

DATE IN 7-9-03	SUSPENSE NA	ENGINEER MS	LOGGED IN MS	TYPE NSL	APP NO. P.MESO-319234117
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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



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-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.

Print or Type Name

Signature

KELLAHIN & KELLAHIN

Attorneys At Law

P.O. Box 2265

Santa Fe, NM 87504-2265

Date

7/8/03

RECEIVED
 JUL 9 2003
 Oil Conservation Division

All Common

KELLAHIN & KELLAHIN
Attorney at Law

W. Thomas Kellahin
New Mexico Board of Legal
Specialization Recognized Specialist
in the area of Natural resources-
oil and gas law

P.O. Box 2265
Santa Fe, New Mexico 87504
117 North Guadalupe
Santa Fe, New Mexico 87501

Telephone 505-982-4285
Facsimile 505-982-2047
kellahin@earthlink.com

July 8, 2003

HAND DELIVERED

RECEIVED

Ms. Lori Wrotenbery, Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

JUL 9 2003

Oil Conservation Division

Re: Administrative Application of Chesapeake Operating, Inc.
for approval of a unorthodox well location for its
Boyce "15" Well No. 4, Unit I,
E/2 (320-acres dedication) Section 15,
T16S, R35E, Lea County New Mexico
North Shoe Bar-Atoka Gas Pool

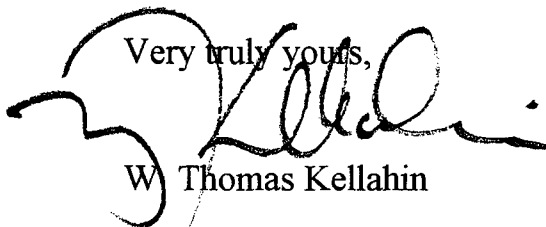
RECEIVED
JUL 9 2003
Oil Conservation Division

Dear Ms. Wrotenbery:

On behalf of Chesapeake Operating, Inc., please find enclosed our referenced application that is being filed in accordance with the Division Rule 104. This location crowds the exterior quarter line between the SE/4 and the SW/4 (330 feet instead of 660 feet). The ownership in the spacing unit is common.

Concurrently with this application, Chesapeake has filed its APD with the OCD-Hobbs.

Very truly yours,



W. Thomas Kellahin

CC: Mr. Chris Williams, OCD-Hobbs
CC: Chesapeake Operating, Inc.
Attn: Lynda Townsend

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE ADMINISTRATIVE
APPLICATION OF CHESAPEAKE OPERATING, INC.
FOR APPROVAL OF AN UNORTHODOX WELL LOCATION
LEA COUNTY, NEW MEXICO**

ADMINISTRATIVE APPLICATION

Comes now CHESAPEAKE OPERATING, LTD. ("Chesapeake") and by and through its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division ("Division") for approval of an unorthodox oil well location for its proposed Boyce "15" Well No. 4 to be drilled at a unorthodox location 2310 feet from the South line and 660 feet from the East line (Unit I) of Section 15, T16S, R35E, Lea County, New Mexico to be dedicated to a standard 320-acre spacing unit consisting of the E/2 of this section for production from the North Shoe Bar-Atoka Gas Pool.

In support, Chesapeake states:

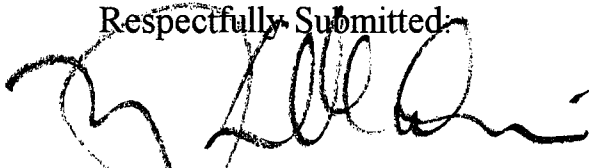
1. Chesapeake is the proposed operator for this well to be dedicated to a standard 320-acre gas spacing and proration unit consisting of the E/2 of this section.
2. The well is to be located 660 feet FEL and 1310 feet FSL (Unit I) Section 15, T16S, R35E, at an unorthodox gas well location for the North Shoe Bar-Atoka Pool. See APD and Form C-102, attached as Exhibit "A" and "B"
3. This location is unorthodox because it is only 330 feet from the north line of the SE/4 of this section instead of 660 feet (See Division Rule 104).

