30-015-39633

ONSHORE ORDER NO 1
Chesapeake Agent for BOPCO
PLU Big Sinks 23-24-30 USA 1H
SL 100' FNL & 1980' FEL
BL 350' FSL & 1980' FWL
Section 23-24S-30E
Eddy County, NM

CONFIDENTIAL – TIGHT HOLE SURFACE USE PLAN-REVISED

SL Lease No NMNM 030452 BL Lease No NMNM 030452

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ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

## 1 EXISTING ROADS/LEASE ROADS

- a. The proposed lease road 3472.1'in length and 16' in travel way width with a maximum disturbance area of 30' will be used, and in accordance with guidelines set forth in the BLM Onshore Orders. No turnouts are expected.
- b. Existing county and lease roads will be used to enter proposed access road.
- c. Location, access, and vicinity plats attached hereto. See Exhibits A-1 to A-4

## **LOCATION**

- a. In order to level the location, cut and fill will be required. Please see attached Well Location and Acreage Dedication Plat Exhibits A-1 to A-4.
- b. A locking gate will be installed at the site entrance.
- Any fences cut will be repaired. Cattle guards will be installed, if needed.
- d. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.
- e. Driving directions from City of Loving. North on Carter Rd to State Hwy 32 to State Hwy 128 to Twin Wells Rd 6 miles south South West on Twin Wells Rd for 3 miles. North West 3472.1' to location.
- 2. <u>LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS OF THE PROPOSED LOCATION see Exhibit B.</u>

## 3. LOCATION OF PRODUCTION FACILITIES

Production facilities will be located at the PLU Big Sinks 22 Federal 1H. All hydrocarbons will be delivered and sold at the PLU Big Sinks 22 Federal 1H tank battery.— See Exhibit C.2

Pipeline will run from the PLU Big Sinks 23-24-30 USA 1H to the PLU Big Sinks 22 Federal. The pipe will be 2 7/8" L-80 tubing approximately 1.25 miles in length buried 20' from the road. The pipe will transport all produced fluids (oil, water, and gas) to the PLU Big Sinks 22 Federal 1H. See A-5-1.

ONSHORE ORDER NO 1 Chesapeake Agent for BOPCO PLU Big Sinks 23-24-30 USA 1H SL 100' FNL & 1980' FEL BL 350' FSL & 1980' FWL Section 23-24S-30E Eddy County, NM

# CONFIDENTIAL – TIGHT HOLE SURFACE USE PLAN-REVISED

SL Lease No NMNM 030452 BL Lease No NMNM 030452

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## 4. LOCATION AND TYPE OF WATER SUPPLY

Water will be obtained from a private water source. Chesapeake Operating, Inc. will ensure all proper notifications and filings are made with the state.

## 5. CONSTRUCTION MATERIALS

No construction materials will be used from Section 25-24S-30E. All material (i.e. shale) will be acquired from private or commercial sources.

## 6. METHODS FOR HANDLING WASTE DISPOSAL

A closed system will be utilized consisting of above ground steel tanks. All wastes accumulated during drilling operations will be contained and hauled off to an approved disposal. All onsite trash will be collected and disposed of in a portable trash trailer.

## 7. ANCILLARY FACILITIES

None

## 8. WELLSITE LAYOUT

The proposed site layout plat is attached showing the Patterson Rig #62 orientation and equipment location. 300'x330' See Exhibit D.

## 9. PLANS FOR RECLAMATION OF THE SURFACE

Interim reclamation will be delayed to allow another well to be drilled on the proposed well pad, alternate well location unknown at this time. See Exhibit C.

Final Reclamation Procedure: Upon final abandonment of the well, caliche material from the well pad and access road will be removed and utilized to recontour to a final contour that blends with the surrounding topography as much as possible. Any caliche material not used will be utilized to repair roads within the lease. Topsoil will be distributed over the reclamation area and cross ripped to control erosion, the site will be seeded with an approved BLM mixture

The location will be restored to as near as original condition as possible. Reclamation of the surface shall be done in strict compliance with the existing New Mexico Oil Conservation Division regulations and BLM. See Interim Reclamation Layout Exhibit H.

