</p> <p>3424.5'</p> <p>3430.1'</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>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 surface mineral interest in the land underlying the proposed bottom hole location or has a right to drill this well on the surface pursuant to a contract with an owner of such a mineral or surface interest, or is a voluntary pooling agreement or a compulsory pooling order previously entered by the Division.</p> <p>Signature: <i>Bryan Arrant</i> Date: 02/03/2012</p> <p>Printed Name: Bryan Arrant</p> <p>Email Address: bryan.arrant@chh.com</p>
<p><b>SURFACE LOCATION</b></p> <p>Lat - N 32.211010918° Long - W 103.849389201° INUSPCE - N 445847.744° E 891016.732° (NAD-83)</p> <p>Lat - N 32.410917651° Long - W 103.848884531° INUSPCE - N 445768.928° E 890832.845° (NAD-83)</p>	<p><b>PRODUCING AREA</b></p> <p>3428.0'</p> <p>3427.7'</p> <p>3424.5'</p> <p>3430.1'</p>	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>Date: 02/03/2012 Signature: <i>Gary L. Jones</i> Printed Name: Gary L. Jones Email Address: gary.l.jones@chh.com</p> <p>Certificate No. Gary L. Jones 7077</p> <p>DATE SURVEYED 02/03/2012</p>

EXHIBIT  
**B**

**EXHIBIT C**

**Chesapeake's NSL Application  
PLU Big Sinks 14 24 30 USA No. 1H**

**BEPCO  
201 Main Street, Suite 3100  
Ft. Worth, Texas 76102**



Teresa Long  
Assistant Landman - Permian District

February 14, 2012

Mr. Monty Montgomery  
BEPCO  
201 Main Street, Suite 3100  
Ft. Worth, TX 76102

Re: Application of Chesapeake Operating, Inc. for administrative approval of an unorthodox well location for its PLU Big Sinks 14-24-30 USA 1H well in the Bone Spring Pool Section 14, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Dear Mr. Montgomery:

Chesapeake Operating, Inc. has submitted the above-referenced application to the New Mexico Oil Conservation Division for an unorthodox well location for its PLU Big Sinks 14-24-30 USA 1H well. This well is located in Section 14, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, and is to be drilled horizontally in the Bone Spring pool at a surface location 150 feet from the South line with a penetration point 330 feet from the South line and approximately 1980 feet from the East line of Section 14. The bottom-hole location will be 100 feet from the North line and 1980 feet from the East line of Section 14.

Division Rules provide that an application may be approved sooner if the applicant obtains waivers from affected parties. We therefore request your waiver of objection to this administrative application. We respectfully request you that you sign this letter and return it by e-mail or overnight delivery as soon as possible.

Thank you for your consideration of this matter. Should you wish to discuss, please feel free to call me at 405-935-9175.

Sincerely,

Chesapeake Exploration, L.L.C.

Teresa Long

BEPCO agrees to waive objection to Chesapeake Operating, Inc.'s application for an unorthodox well location for its PLU Big Sinks 14-24-30 USA 1H well.

By:   
Name & Title W. Frank McCreight, Sr. Vice President JARA

Date: 2-27-12

Chesapeake Energy Corporation  
P.O. Box 18496 • Oklahoma City, OK 73154-0496 • 6100 N. Western Avenue • Oklahoma City, OK 73118  
405-935-9175 • fax 405-935-4251 • teresa.long@che.com

HOLLAND & HART



Adam G. Rankin  
Phone 505-988-4421  
Fax 505-983-6043  
agrarkin@hollandhart.com

February 28, 2012

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO AFFECTED PARTIES**

Re: Application of Chesapeake Operating, Inc. for administrative approval of an unorthodox well location for its PLU Big Sinks 14 24 30 USA 1H well in the Bone Spring Pool Section 14, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date by Chesapeake Operating Co. for administrative approval of an unorthodox well location for its PLU Big Sinks 14 24 30 USA Well No. 1H. The proposed wildcat well is to be drilled at a surface location 150 feet from the South line and a penetration point 330 feet from the South line, and approximately 1980 feet from the East line of Section 14. The bottom-hole location will be 100 feet from the North line and 1980 feet from the East line of Section 14.

As an owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing within twenty days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application for an unorthodox well location may be approved.

Sincerely,

Adam G. Rankin  
ATTORNEY FOR CHESAPEAKE OPERATING, INC.

Enclosures

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

**Brooks, David K., EMNRD**

---

**From:** Adam Rankin [AGRankin@hollandhart.com]  
**Sent:** Monday, March 12, 2012 3:52 PM  
**To:** Brooks, David K., EMNRD  
**Subject:** Chesapeake: Corrected Surface Location for NSL Application for PLU Big Sinks 14 24 30 USA 1H  
**Attachments:** Revised C-102.pdf

David,

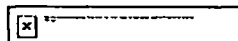
I filed on February 28 an administrative application on behalf of Chesapeake for a non-standard location for the PLU Big Sinks 14 24 30 USA 1H. BLM just informed Chesapeake that the BLM wants the surface location of this well moved.