4. This well location is subject to and in compliance with Division Order R-11432-A that provided "The applicant shall not drill or recomplete additional infill wells within the E/2 of Section 15 in the North Shoe Bar-Gas Pool until such time as production operations permanently cease in the Atoka formation in either the Boyce "15" Well No. 1 or the Boyce "15" Well No 3. See as Exhibit "C" (attached)
5. The Boyce "15" Well No. 1 (Unit A) Section 15 is to be re-completed from the North Shoe Bar-Atoka Gas Pool to the Strawn formation. See sundry notice attached as Exhibit "D"
6. The Boyce "15" Well No. 3 (Unit H) Section 15 is completed for production from the North Shoe Bar-Atoka Gas Pool. This well is located in the NE/4 of this section and is dedicated to the E/2 spacing unit See sundry notice attached as Exhibit "E"
7. The Boyce "15" Well No. 4 (Unit I) will be a new well for production from the Atoka and when it is completed and ready for production will be the only Atoka gas well in the SE/4 of this section and upon approval will be the second well dedicated to the E/2 spacing unit.
8. This location, as illustrated on Exhibit "F" attached, is based upon geologic reasons:
 - a. Chesapeake believes that best remaining location for an Atoka test is northeast of the standard drilling window for the SE/4 of Section 15;
 - b. It will reduce the risk if the well is located towards the thicker portions of the reservoir.
9. Because ownership in this spacing unit is the same persons with the same percentages no notifications were send. See Chesapeake's ownership summary enclosed as Exhibit G

10. Approval of this application will afford the owners and the applicant the opportunity to produce their just and equitable share of the gas in the Atoka formation, will promote the orderly development in this area, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that this application be approve by the Division.

Respectfully Submitted:



W. Thomas Kellahin

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
Revised March 17, 1999

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Chesapeake Operating, Inc. P. O. Box 18496 Okla. City, OK 73154-0496		² OGRID Number 147179
³ Property Code		³ API Number 30 -
⁵ Property Name Boyce 15		⁶ Well No. 4

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	15	16S	35E		2310	South	660	East	Lea

⁸ Proposed 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
⁹ Proposed Pool 1 North Shoe-Bar Atoka						¹⁰ Proposed Pool 2			

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3985'
¹⁶ Multiple N	¹⁷ Proposed Depth 11,850'	¹⁸ Formation Strawn/Morrow	¹⁹ Contractor Nabors	²⁰ Spud Date 07/15/03

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2	13-3/8	48#	0-440'	± 500	Surface
11"	8-5/8	32#	0-4200'	± 1400	Surface
7-7/8	5-1/2	17#	0-11,850'	± 1100	4200'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone.

Describe the blowout prevention program, if any. Use additional sheets if necessary.

Chesapeake Operating, proposes to drill to a T.D. of 11,850' in the Straw & Morrow formations with Nabors #311 as the drilling contractor.

BOP consists of 13-5/8" 10M# blind & pipe rams & 13-5/8" 5M# Annular (See Schematic)

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Barbara J. Bale*

Printed name: Barbara J. Bale

Title: Regulatory Analyst

Date: 06/10/03

Phone: (405) 848-8000

OIL CONSERVATION DIVISION

Approved by:

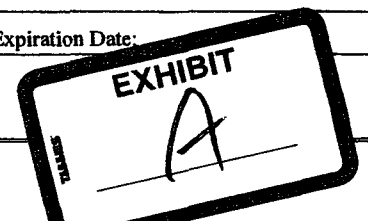
Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached ☐



DISTRICT I
P.O. Box 1988, Hobbs, NM 88241-1988

DISTRICT II
P.O. Drawer 82, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 96763	Pool Name North Shoe-Bar Atoka
Property Code	Property Name BOYCE 15	Well Number 4
OGRID No. 147179	Operator Name CHESAPEAKE OPERATING, INC.	Elevation 3985'

Surface Location

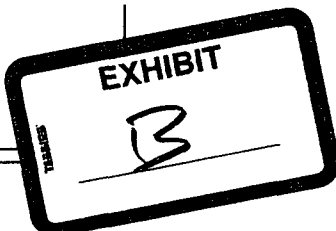
UL or lot No. 1	Section 15	Township 16-S	Range 35-E	Lot Idn	Feet from the 2310'	North/South line SOUTH	Feet from the 660'	East/West line EAST	County LEA
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