#### 10. SURFACE & BHLOC MINERAL OWNERSHIP

United States of America
Department of Interior
Bureau of Land Management

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 Eddy County, NM

GRAZING LESSEE Richardson Cattle Co. P O Box 487 Carlsbad, NM 88220 575-885-6175

#### CONFIDENTIAL – TIGHT HOLE SURFACE USE PLAN-REVISED

SL Lease No NMNM 030452 BL Lease No NMNM 030452

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## (Chesapeake Operating, Inc. has an agreement with the grazing lessee)

## 11. ADDITIONAL INFORMATION

A Class III cultural resource inventory report was prepared by Boone Archaeological Services, Carlsbad, New Mexico for the proposed location. A copy of the report has been sent to the BLM office under separate cover and is also attached for reference.

## 12. CHESAPEAKE REPRESENTATIVES

## **Drilling and Completion Operations**

## **District Manager**

Jay Stratton
P.O. Box 18496
Oklahoma City, OK 73154
405-935-6164 (Office)
405-831-3994 (Cell)
jay.stratton@chk.com

#### Field Superintendent

Bud Cravey 2010 Rankin Hwy Midland, TX 432-687-2992, x 86151 (Office) 432-575-238-7293 (Cell) bud.cravey@chk.com

#### Geologist

Chris Persellin P.O. Box 18496 Oklahoma City, OK 73154 405-935-6434 (Office) 405-596-7429 (Cell) chris.persellin@chk com

#### **Drilling Engineer**

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P.O. Box 14896
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405-301-6515 (Cell)
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#### Sr. Assett Manager

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#### **Geoscience Coordinator**

David Godsey
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405-618-0474 (Cell)
david.godsey@chk.com

ONSHORE ORDER NO 1 Chesapeake Agent for BOPCO PLU Big Sinks 23-24-30 USA 1H SL 100' FNL & 1980' FEL BL 350' FSL & 1980' FWL Section 23-24S-30E Eddy County, NM

## **Regulatory Compliance Analyst**

Lyndee Songer
P.O. Box 18496
Oklahoma City, OK 73154
405-935-2411(Office)
405-849-2411 (Fax)
lyndee.songer@chk.com

## CONFIDENTIAL – TIGHT HOLE SURFACE USE PLAN

SL Lease No NMNM 030452 BL Lease No NMNM 030452

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**District Land Coordinator** 

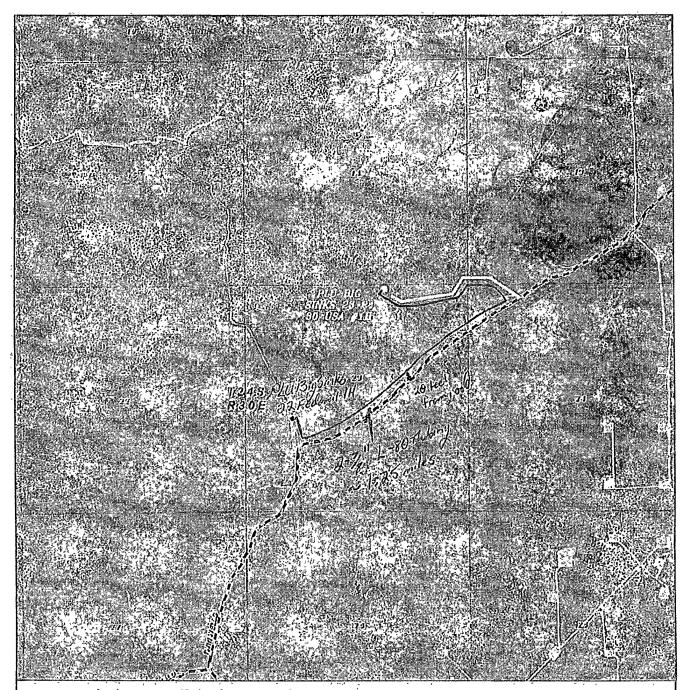
Craig Barnard P.O. Box 18496 Oklahoma City, OK 73154 405-879-8401 (Office) 405-397-8404 (Cell) craig.barnard@chk.com ONSHORE ORDER NO. 1 Chesapeake Agent for BOPCO PLU Big Sinks 23-24-30 USA 1H SL· 100' FNL & 1980' FEL BL 350' FSL & 1980' FWL Section 23-24S-30E Eddy County, NM CONFIDENTIAL – TIGHT HOLE OPERATOR CERTIFICATION

SL<sup>-</sup> Lease No NMNM 030452 BL Lease No NMNM 030452

## **CERTIFICATION**

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein, that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Executed this 27th day of July , 2011
Name:
Address: 1616 W Bender Blvd Hobbs, NM 88240
Telephone: <u>575-725-8497</u>
E-mail: toby.reid@chk.com



