District I 1625 N. French Dr , Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410

District IV

Date:

01/09/2009

Phone

(405)935-6854

State of New Mexico Energy Minerals and Natural Resources OCD-ARTESIA

JAN 14 2009

Form C-101 May 27, 2004

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

1220 S St Fr	ancis Dr., S	Santa Fe, NI	И 87505		Santa	ı Fe, NN	И 875	05				
APPI	LICAT	IONFO	R PERMI	<u>Г ТО D</u>	RILL, RE-	ENTE	R, DI	EEPE	N, PLUGBA	CK,OI	RAD	D A ZONE
Chesapeak	e Operat	ing, Inc.	¹ OperatorNam		SS				147179	² OGRID		er
P.O. Box 1	18496 Ol	clahoma C	City, OK 7315	4-0496					30-015-36	3API N 5223	lumber	
•	rtyCode				⁵ Property	Name					⁶ We	ll No
37066				nicago 12	State					<u> </u>	1H	
Nash Draw	r: Delawa		ProposedPool 1 valon Sand)						10 Pro	posedPool 2	2	
, , , , , , , , , , , , , , , , , , , ,	, = 0.0				⁷ Surface	Location	on					
UL or lot no	Section 12	Township 25S	Range 29E	Lot I		om the		outh line	Feet from the 350'	East/We	estline	County Eddy
			⁸ Prop	osed Bott	om Hole Loca	tion If D	ifferer	nt From	Surface			
UL or lot no	Section 12	Township 25S	Range 29E	Lot I		om the		outh line	Feet from the 374'	East/We	estline	County Eddy
				Ad	lditional We	ell Infor	rmati	on				
	Type Code		12 Well Type C			e/Rotary			¹⁴ Lease Type Code			und Level Elevation
E 16 M	lultiple	0	17 Proposed De	nth	18 For	mation		S	19 Contractor	31	3155' GR 20 Spud Date	
No												Space Sac
Depth to Grou	ındwater			Distanc	efrom nearest fres	sh water we	ell	1	Distance fro	om nearest st	ırfacew	ater
Pit. Liner:	Synthetic	r	nilsthick Clay	☐ Pit Vol	umebbls		Drilli	ngMetho	d.			
Close	d-Loop Sys	tem 🗆					Fresh V	Vater 🗌	Brine Diesel	Ol-based [Gas/	Aır 🗆
			2	Propos	sed Casing a	and Cer	nent	Progra	<u>ım</u>			
Hole S	ize	Ca	sing Size	Casing	g weight/foot	Se	etting D	epth	Sacks of (Cement		Estimated TOC
17 1/2"	1/2" 13 3/8"		48#		680'		705 sxs.		Surface			
12 1/4"		9 5/8"		40#		3410'			1415' sxs.		surfa	
8 3/4"		5 1/2"		17#		11,651			2000 sxs.		1970	,
				 								<u> </u>
Describe the b	lowout pre		f this application gram, if any. Use				ne data	on the pre	esent productive zo	ne and propo	osed nev	w productive zone
produce fro So as not to Pool as an of established In addition, (CLEZ) pit	e Operation this zoo apply for offset we this pool please form for	one and co or a DHC Il lies dire in this ar ind: The I a closed	ontinue production for this well, ectly to the east earlie is provided	ction in the we request in 6-255 for your rushy Cand NMOCI	te Avalon San to that this well S-29E that pro- conveniance, ayon Procedur D's C-102.	ids of the il be place oduces from the to re-e	e Uppe ced in com th	er Bone the Nas is oil po nis well	n formation of Spring. sh Draw; Delaw ool. A copy of , a current well	vare/BS (A	Avalor der # 3	3697 that
of my knowle	dge and be	hef I furthe	n given above is ter certify that the guidelines , proved plan X.	e drilling pi	it will be	Approve	Jan	OIL (CONSERVA	ZIONE	OIVIS	ION
			7	(11)		A.		Took	"	ZPLa	NP CA	10C/
Printed name		Weeks 2	9-11-0-1	Wee	ac	Title.		1/	46/11-			7
Title.			pliance Spec.			Approv	al Date.	1//	4/05	Expiration	Date /	11411/
E-mail Addres	ss. linda.v	veeks@ch	ık.com									

Conditions of Approval Attached

High Chicago 12 State 1H Eddy County, New Mexico Recomplete Brushy Canyon Procedure

Date: January 7, 2009

Surface Location: 400' FSL & 350' FEL Sec. 12-T25S-R29E

Casing: 5 ½" 17# N-80, 0-11,651' ID – 4.892", Drift – 4.767", Burst 7,740 psi

PBTD/TD: 11,604'/11,651'

Current Perfs: Bone Springs "Avalon" Sand 7,668-11,410"

Proposed Perfs: Brushy Canyon 7,171-78'