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>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Barbara J. Bale</i></p> <p>Signature</p> <p>Barbara J. Bale</p> <p>Printed Name</p> <p>Regulatory Analyst</p> <p>Title</p> <p>06/10/03</p> <p>Date</p>
	<p>SURVEYOR CERTIFICATION</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>May 08, 2003</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Ronald J. Kidson</i> 5/14/03</p> <p>05.11.0492</p> <p>Certificate No. RONALD J. KIDSON 3239 GARY KIDSON 12641</p>



**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 12448 (Reopened)
Order No. R-11432-A**

**APPLICATION OF CHESAPEAKE OPERATING, INC. TO REOPEN CASE
12448 AND AMEND DIVISION ORDER NO. R-11432 WHICH PROVIDED FOR
AN UNORTHODOX GAS WELL LOCATION, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 19 and November 16, 2000, at Santa Fe, New Mexico, before Examiner David R. Catanach.

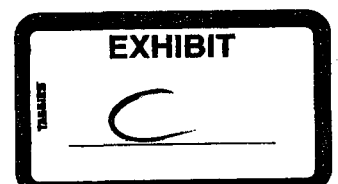
NOW, on this 22th day of November, 2000, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) By Order No. R-11432 issued in Case No. 12448 on August 3, 2000, the Division authorized Chesapeake Operating, Inc. ("Chesapeake") to complete and produce its Boyce "15" Well No. 3 (API No. 30-025-35006) at an unorthodox surface location 2310 feet from the North line and 341 feet from the East line (Unit H), and at an unorthodox bottomhole location 2382 feet from the North line and 430 feet from the East line (Unit H) of Section 15, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico, in the Morrow formation, Townsend-Morrow Gas Pool. The E/2 of Section 15 was to be dedicated to the well forming a standard 320-acre gas spacing and proration unit.

(3) Chesapeake seeks approval for an unorthodox gas well location for its Boyce "15" Well No. 3 in the Atoka formation, North Shoe Bar-Atoka Gas Pool, Lea County, New Mexico. Chesapeake further seeks authority to simultaneously dedicate the E/2 of Section 15 in the North Shoe Bar-Atoka Gas Pool to the Boyce "15" Well No. 3 and to its existing Boyce "15" Well No. 1 (API No. 30-025-34591) located at a standard



gas well location 800 feet from the North line and 660 feet from the East line (Unit A) of Section 15.

(4) Chesapeake appeared at the hearing through legal counsel and requested that the Division incorporate the hearing transcript and exhibits presented in Case No. 12482, heard by the Division on September 7, 2000, in the immediate case.

(5) By Order No. R-11460, entered in Case No. 12482 on September 28, 2000, the Division denied the application of Chesapeake to: i) contract the lower vertical limits of the North Shoe Bar-Atoka Gas Pool to exclude the "Brunson" interval; ii) redesignate the North Shoe Bar-Atoka Gas Pool as the North Shoe Bar Upper-Atoka Gas Pool; and iii) create a new gas pool for the production of gas from the "Brunson" interval, this pool to be designated the North Shoe Bar Lower-Atoka Gas Pool.

(6) The North Shoe Bar-Atoka Gas Pool currently comprises the following described area:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 2: Lots 9, 10, 15 and 16, SE/4
Section 10: E/2
Section 11: All
Section 15: E/2

(7) The North Shoe Bar-Atoka Gas Pool is currently governed by Division Rule 104.C.(2), which states, in part:

- (a) the initial well on a 320-acre unit shall be located no closer than 660 feet to the outer boundary of the quarter section on which the well is located and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary; and
- (b) only one infill well on a 320-acre unit shall be allowed provided that the well is located in the quarter section of the 320-acre unit not containing the initial well and is no closer than 660 feet to the outer boundary of the quarter section and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

(8) The Boyce "15" Well No. 3 is unorthodox with respect to the setback requirements for the North Shoe Bar-Atoka Gas Pool. In addition, the applicant seeks an exception to Rule No. 104.C.(2)(b) to allow it to simultaneously produce the Boyce "15" Wells No. 1 and 3, which are both located within the NE/4 of Section 15, in the North Shoe Bar-Atoka Gas Pool.

(9) Division records demonstrate that the Boyce "15" Well No. 3 is actually located at a bottomhole location 2410 feet from the North line and 443 feet from the East line (Unit H) of Section 15 at a depth of approximately 11,800 feet.