PLU BIG SINKS 23 24 30 USA #1H Located 100' FNL and 1980' FEL Section 23, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

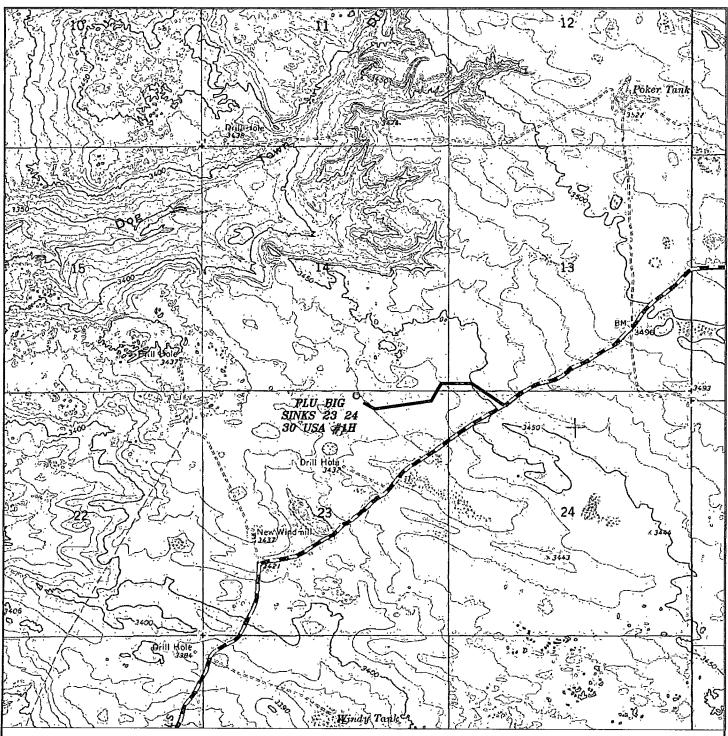


P.O. flox 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (575) 393-7316 - Office (575) 392-2206 - Fax basinsurveys.com W.O. Number UMS 24818

Scale: 1 = 2000'

YELLOW TINT - USA LAND BLUE TINT - STATE LAND NATURAL COLOR - FEE LAND CHESAPEAKE OPERATING CO.

SECTION 23, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M., NEW MEXICO. EDDY COUNTY, 3432.1' *3428.5*° CHESAPEAKE OPERATING CO. PLU BIG SINKS 23 24 30 USA #1H ### SINKS 23 24 30 0 ### ELEV. — 3428' 165' — 165' Lat — N 32.21035388' Long — W 103.8493731' NMSPCE— N 440597.784 ### 691016.660 (NAD-83) 3428.2 3426 9 3423.9 600' 3428.8 200 200 400 FEET SCALE: 1" = 200'Directions to Location. CHESAPEAKE OPERATING CO. FROM THE JUNCTION OF TWIN WELLS AND McDONALD, GO NORTH ON TWIN WELLS FOR 2.1 MILES TO PROPOSED LEASE ROAD. REF: PLU BIG SINKS 23 24 30 USA #1H / WELL PAD TOPO THE PLU BIG SINKS 23 24 30 USA #1H LOCATED 100' FROM THE SOUTH LINE AND 1980' FROM THE EAST LINE OF SECTION 23, TOWNSHIP 24 SOUTH, RANGE 30 EAST, BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO Drawn By. N.M.P.M., EDDY COUNTY, NEW MEXICO. W.O. Number. 24818 J. SMALL 07-20-2011 Disk: JMS 24818 Survey Date 07-11-2011 Sheet Sheets