On the application and in accordance with the C-102 filed, we requested a surface location 150 feet from the South line of Section 14 with a penetration point 330 feet from the South line. The BLM has requested that Chesapeake place the surface location 50 feet from the South line and 1980 from the East line. The penetration point will remain unchanged at 330 feet from the South line. I've attached the amended C-102 form indicating the changed surface location per BLM instruction.

To be sure that any order issued by the Division correctly states the surface location, can you please accept this email as a correction to Chesapeake's application for a non-standard surface location for its PLU Big Sinks 14 24 30 USA 1H well? Please let me know if I need to provide you with any other information or make a more formal written request.

All best,  
Adam

**Adam G. Rankin**  
Holland & Hart LLP  
110 North Guadalupe Suite 1  
P.O. Box 2208  
Santa Fe, NM 87504  
Office: (505) 988-4421  
Direct: (505) 954-7294  
Cell: (505) 570-0377  
Fax (505) 983-6043  
E-mail: [agrankin@hollandhart.com](mailto:agrankin@hollandhart.com)  
[Download vCard](#)



**CONFIDENTIALITY NOTICE:** This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this e-mail. Thank you.

DISTRICT I  
2810 N. French Ave., El Paso, TX 79905  
Phone (915) 835-2101 Fax: (915) 835-1795

DISTRICT II  
211 S. Fifth St., Artesia, NM 88210  
Phone (505) 716-3103 Fax: (505) 717-3122

DISTRICT III  
1000 Rio Grande Rd., Alamo, NM 87410  
Phone (505) 534-4100 Fax: (505) 531-3113

DISTRICT IV  
1220 N. El Paso St., Santa Fe, NM 87505  
Phone (505) 474-3103 Fax: (505) 474-3122

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

Form C-102  
Revised August 1, 2011

Submit one copy to appropriate  
District Office

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

☐ AMENDED REPORT

API Number	Pool Code 98403	Pool Name WILDCAT; BONE SPRING
Property Code	Property Name PLU BIG SINKS 14 24 30 USA	Well Number 1H
GRID No. 147170	Operator Name CHESAPEAKE OPERATING CO.	Elevation 3427'

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
0	14	24 S	30 E		50	SOUTH	1980	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
B	14	24 S	30 E		100	NORTH	1980	EAST	EDDY

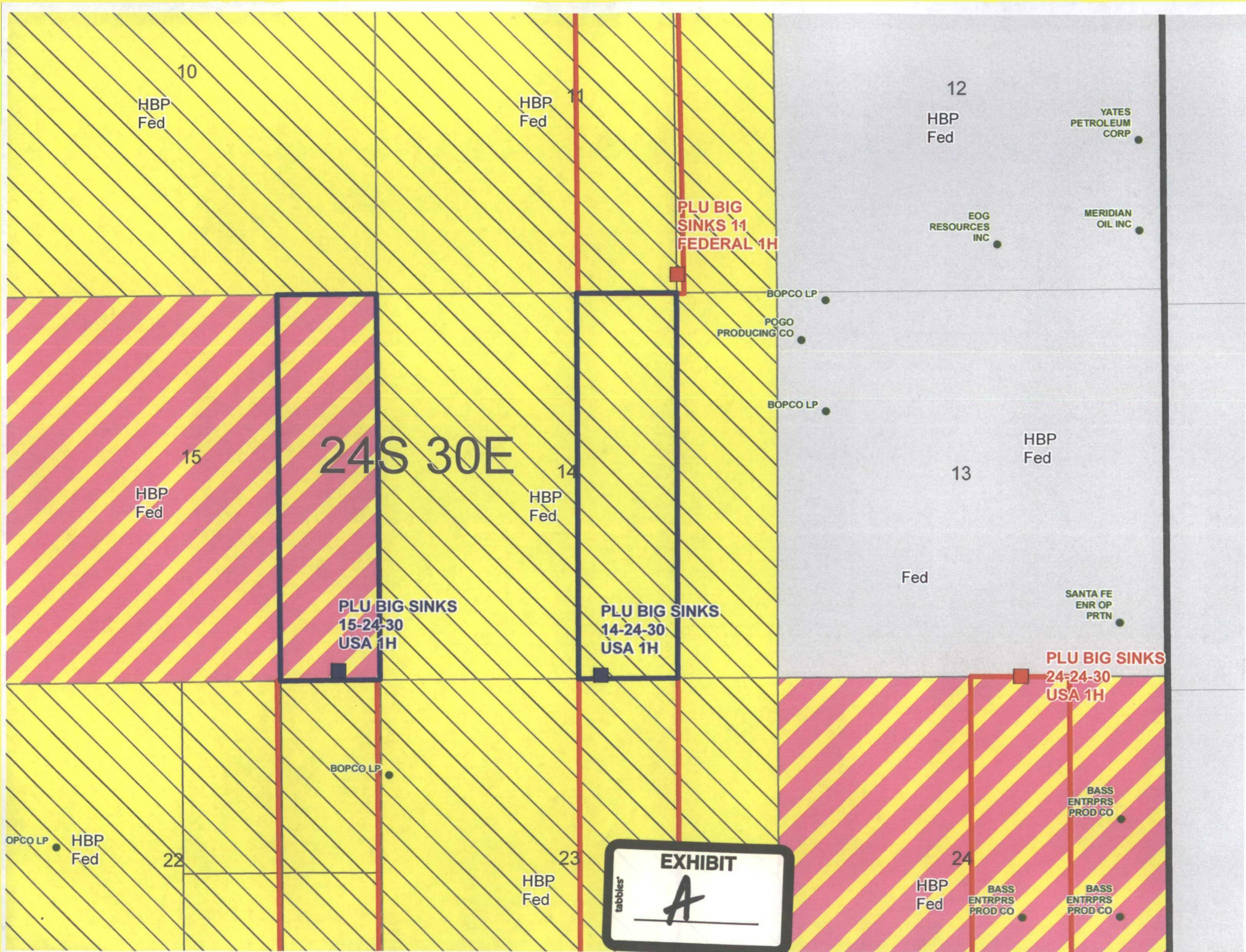
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
162.14			