(10) The applicant's geologic evidence and testimony demonstrate that:

- (a) the "Brunson" interval is located at the base of the Atoka formation and is the main producing section within the North Shoe Bar-Atoka Gas Pool;
- (b) in addition to the "Brunson" interval, there are other pay sections within the Upper-Atoka formation that are productive within this pool;
- (c) the "Brunson" interval is not in communication with other pay sections in the North Shoe Bar-Atoka Gas Pool;
- (d) there are two separate "Brunson" interval producing pods within the North Shoe Bar-Atoka Gas Pool. These producing pods are contiguous and generally trend in a northwest-southeast direction through Sections 10 and 11. With the exception of Section 2, the "Brunson" interval appears to be present throughout the North Shoe Bar-Atoka Gas Pool; and
- (e) the western-most "Brunson" interval producing pod extends southward beyond the current pool boundaries into portions of Section 14, Township 16 South, Range 35 East.

(11) The applicant presented further evidence that demonstrates:

- (a) within the present boundaries of the North Shoe Bar-Atoka Gas Pool, there are currently five producing wells. Of the five producing wells, four produce exclusively from the "Brunson" interval, and one produces exclusively from the Upper-Atoka interval;
 - (b) there are several wells that have recently been drilled to the Atoka formation in Sections 14 and 15, namely the Boyce "15" Well No. 1, the Boyce "15" Well No. 3, and the David H. Arrington Oil & Gas Inc. ("Arrington") Mayfly "14" State Com Well No. 5 (API No. 30-025-34815) located in Unit D of Section 14;
 - (c) the Boyce "15" Well No. 1 has been completed in the North Shoe Bar-Atoka Gas Pool and is producing only from Upper-Atoka pay section. The "Brunson" interval was tested in this well and is marginally productive;
 - (d) the Boyce "15" Well No. 3 was originally permitted and drilled as a Northwest Shoe Bar-Strawn Pool test, but has been completed in the Townsend-Morrow Gas Pool. The well is currently producing at marginal economic rates from the Townsend-Morrow Gas Pool, but has the potential to recover significant gas reserves from the Atoka "Brunson" interval; and
 - (e) Division records indicate that the Mayfly "14" State Com Well No. 5 has been completed in the Northwest Shoe Bar-Strawn Pool; however, this well may have been completed in both the Strawn formation and the Atoka "Brunson" interval.
- (12) The evidence presented in this case demonstrates that:
- (a) there are gas reserves within the "Brunson" interval underlying the E/2 of Section 15 that cannot be accessed by the Boyce "15" Well No. 1;

- (b) the "Brunson" interval can be accessed by the Boyce "15" Well No. 3, which will be abandoned in the Townsend-Morrow Gas Pool in the near future due to marginal gas production;
- (c) the E/2 of Section 15 may be experiencing drainage from the offset Arrington Mayfly "14" State Com Well No. 5;
- (d) Arrington has signed a waiver of objection to the application;
- (e) TMBR/Sharp Drilling, Inc., an offset operator, entered an appearance in this case but presented no evidence or testimony in opposition to the application; and
- (f) no other offset operator or interest owner appeared at the hearing in opposition to the application.

(13) Approval of the application will afford the applicant the opportunity to produce its gas reserves within the Atoka "Brunson" interval underlying the E/2 of Section 15, will allow the applicant to utilize an existing wellbore to recover these gas reserves, thereby preventing the drilling of unnecessary wells, will allow the increased recovery of gas from the North Shoe Bar-Atoka Gas Pool within the E/2 of Section 15, thereby preventing waste, and will not violate correlative rights.

(14) The applicant should be required to produce only from the Upper Atoka pay section of the North Shoe Bar-Atoka Gas Pool within the Boyce "15" Well No. 1, and produce only from the "Brunson" interval of the North Shoe Bar-Atoka Gas Pool within the Boyce "15" Well No. 3.