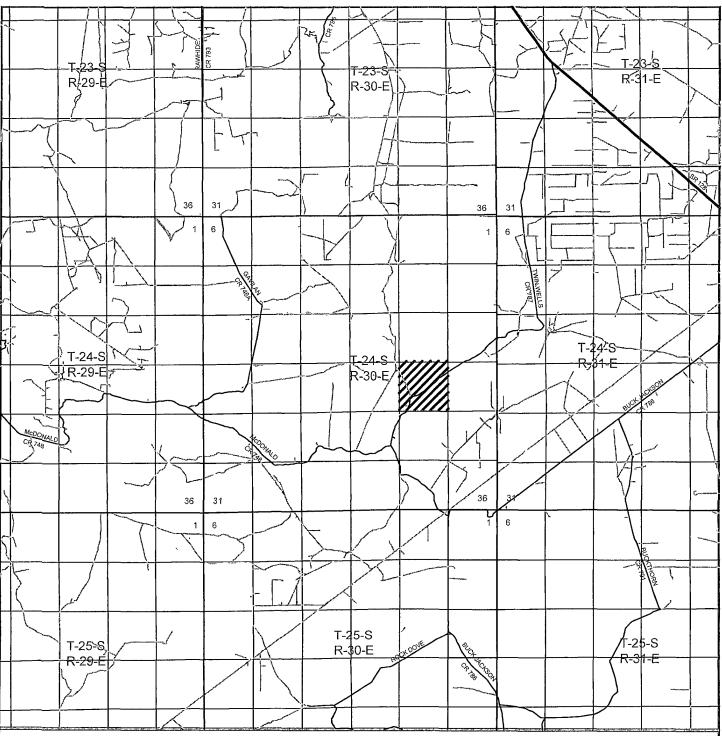
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W.O. Number: JMS 24818				
Survey Date: 07-11-2011				
Scale: 1" = 2000'				
Date: 07-20-2011				





PLU BIG SINKS 23 24 30 USA #1H Located 100' FNL and 1980' FEL Section 23, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.



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	W.O. Number:	JMS	24818	
-	Survey Date:	07-	11-2011	
	Scale: 1" = 2	Miles		36,000
	Date: 07-20	-2011		



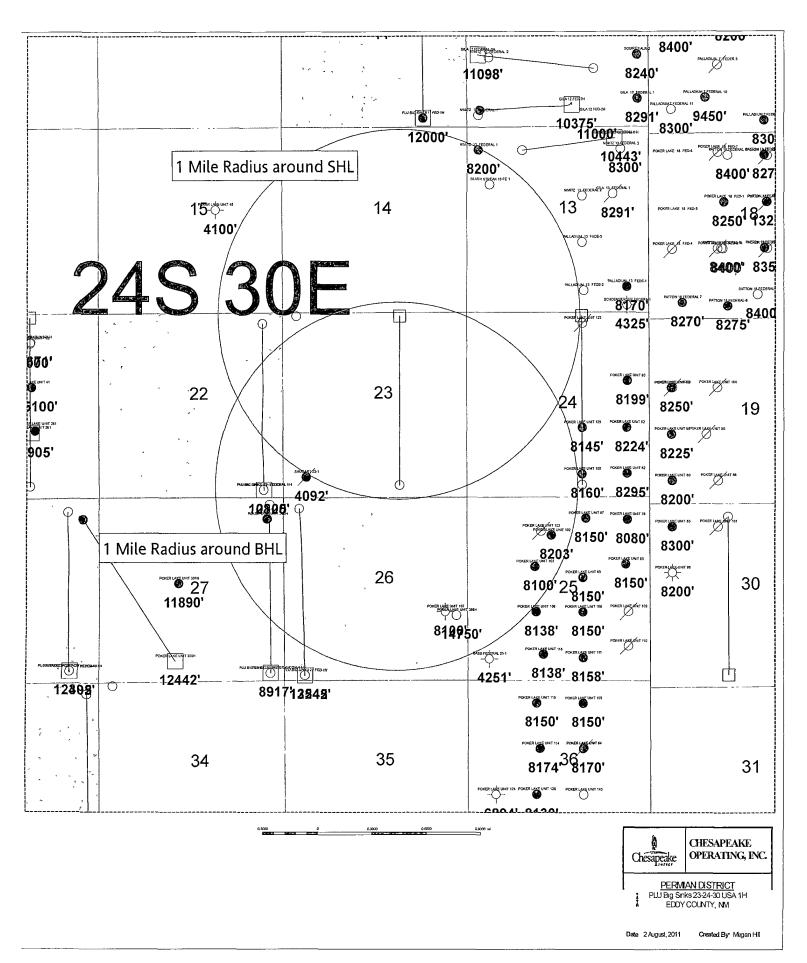


EXHIBIT 8

## CHESAPEAKE OPERATING, INC.



PLU Big Sinks 23-24-30 USA 1H **Property # 640120 Section 23 - T24S - R30E** NW NE 99 FNL & 1980 FEL of Section

Lat.: 32.210226- Long.: -103.848772

**Eddy County, New Mexico** 



Oklahoma City, OK 73118