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></p> <p>Lat - N 32.224862382° Long - W 103.849310642° NUSPCE - N 445875.855° (NAD-83)</p> <p>Lat - N 32.224739210° Long - W 103.848833370° NUSPCE - N 445818.928° E 649825.701° (NAD-27)</p>	<p><b>PROJECT AREA</b></p>	<p><b>PRODUCING AREA</b></p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>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 possesses mineral interest in the land including the proposed bottom hole location or has a right to drill this well of 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.</p> <p>Signature: <i>Bryan Arant</i> Date: 03/12/2012</p> <p>Printed Name: bryan.arant@chk.com</p> <p>Email Address:</p>

PROJECTED PENETRATION POINT  
330' FGL & 1980' FEL







DISTRICT I  
1025 N. French Dr., Hobbs, NM 88240  
Phone (505) 393-8101 Fax: (505) 393-0720

DISTRICT II  
811 S. First St., Artesia, NM 88210  
Phone (505) 748-1203 Fax: (505) 748-9720

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-5160 Fax: (505) 476-5162

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102  
Revised August 1, 2011

Submit one copy to appropriate  
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 96403	Pool Name WILDCAT; BONE SPRING
Property Code	Property Name PLU BIG SINKS 14 24 30 USA	Well Number 1H
OGRID No. 147179	Operator Name CHESAPEAKE OPERATING CO.	Elevation 3423'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	14	24 S	30 E		50	SOUTH	2360	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
B	14	24 S	30 E		100	NORTH	1980	EAST	EDDY

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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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 32.224862382° Long - W 103.849318642° NMSPC - N 445875.855 E 691009.723 (NAD-83) Lot - N 32.224739210° Long - W 103.848833370° NMSPC - N 445816.928 E 649825.701 (NAD-27)</p>	<p><b>SURFACE LOCATION</b> Lot - N 32.210763906° Long - W 103.850598546° NMSPC - N 440745.243 E 690636.972 (NAD-83) Lot - N 32.210640597° Long - W 103.850113855° NMSPC - N 440686.429 E 649452.783 (NAD-27)</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.</p> <p><i>Bryan Arrant</i> 05/21/2012 Signature Date Bryan Arrant Printed Name bryan.arrant@chk.com Email Address</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.</p> <p>DATE SURVEYED MAY 15, 2012 Signature of Professional Surveyor Professional Surveyor Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS 26748</p>
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PROJECTED FIRST PERFORATIONS  
330' FSL & 2339' FEL

**EXHIBIT C**

**Chesapeake's Application to Amend NSL-6579  
PLU Big Sinks 14 24 30 USA No. 1H**

BOPCO  
201 Main Street, Suite 3100  
Ft. Worth, Texas 76102

HOLLAND & HART<sup>LLP</sup>



**Adam G. Rankin**

**Phone** 505-988-4421

**Fax** 505-983-6043

[agrankin@hollandhart.com](mailto:agrankin@hollandhart.com)

June 5, 2012

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO AFFECTED PARTIES**

**Re: Application of Chesapeake Operating, Inc. for Amendment to Administrative Order NSL-6579 Approving An Unorthodox Well Location for the PLU Big Sinks 14 24 30 USA Well No. 1H in Section 14, Township 24 South, Range 30 East, NMPM, Eddy County, New Mexico.**

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date by Chesapeake Operating Co. for administrative approval of amendment to NSL-6579. As reflected on the attached application, Chesapeake seeks to amend NSL-6579 to approve a surface location 50 feet from the South line and 2360 feet from the East line with the first perforations in the completed interval at a location 330 feet from the South line and 2339 feet from the East line of Section 14 for engineering reasons.

As an owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing within twenty days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico. 87505. If no objection is received within this twenty-day period, this application for an unorthodox well location may be approved.

Sincerely,

Adam G. Rankin

**ATTORNEY FOR CHESAPEAKE OPERATING,  
INC.**

Enclosures

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

**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. ☎