(15) The applicant should not be allowed to drill or recomplete additional infill wells within the E/2 of Section 15 in the North Shoe Bar-Atoka Gas Pool until such time as production operations permanently cease in the Atoka formation in either the Boyce "15" Well No. 1 or the Boyce "15" Well No. 3.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Chesapeake Operating, Inc, is hereby authorized to complete and produce its Boyce "15" Well No. 3 (**API No. 30-025-35006**) at an unorthodox surface location 2310 feet from the North line and 341 feet from the East line (Unit H) and at an unorthodox bottomhole location 2410 feet from the North line and 443 feet from the East line (Unit H) of Section 15, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico, in the Atoka formation, North Shoe Bar-Atoka Gas Pool.

(2) The applicant is further authorized to simultaneously dedicate the E/2 of Section 15 in the North Shoe Bar-Atoka Gas Pool to the Boyce "15" Well No. 3 and to its existing Boyce "15" Well No. 1 (**API No. 30-025-34591**) located at a standard gas well location 800 feet from the North line and 660 feet from the East line (Unit A) of Section 15. *to be recompleted to the Spruance*

(3) The applicant shall produce only from the Upper Atoka pay section of the North Shoe Bar-Atoka Gas Pool within the Boyce "15" Well No. 1 and produce only from the "Brunson" interval of the North Shoe Bar-Atoka Gas Pool within the Boyce "15" Well No. 3.

(4) The applicant shall not drill or recomple additional infill wells within the E/2 of Section 15 in the North Shoe Bar-Atoka Gas Pool until such time as production operations permanently cease in the Atoka formation in either the Boyce "15" Well No. 1 or the Boyce "15" Well No. 3.

(5) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director

SEAL

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

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

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-101

Revised March 17, 1999

Submit to appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Chesapeake Operating, Inc. P. O. Box 18496 Oklahoma City, OK 73154-0496		² OGRID Number 147179
³ Property Code 24402		⁴ API Number 30-025-34591
⁵ Property Name Boyce 15		⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	15	16S	35E		800	North	660	East	Lea

⁸ Proposed 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
⁹ Proposed Pool 1 N. Shoebar Atoka					¹⁰ Proposed Pool 2				

¹¹ Work Type Code P	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation GR : 3989'
¹⁶ Multiple N	¹⁷ Proposed Depth 12,470	¹⁸ Formation Strawn	¹⁹ Contractor	²⁰ Spud Date

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2	13-3/8	48#	470'	495	Surf
12-1/4	9-5/8	40#	4,200'	1565	Surf
7-7/8	5-1/2	17#	12,470'	1405	3700'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone.

Describe the blowout prevention program, if any. Use additional sheets if necessary.

Recomplete & perforate the Strawn w/CIBP above Atoka perms

- 1) TA the Boyce 2-15 (Strawn) in the same qtr-qtr (notice sent to state via Sundry)
- 2) POOH w/tbg & pkr
- 3) Set a CIBP above the Atoka (11,523-11,671') @ 11,500'
- 4) Perforate the Strawn 11,216-11,296' w/4 SPF
- 5) RIH w/pkr & tbg to 11,170', Acidize w/5000 gal 15% NeFe
- 6) Swab back to kick off well. Put well on production.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Andrew J. McCalmont</i>		Approved by:	
Printed name: Andrew J. McCalmont		Title:	
Title: Asset Manager		Approval Date:	Expiration Date:
Date: 06/19/2003	Phone: (405) 848-8000	Conditions of Approval:	
		Attached <input type="checkbox"/>	



DISTRICT I
P.O. Box 1000, Santa Fe, NM 87501-1000

DISTRICT II
P.O. Box 1000, Santa Fe, NM 87501-1000

DISTRICT III
1000 Rio Grande Rd., Santa Fe, NM 87410

DISTRICT IV
P.O. Box 1000, Santa Fe, NM 87501-1000

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
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OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-35006	Foot Code 96763	Well Name North Shoe Bar Shoebar-Secura	Well Number 3
Property Code 24402	Property Name BOYCE 15		Elevation 3984
OGED No. 147179	Operator Name CHESAPEAKE OPERATING, INC.		

