

JAN 17 2006

**APPLICATION FOR DOWNHOLE COMMINGLING**

Chesapeake Operating Inc.

P. O. Box 11050 Midland, TX 79702-8050

Operator

Address

Kyte

8

B, Sec. 23, T20S, R38E

Lea

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 147179 Property Code 010711 API No. 30-025-34296 Lease Type:      Federal      State   X   Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blinebry Oil & Gas	Warren;Tubb, East	DK;Abo
Pool Code	06660	87085	15200
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5976 - 6112	6614 - 6744	7394 - 7552
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	NA	NA	NA
Oil Gravity or Gas BTU (Degree API or Gas BTU)	D. 37.5 BTU 1.2147	M. 37.5 BTU 1.2147	NA
Producing, Shut-In or New Zone	Producing	Producing	SI
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 05/15/2005 Rates: 25 BO, 10 MCF/Day	Date: 05/15/2005 Rates: 25 BO, 10 MCF/Day	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil            Gas 50            %    50            %	Oil            Gas 50            %    50            %	Oil            Gas %                    %

**ADDITIONAL DATA**

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes   X   No     

If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes      No     

Are all produced fluids from all commingled zones compatible with each other? Yes   X   No     

Will commingling decrease the value of production? Yes      No   X  

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes      No   X  

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

**Attachments:**

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

**PRE-APPROVED POOLS**

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Brenda Coffman TITLE Regulatory Analyst DATE 12/28/2005

TYPE OR PRINT NAME Brenda Coffman TELEPHONE NO. (      ) (432)687-2992

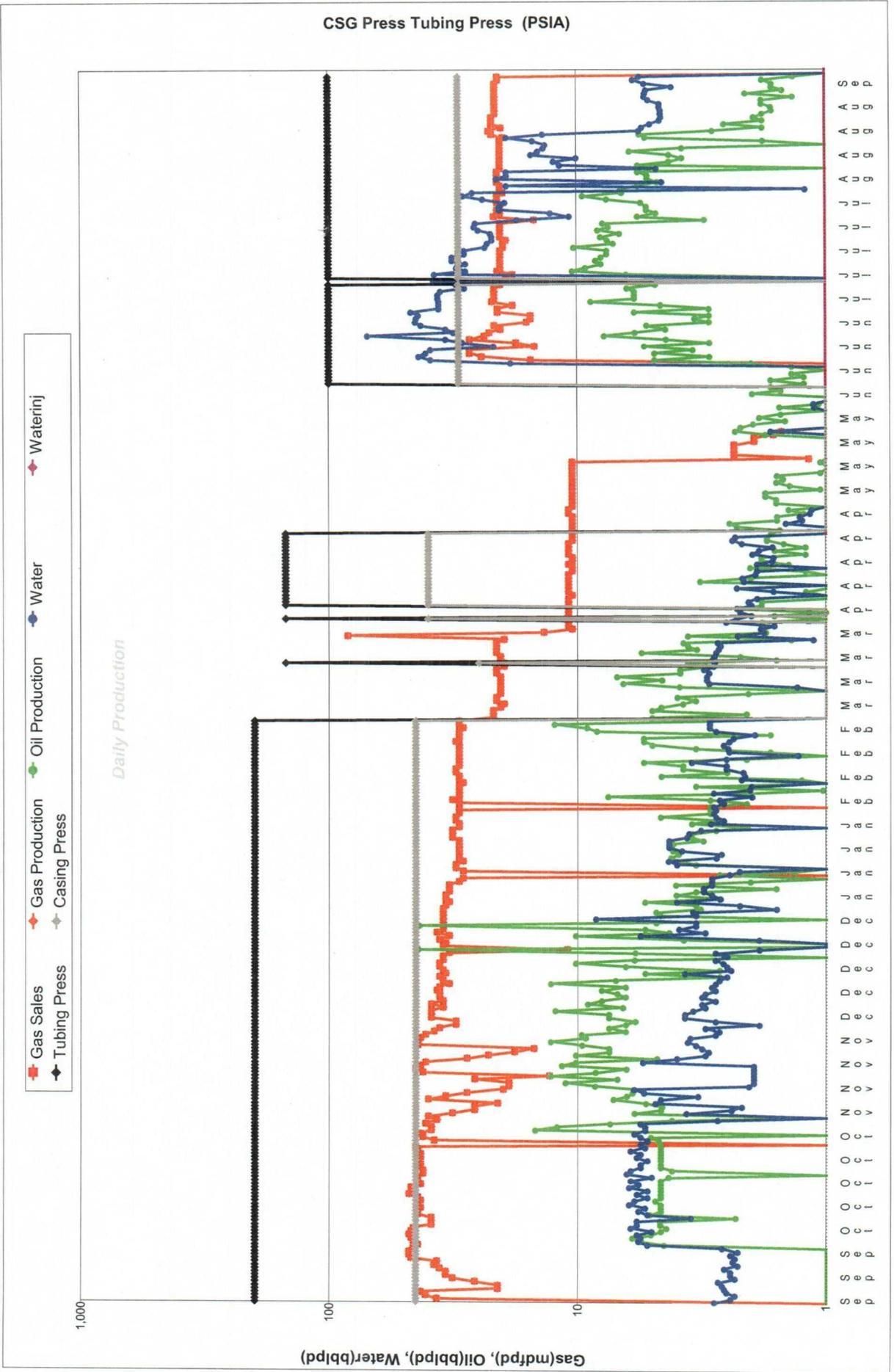
E-MAIL ADDRESS bcoffman@chkenergy.com

**Completions:**

Report Date Range  
 Start Date: 01/01/05  
 End Date: 09/08/05

Route: HOB-NM-Route 09- Fred Febrache  
 Wellname: KYTE 8-23  
 Asset Manager J Finnell

Cumulative Gas (MCF): 8,754  
 Cumulative Oil (BBL): 1,408  
 Cumulative Water (BBL): 2,581



**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 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

'API Number 30-025-34296		'Pool Code 87085		'Pool Name Warren;Tubb, East		
'Property Code 010711		'Property Name Kyte			'Well Number 8	
'OGRID No. 147179		'Operator Name Chesapeake Operating Inc.			'Elevation 3572 GR	

**10 Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	23	20S	38E		660	North	1980	East	Lea

**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				
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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.

16		<p><b>17 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>Brenda Coffman</i> 12/28/2005 Signature Date</p> <p><b>Brenda Coffman</b> Printed Name</p>
		<p><b>18 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 of Survey Signature and Seal of Professional Surveyor:</p>
		<p>Certificate Number</p>

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' Property Code 010711		' Property Name Kyte			' Well Number 8
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Property Code 010711	Property Name Kyte		Well Number 8
OGRID No. 147179	Operator Name Chesapeake Operating Inc.		Elevation 3572 GR

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