

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order IPI-309
December 16, 2008

Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, OK 73154-0496

Attention: Doug Rubick

RE: Injection Pressure Increase

Culebra Bluff SWD Well No. 1 (API No. 30-015-22754)
Unit E, Sec 2, Township 23 South, Range 28 East, NMPM,
Eddy County, New Mexico

Dear Mr. Rubick:

Reference is made to your request on behalf of Chesapeake Operating, Inc. (OGRID 147179) received by the Division on December 10, 2008 to increase the surface injection pressure on the above named salt water disposal well in the Herradura Bend Field.

This well was approved by the Division for injection into perforations from 4300 feet to 4800 feet with Order SWD-481 and given a maximum surface injection pressure of 860 psi.

This well was ordered shut-in as per Letter of Violation No. 2-08-166 from the OCD Artesia office dated November 5, 2008. Culebra Bluff SWD Well No. 1 was found to be 90 psig over the allowable surface injection pressure.

Based on a step rate injection test that was conducted on June 24, 2008 you are hereby authorized to increase the surface injection pressure on this well provided the tubing, size, type, and setting depth does not change.



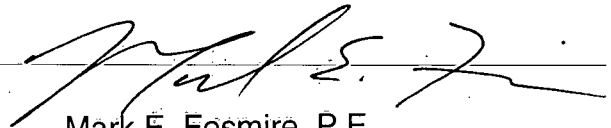
Max Surface Pressure
1052 psig

The operator is responsible for ensuring injected waters do not migrate upward inside or outside of this casing and enter formations above the permitted injection interval.

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

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected fluid is not being confined to the injection zone or is endangering any fresh water aquifers.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', is written over a horizontal line.

Mark E. Fesmire, P.E.
Director

MEF/tw

cc: Oil Conservation Division – Artesia
New Mexico State Land Office
File: SWD-481