Surface Location

Sec. or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South Line	Feet from the	East/West Line	County
H	15	16 S	35 E		2350	NORTH	341	EAST	LEA

Bottom Hole Location If Different From Surface

Sec. or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South Line	Feet from the	East/West Line	County

Dedicated Acres 10.320	Point or Infill	Consolidation Code	Order No. R-11432-A
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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

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Barbara J. Bale</u> Printed Name: <u>Barbara J. Bale</u> Title: <u>Regulatory Analyst</u> Date: <u>04/10/00</u>	
	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 Surveyed: <u>APRIL 3, 2000</u> Signature: <u>Edison</u> Professional Surveyor State of New Mexico No. <u>102-11-04328</u> Certificate No. <u>EDISON</u> State <u>NEW MEXICO</u> Exp. Date <u>12/31/00</u>	



Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-105
Revised 1-1-89

WELL LOG NO. 30-025-35006					
3. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>					
4. State Oil & Gas Lease No.					
7. Lease Name or Unit Agreement Name Boyce 15					
8. Well No. 3					
9. Pool name or Whistal North Shoe-Bar Atoka					
10. Date Spudded 04/15/00					
11. Date T.D. Reached 05/14/00					
12. Date Compl. (Ready to Prod.) 11/16/00					
13. Elevations (DF & RKB, RT, GR, etc.) GL: 3984'					
14. Elev. Casinghead					
15. Total Depth 11,900					
16. Plug Back T.D.					
17. If Multiple Compl. How Many Zones?					
18. Intervals Cased By 0-TD					
19. Producing Interval(s), of this completion - Top, Bottom, Name 11,659-667, 11,670-678' Atoka					
20. Was Directional Survey Made Yes					
21. Type Electric and Other Logs Run No New Log Run on Atoka Perfs					
22. Was Well Cased No					
23. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"	48#	444'	17-1/2"	490 SX	
9-5/8"	40#	4,200'	2-1/4"	1640 SX	
5-1/2"	17#	11,900'	7-7/8"	1470 SX	
CIBP		11,725			
24. LINER RECORD		25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE
NA					2-7/8"
					11,605'
					11,605'
26. Perforation record (interval, size, and number) 11,659-11,667 2 spf 180" Phasing 43 holes 11,670-11,678'		27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL 2000 gal 7.5% HCL			
28. PRODUCTION					
Date First Production 11/16/2000		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing		Well Status (Prod. or Shut-in) Producing	
Date of Test 01/30/2001	Hours Tested 24	Choke Size 24/64"	Prod'n For Test Period	Oil - Bbl. 2	Gas - MCF 1650
Flow Tubing Press. 550 psi	Casing Pressure 0	Calculated 24-Hour Rate	Oil - Bbl. 2	Gas - MCF 1650	Water - Bbl. 0
					Oil Gravity - API - (Corr.) 57.7
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold		Test Witnessed By Jimmy Hayes			
30. List Attachments C-104, C-103					
31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief					
Signature <i>Dung D. Vu</i>		Printed Name Dung D. Vu		Title Asset Manager Date 02/02/01	

1650 mcf		2177 mcf/d		Flowing
* I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.				
Signature: <i>Dung D. Vu</i>		OIL CONSERVATION DIVISION		
Printed name: Dung D. Vu		Approved by:		
Title: Asset Manager		Title:		
Date: 02/02/01		Approval Date:		
Phone: (405) 848-8000				
* If this is a change of operator fill in the OGRID number and name of the previous operator.				
Previous Operator Signature		Printed Name		
		Title		
		Date		



Apr-12-00 12:42P chalfant properties inc 915 682 2601
 APR-12-00 WED 9:00 AM OLD HUBBS FAX NO. 15053930720

P. 04
 P. 2

Copy File

Division I
 PO Box 1980, Hobbs, NM 87411-1980
 Division II
 PO Drawer 88, Artesia, NM 88211-0718
 Division III
 1000 Ave Bypass Rd., Artesia, NM 87410
 Division IV
 PO Box 1088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-101
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
 Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address: Chesapeake Operating, Inc. P. O. Box 13496 Oklahoma City, OK 73154-0496		OGED Number 147179
Property Code 24402		Property Name BOYCE 13
		Well No. 3

Surface Location									
UT or lot no.	Section	Township	Range	Lot No.	Feet from the North/South line	Feet from the East/West line	County		
H	15	16S	35E		2330/2340	North	341	East	LEA

Proposed Bottom Hole Location if Different From Surface									
UT or lot no.	Section	Township	Range	Lot No.	Feet from the North/South line	Feet from the East/West line	County		
Proposed Pool 1 NW Shobac Strawn					Proposed Pool 2				

Well Type Code N	Well Type Code O/G	Cable/ Rotary R	Lease Type Code P	Gross Land Elevation 3984'
Multiple N	Proposed Depth 11,575'	Formation Strawn	Contractor Nabors	Spud Date 04/14/00

Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/ft	Casing Depth	Feet of Cement	Estimated TOC
17-1/2"	13-3/8"	48#	450'	500	Surf
12-1/4"	9-5/8"	40#	4200'	1500	Surf
7-7/8"	5-1/2"	17#	11,575	1200	3700'

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the alternate proposed program, if any. Use additional sheets if necessary.

