

DATE IN 12/6/06	SUSPENSE	ENGINEER CATAVACH	LOGGED IN 12/8/06	TYPE IPI	APP NO. 2TDS0634231139
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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



275

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.

Print or Type Name	Signature	Title	Date
e-mail Address			

Chesapeake
Natural Gas.
Natural Advantages.

2010 Rankin Hwy
Midland, Texas 79701
Phone: (432) 687-2992
Fax: (432) 687-4112

FAX COVER SHEET

DATE: 12-6-06
TO: ~~Will Jones~~ DAVID Catonish
FAX#: 505-476-3462

9 Pages with Cover

FROM: Shay Storklin
SUBJECT: Littfield Fed SWD #1
Can you please approve this
today?

The information transmitted is considered privileged and confidential, and is intended only for the use of the individual or entity named. If the reader of this message is not the intended recipient or the employee or agent responsible to deliver it to the intended recipient, you should be aware that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone, and return the original message to us at the above address via the U.S. Postal Service. Thank you.

Submit 3 Copies To Appropriate District Office

District I 1625 N. French Dr., Hobbs, NM 88240
District II 1301 W. Grand Ave., 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

Form C-103 May 27, 2004

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

WELL API NO. 30-015-10259
5. Indicate Type of Lease STATE [] FEE [X]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Littlefield Federal SWD
8. Well Number 1
9. OGRID Number 147179
10. Pool name or Wildcat Delaware
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3515 GR
Pit or Below-grade Tank Application [] or Closure []
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []

OTHER: [] OTHER: Violation #0206 [X]

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

In reference to violation #0206 62, Chesapeake has performed a Step Rate Test on this well and has attached a copy for your review. This well is currently permitted for 916# of surface pressure. Chesapeake, respectfully, request an increase in permitted surface pressure to 2000# with a maximum rate of 5000 BWPD. The test indicates there is no fracture occurring down-hole at pressures in excess of 3000# at the surface. The surface pressure Chesapeake sees is a result of friction as the well is equipped with 2-3/8" lined tubing.

SWD-485

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines [], a general permit [] or an (attached) alternative OCD-approved plan [X].

SIGNATURE [Signature] TITLE Regulatory Assistant DATE 12/04/2006

Type or print name Shay Stricklin E-mail address: sstricklin@chkenergy.com Telephone No. (432)687-2992
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any): _____

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	5. Lease Serial No.
2. Name of Operator Chesapeake Operating Inc.	6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 11050 Midland TX 79702-8050	7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) (432)687-2992	8. Well Name and No. Littlefield Federal SWD #1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660 North, 1980 East, Sec 11, T24S, R31E	9. API Well No. 30-015-10259
	10. Field and Pool, or Exploratory Area Delaware
	11. County or Parish, State Eddy NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Violation #0206
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

In reference to violation #0206 62, Chesapeake has performed a Step Rate Test on this well and has attached a copy for your review. This well is currently permitted for 916# of surface pressure. Chesapeake, respectfully, request an increase in permitted surface pressure to 2000# with a maximum rate of 5000 BWPD. The test indicates there is no fracture occurring down-hole at pressures in excess of 3000# at the surface. The surface pressure Chesapeake sees is a result of friction as the well is equipped with 2-3/8" lined tubing.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) Shay Stricklin	Title Regulatory Assistant
Signature 	Date 11/02/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Slip Rate Test



Cardinal Surveying Company

October 26, 2006

Chesapeake Operating Inc.
Well: Littlefield Federal # 1 SWD
Field: Sand Dunes
Eddy County, NM
SC 54657