Recommended Procedure:

1. MIRU PU. NU BOP.

- 2. POH w/ pump and rods.
- 3. Rig up wireline co. Perforate Brushy Canyon 7,171-78' (7') 4 spf (28 holes). This is at 38° inclination.
- 4. RIH w/ RBP and packer on tbg. Set RBP @ 7,225' (45° inclination) and dump 10' of sand on RBP. Pressure test RBP. Spot acid across perfs and pull packer up to 7,000'. Reverse acid back into tubing, and set packer. Acidize Brushy Canyon perfs with 2,000 gal 15% NEFE acid dropping 40 perf balls throughout job. Flow back acid job until well dies. Release packer and drop down through perfs to wipe balls off of perfs. POH w/ packer.
- 5. Frac Brushy Canyon perfs down casing per frac recommendation (anticipate 26,500# sand, 25 bpm). Flow back frac.
- 6. RIH w/ retrieving head on tbg. Wash sand off of RBP. POH w/ RBP.
- 7. RIH w/ 2 7/8" tubing w/ TAC and BHA. Set the TAC +/- 6,600' w/ the SN just below the kick off point of 6,700'
- 8. RIH w/ rod string as follows:

100 7/8 KD rods

133 3/4" KD rods

35 7/8" KD rods

1.5" pump to handle 144" stroke

9. ND BOP/NU WH. Rig down.

Current Wellbore Schematic



HIGH CHICAGO 12 STATE 1H

KB 3,173.00

Field: Delaware Basin North
County: EDDY
State: NEW MEXICO
Elevation: GL 3,155.00 KB 3,1
KB Height: 18.00

Location: SEC 12, 25S-29E, 400 FSL & 350 FEL

Spud Date: 4/21/2008 Initial Compl. Date: API #: 3001536223 CHK Property #: 620442 1st Prod Date: 7/29/2008 PBTD: Original Hole - 11603.8 TD: 11,651.0

\ Well Co	onfig: - Original Hole, 1/8/2009 2:50:5	54 PM	Well History	Event
,	Schematic - Actual		Date 7/8/2008	Event PERF Avalon Sand @ 10810-11, 10960-61, 11168-69, 11270-71,
uran wan wan wat wat wan and a see a s		A LE TIMER REGION L'ARTICLE RESEAU PAR L'ARTICLE L'ARTICLE L'ARTICLE L'ARTICLE L'ARTICLE L'ARTICLE L'ARTICLE L	7/9/2008	11410-11 w/ 6 jspf, 30 holes. ACDZ 10810-11410 w/ 5000 gal 15%
Original Hole, 17 1/2, 18, 680 13 3/8" 48# H-40 Surf Csg, 680 Cmt w/ 705 sx, circ 184 sx to pit, 680 Original Hole, 12 1/4, 680, 3,410 TOC (Calc), 2,900		Tubing, 2 7/8, 6,583, 8.70, N-80 、		NeFe. FRAC 10810-11410 w/ 203868 gal B-Frac 25 X link gel w/ 300100# 20/40 White sd & 50040# 16/30 Super LC. CBP @ 10750'. PERF Avalon Sand @ 9572-10600 w/ 6 jspf, 30 holes. FRAC w/ 3000 gal 15% NeFe, 182616 gal B Frac 25 X link gel w/ 299680# Ottawa sd & 50020# 16/30 Super LC, Flush w/ 266 bbls 25# Linear Gel. CBP @ 9192'. PERF Avalon @ 8560-9060 w/ 6 jspf, 30 holes. FRAC w/ 3000 ga; 15% NeFe, 200886 gal B Frac X link gel w/ 300120# 20/40 Ottawa sd & 49640# 16/30 Super LC, Flush w/ 210 bbl 25% Linear gel. CBP @ 8500'. PERF Avalon Sand @ 7668-8383 w/ 6 jspf, 30 holes. FRAC w/ 3000 gal 15% NeFe, 226590
9 5/8" 40# J-55 Inter Csg,				gal B Frac 25 X link gel, 301240# 20/40 Ottawa sd & 49340# 16/30 Super LC,
3,410			7/18/2008	Flush w/ 194 bbls 25# Linear gel. DO CBP's.
Cmt Lead w/ 1100sx & tail w/ 315sx. Circ 511sx to pit,			7/24/2008	Tubing - Production set at 6,665.0ftKB on 7/24/2008
3,410			10/18/2008	Tubing - Production set at 6,665.0ftKB on 10/18/2008
		Seat Nipple: Cup Type, 2 7/8, 6,584		
		— Tubing Sub, 2 7/8, 6,590		
		ESP - Pump, 4, 6,618		
		ESP - Rotary Gas Seperator, 4, 6,623		
		ESP - Seal Section, 4, 6,634		
Kick off Point, 6,675		ESP - Motor, 4, 6,665		
Original Hole, 8 3/4, 3,410, 11,651				
		— 8,570, 9,060, 7/14/2008		,
		•		
		9,572, 10,600, 7/14/2008		
		10,810, 11,410, 7/8/2008		
PBTD, 11,604				
5 1/2" 17# N-80 Prod Csg, 11,651 TD, 11,651 Cmt 2,000sx Super H, 11,651				
				Report Printed: 1/8/2