Chesapeake Operating, Inc. proposes to drill to 11,575' T.D. in the Strawn with Nabors as the drilling contractor.

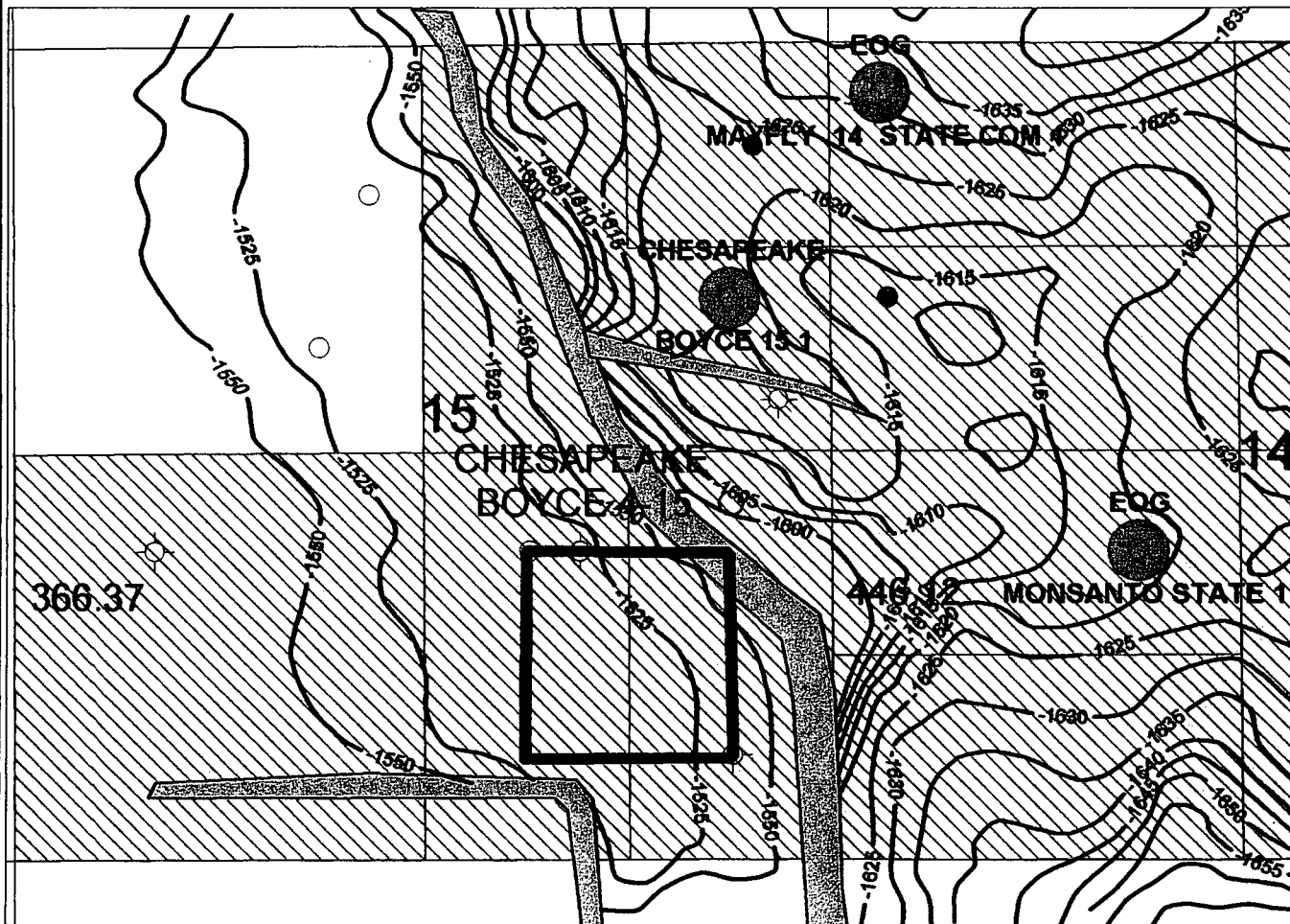
Nabors BQP stack consists of 11" 5M# x Blind & pipe runs with 11" 5M# annular.