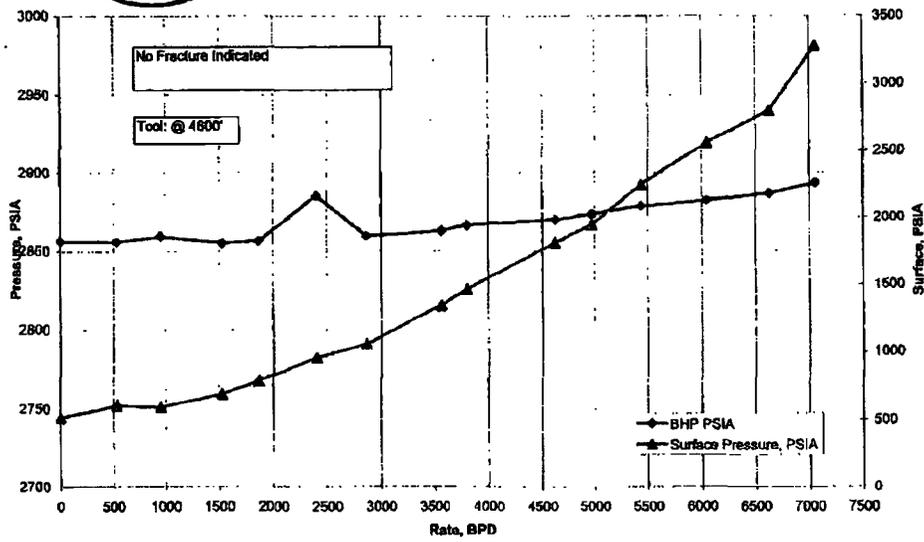
No Fracture Indicated

Downhole PSI Tool Ser. No. 76149
Surface PSI Gauge Ser. No. 10332
Tool @ 4900

Start Time	End Time	Rate BPD	Comments



Chesapeake Operating Inc. Littlefield Federal # 1 SWD
Step Rate Test 10-27-06



Step Rate Test

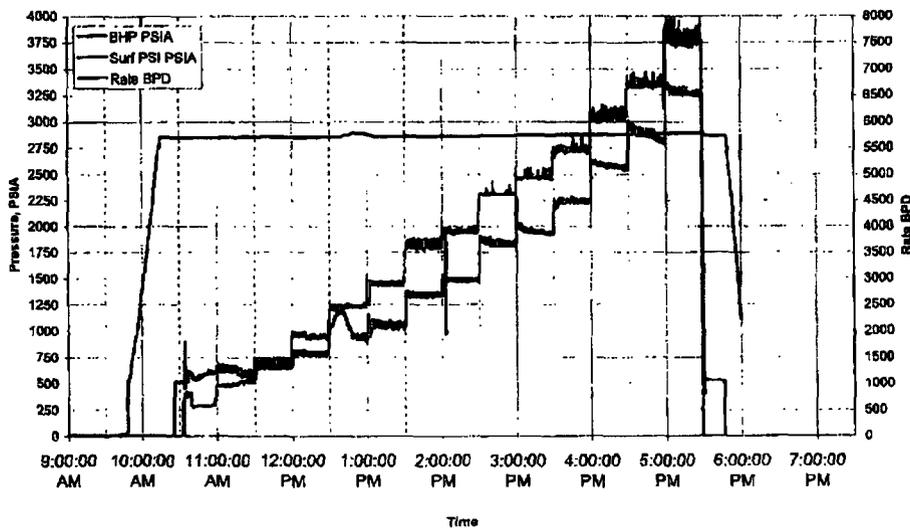
Chesapeake Operating Inc.
 Littlefield Federal #1 SWD
 Field: Sand Dune
 Eddy County, NM



	S Time	E Time	D Time Mn	Last Rate BPD	Step BPD	B. H. Pressure PSIA	Surf		Delta		Avg. BPD
							PSIA	BBL	BBL	BBL	
1	10:15 AM	10:30 AM	15	0	0	2856.2	517.3	0	0	0	0
2	10:30 AM	11:00 AM	30	500	500	2856.8	808.2	11.1	11.1	533	
3	11:00 AM	11:30 AM	30	1000	600	2858.3	598.3	31	19.9	955	
4	11:30 AM	12:00 PM	30	1500	500	2855	691.1	60	31.8	1526	
5	12:00 PM	12:30 PM	30	2000	500	2856.4	790.1	98.9	38.9	1867	
6	12:30 PM	1:00 PM	30	2500	500	2885.4	981.1	148	50.1	2405	
7	1:00 PM	1:30 PM	30	3000	500	2852.6	1063.3	208.7	58.7	2868	
8	1:30 PM	2:00 PM	30	3500	500	2862.9	1349	263	74.3	3586	
9	2:00 PM	2:30 PM	30	4000	500	2866.3	1485.6	362.2	78.2	3802	
10	2:30 PM	3:00 PM	30	4500	500	2870	1810.3	458.5	98.3	4622	
11	3:00 PM	3:30 PM	30	5000	500	2873.5	1943.3	562.1	103.6	4973	
12	3:30 PM	4:00 PM	30	5500	500	2878.5	2243.6	675.4	113.3	5438	
13	4:00 PM	4:30 PM	30	6000	500	2882.3	2557.7	801.4	126	6048	
14	4:30 PM	5:00 PM	30	8500	500	2886.6	2787.9	938.5	130.1	6629	
15	5:00 PM	5:30 PM	30	7000	500	2893.5	3278.4	1098.5	147	7056	
16	5:30 PM	5:45 PM	15	0	-7000	2865.5	527.3	1088.5	0	0	



Chesapeake Operating Inc. Littlefield Federal # 1 SWD
Step Rate Test 10-27-06





Chesapeake Operating Inc. Littlefield Federal # 1 SWD
Fall Off Test 10-27-06

