



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

August 19, 1998

Chesapeake Operating, Inc.
P. O. Box 18496
Oklahoma City, Oklahoma 73154-0496
Attention: Lynda F. Townsend

Administrative Order NSL-4114

Dear Ms. Townsend:

Reference is made to your application dated July 28, 1998 for an exception to the "*Special Rules and Regulations for the Northeast Lovington-Pennsylvanian Pool*," as promulgated by Division Order No. R-3816, as amended, requesting authorization to drill your John T. "6" Well No. 1 at an unorthodox oil well location 4040 feet from the South line and 435 feet from the West line (Lot 12/Unit L) of irregular Section 6, Township 16 South, Range 37 East, NMPM, Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico.

Lots 12 and 13 of said Section 6 being a standard 103.36-acre "stand-up" oil spacing and proration unit for the pool is to be dedicated to this well.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox oil well location will be at a more favorable geologic position within the Strawn formation than a well drilled at a location considered to be standard.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of RULE 5 of special pool rules and Division General Rule 104.F(2), the above-described unorthodox oil well location is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
U. S. Bureau of Land Management - *Carlsbad*