Permit Expires 1 Year From Approval
 Date Unless Drilling Underway

I hereby certify that the information given above is true and accurate to the best of my knowledge and belief. Signature: <i>Barbara J. Bale</i>		OIL CONSERVATION DIVISION	
Printed name: Barbara J. Bale		Approved by: ORIGINAL SIGNED BY GARY WINK	
Title: Regulatory Analyst		Title: FIELD REP. II	
Date: 04/10/00	Phone: (405) 848-8000	Approved Date: APR 12 2000	Expiration Date:
		Conditions of Approval: Attached <input type="checkbox"/>	

04/12/00 WED 13:





Shoe Bar North Atoka Producers



Orthodox Location



Acreage by Section



Actual Acreage



**CHESAPEAKE
OPERATING, INC.**

Boyce 4-15
E/2 Sec 15-T16S-R35E
3D Seismic Time Structure
T/Chester
2310- FSL 660 FEL
North Shoebar Atoka Field

Date: 18 June, 2003

Geologist: DG/CH

EXHIBIT

E2 Section 15-165-35E

E2		ROYALTY INTEREST
CHESAPEAKE EXPLORATION LP		79.58%
HOPE ANN HULSE SMALL		0.31%
NORTHPORT PRODUCTION CO		0.77%
AETHNA BESS EAVES BERRY		0.29%
ALAN M BRISTOL		0.53%
ALINE SIMS		0.29%
ANDERSON CARTER		1.95%
ANDERSON CARTER II		0.39%
ANNIE LAURA STURDIVANT		0.21%
ANNIE LAURA STURDIVANT LE		0.31%
BARBARA RUTH PATTERSON		1.16%
CARLA WOLF		0.59%
CHARLES & BEVERLY OVERTON TR		0.39%
CLARENCE V SHELFER		0.31%
DOUGLAS C KOCH		0.43%
DOUGLAS MICHAEL SHELFER		0.13%
EXCALIBUR ENERGY CO.		0.03%
FIRST PRESBYTERIAN CHURCH		0.05%
G P SIMS EST		0.29%
HOPE ANN HULSE SMALL		0.04%
JAMES DARRELL SHELFER		0.16%
JIM L & JOYE YOUNG		0.11%
JOHN NICKSON BEERS		0.59%
JTV PTRSH		0.59%
JUNE DANGLADE SPEIGHT		4.17%
LAPLANT/JOHNSON FAMILY TR		0.20%
LESLIE LEAVY		0.21%
PATRICIA A GARDAY		0.27%
PJC LIMITED PARTNERSHIP		0.75%
POWHATAN & BEVERLY T CARTER		1.88%
POWHATAN CARTER III		0.20%
REGINALD L REGIS		0.21%
RICHARD L LUTTRELL		0.59%
RICKIE DON THOMPSON		0.10%
ROBERT G HOOPER		0.03%
ROSS FAMILY TR		0.47%
S P III & BARBARA J JOHNSON TR		0.75%
SUSAN HOLLEY		0.58%
TEDDIE DARRELL SHELFER LE		0.31%
WALTER L FARRINGTON III		0.04%
WAYNE A BISSET		0.43%
WOOD OIL CO		1.88%

BOYCE 1-15	DATE SPUD	2/29/00
	DATE T. D.	3/25/00
	DATE COMPLETED	4/16/00
	DATE FIRST PRODUCTION	4/22/00
BOYCE 3-15	DATE SPUD	4/15/00
	DATE T. D.	5/14/00
	DATE COMPLETED	11/16/00
BOYCE 2-15	DATE SPUD	6/18/00
	DATE T. D.	7/10/00
	DATE COMPLETED	8/3/00
BOYCE 4-15	EXPECTED SPUD DATE	4/1/04

