



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

October 19, 2004

Division Order No. IPI-244

Chesapeake Operating Company
c/o Kellahin & Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504

Attention: Mr. W. Thomas Kellahin

**RE: Injection Pressure Increase
West Teas (Yates-Seven Rivers) Unit Waterflood Project
Lea County, New Mexico**

Dear Mr. Kellahin:

Reference is made to your request on behalf of Chesapeake Operating Company received by the Division on September 29, 2004 to increase the surface injection pressure on seven wells within the West Teas (Yates-Seven Rivers) Unit Waterflood Project. This request is based upon step rate tests recently conducted on these wells. The results of the step rate tests for the West Teas (Yates-Seven Rivers) Unit Wells No. 433, 912, 913, 921, 924 and 945 show that an increase in the surface injection pressure for these wells is justified and will not result in the fracturing of the injection formation and confining strata. The step rate test results for the West Teas (Yates-Seven Rivers) Unit Well No. 941 is inconclusive, and therefore your request to increase the surface injection pressure for this well is hereby denied.

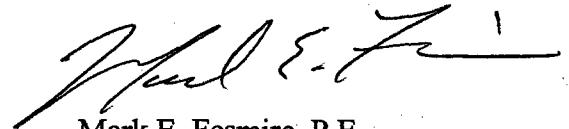
You are therefore authorized to increase the surface injection pressure on the following wells all located in Township 20 South, Range 33 East, NMPM, Lea County, New Mexico:

WELL NAME & NUMBER	MAXIMUM SURFACE INJECTION PRESSURE
West Teas (Yates-Seven Rivers) Unit No. 433 API No. 30-025-32032, Unit J, Section 4	968 PSIG
West Teas (Yates-Seven Rivers) Unit No. 912 API No. 30-025-29971, Unit E, Section 9	1200 PSIG
West Teas (Yates-Seven Rivers) Unit No. 913 API No. 30-025-29972, Unit L, Section 9	903 PSIG

WELL NAME & NUMBER	MAXIMUM SURFACE INJECTION PRESSURE
West Teas (Yates-Seven Rivers) Unit No. 921 API No. 30-025-31896, Unit C, Section 9	998 PSIG
West Teas (Yates-Seven Rivers) Unit No. 924 API No. 30-025-36073, Unit F, Section 9	1197 PSIG
West Teas (Yates-Seven Rivers) Unit No. 945 API No. 30-025-36079, Unit H, Section 9	1200 PSIG

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,



Mark E. Fesmire, P.E.
Director

cc: Oil Conservation Division - Hobbs
File: WFX-791
File: Case No. 12272