State of New Mexico

DISTRICT 1 1625 N. YICKNEH DE TOBIET, NW

Fineray, Minerala and Natural Resources Department

DISTRICT II

DISTRÎCT III 1000 Rio Braxus Rd., Aztec, NM 87410

2 1220 S. ST. FRANCIS DR. BANTA FE. NK 11750

OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe. New Mexico 87505

Revised October 12, 2005 Appropriate Histrict Office

State Lease - 4 Copies Pec Lease J Copies

DISTRICT IV

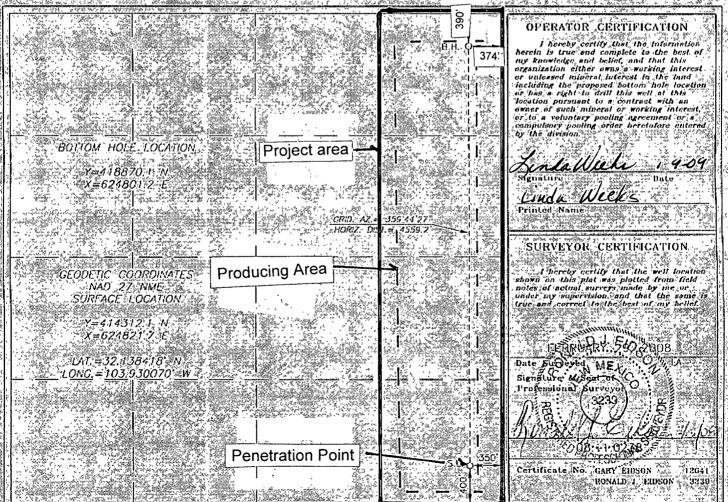
WELL LOCATION AND ACREAGE DEDICATION PLAT

4	All Number Calcol Code Pool No 30-015-36223 47545 Nash Draw; De1/BS (Cav	
	Property Code: Property Name 37.066 HIGH CHICAGO 12 STATE	Well-Number 11-
	OGRID No. Operator Name 1/74/70 CHESAPEAKE OPERATING, INC.	Gelevation 3155
	Surface location	

15 V. 20.54
19 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
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A SHOW FRANCE
2 L 1994 S.
S (2)

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5	UL pr lot	No. Section	Township	Range	ddn Fe	eet from the	North/South	line Fe	et from the	Enst/West line	County
100	SPECIAL WAY	1 THE TANK OF THE PROPERTY.	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	3.25 中28 M 34 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	J. L. R. S. S. S. L. S. S. S. S.	公室对方为人员	"我没有我的一	2 30 18	12 A. T. 12 A.	Apple of the family	上生。基础。
34	A Section	TENERAL 2 😘	1- 25年S』	729.÷E ₹	480 JE 3 474	`" 350 હેંગ	H&‱NORT		350	≛#UEAST JE	LEDDY.2
3.	A . + " de Barlos			Salar of the Late		CHEST COLORS	e e was tented ther.	Lather Late X am	Latin are a 288	The Control of the control	. The Control
S	Dedicated	Acres Toint o	r Infill &Con:	nalidation Code	Order	No. 3 301 30	MARKET STANKE			and the state of the state of	第三式的第三人称单
1			TAPITA GAMA	PERMITTED AND STATE	(a) Colombia (c)	JAN AK					
40	Carried Street	14.00 (10 14.11.100 17 to	57 T. T. Caralles 1884 N. O. T.		THE PROPERTY OF A	THE PARTY STATE SAME AS	MARKET LAND TO THE PROPERTY.	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		The State of the Court of the C	* .35 F 36 A 6274.6

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Administrative Order DHC-3697

Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210

Attention: Margrethe Hotter

Ohkay BHH State Well No. 1 API No. 30-015-34551 Unit D, Section 6, Township 25 South, Range 30 East, NMPM, Eddy County, New Mexico Undesignated Nash Draw-Delaware/Bone Spring (47545), and Wildcat-Bone Spring (96053) Pools

Dear Ms. Hotter:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable to the well and allocation of production from the well shall be done after testing of all intervals to be commingled. The applicant shall submit the allocation percentages to the Division within 60 days following completion of this workover.

REMARKS: The operator shall notify the Artesia District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on April 25, 2006.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

MARK E. FESMIRE, P.E.

Director

cc: Oil Conservation Division – Artesia

State Land Office - Oil, Gas, and Minerals Division