

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

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

APPLICATION TYPE
Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Chesapeake Operating, Inc. P. O. Box 11050 Midland, TX 79702-8050
Operator Address
Spruce 10 State 001 O, Sec. 10, T19S, R23E Eddy
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 147179 Property Code API No. 30-015-33002 Lease Type: Federal X State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Undes;Upper Penn	Undes;Canyon Sand	Undes;CanyonAtoka Sand
Pool Code			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6404 - 6686	7154 - 66	7631 - 60
Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1050	1050	1050
Producing, Shut-In or New Zone	New	New	
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 01/24/2005 *Rates: 10 MCF 0 BO 2 BW	Date: 01/10/2005 Rates: 10 MCF, 0 BO, 18 BW	Date: 01/04/2005 Rates: 5 MCF, 0 BO, 1 BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas % 40 %	Oil Gas % 40 %	Oil Gas % 20 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No
Are all produced fluids from all commingled zones compatible with each other? Yes X No
Will commingling decrease the value of production? Yes No X
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No
NMOCD Reference Case No. applicable to this well:

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication. Attached
Production curve for each zone for at least one year. (If not available, attach explanation.) New Production
For zones with no production history, estimated production rates and supporting data. *Well Test per Above.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases. -
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Brenda Coffman TITLE Regulatory Analyst DATE 05/05/2005
TYPE OR PRINT NAME Brenda Coffman TELEPHONE NO. () (432)687-2992 X 6032
E-MAIL ADDRESS bcoffman@chkenergy.com

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OIL CONSERVATION DIVISION

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Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-33002		² Pool Code	³ Pool Name Undes; Canyon Atoka Sand
⁴ Property Code	⁵ Property Name Spruce 10 State		⁶ Well Number 001
⁷ OGRID No. 147179	⁸ Operator Name Chesapeake Operating, Inc.		⁹ Elevation

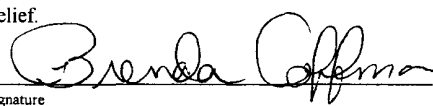
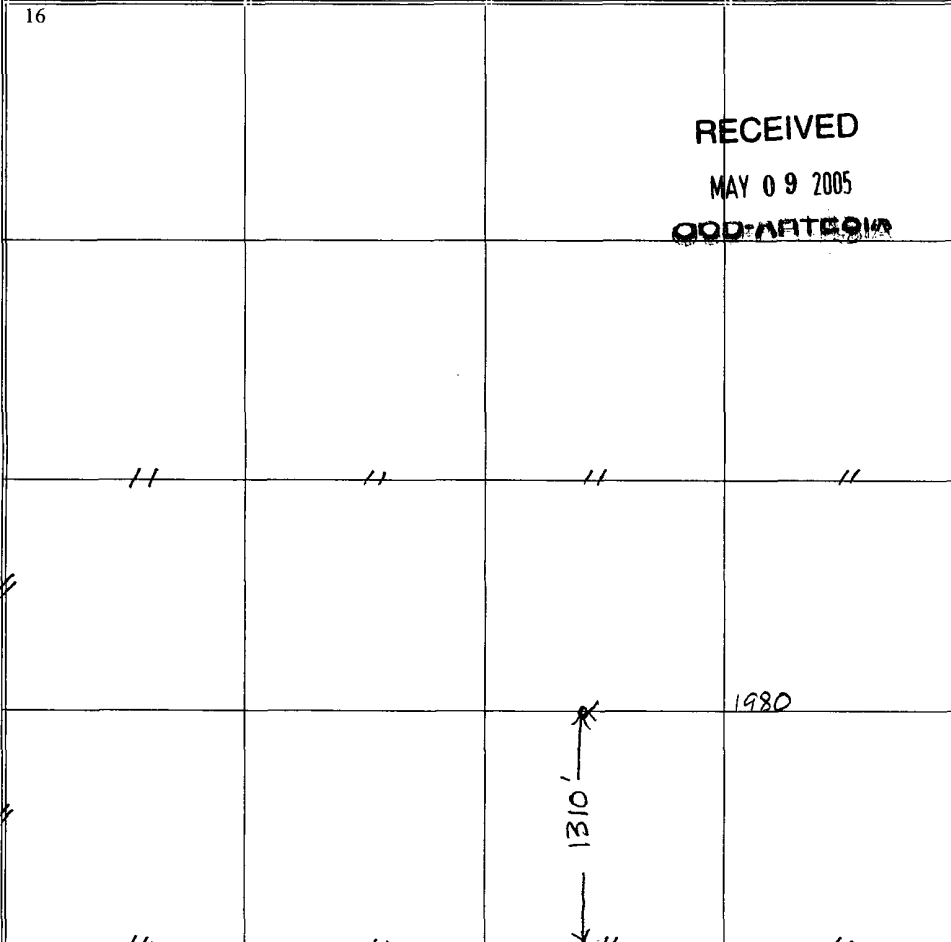
¹⁰ Surface Location

UL or lot no. O	Section 10	Township 19S	Range 23E	Lot Idn	Feet from the 1310	North/South line South	Feet from the 1980	East/West line East	County Eddy
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No.					

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

16	<p style="text-align: center;">RECEIVED MAY 09 2005 ODD-ARTESIA</p>				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature
					Brenda Coffman Printed Name Regulatory Analyst bcoffman@chkenergy.com Title and E-mail Address
					05/05/2005 Date
					18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
					Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

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1 API Number 30-015-33002		2 Pool Code		3 Pool Name Undes; Upper Penn		
4 Property Code		5 Property Name Spruce 10 State			6 Well Number 001	
7 OGRID No. 147179		8 Operator Name Chesapeake Operating, Inc.			9 Elevation	

10 Surface Location

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16	<p style="text-align: center;">RECEIVED MAY 09 2005 OIL CONSERVATION DIVISION</p>				17 OPERATOR CERTIFICATION	
					I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
					<p style="text-align: center;"><i>Brenda Coffman</i></p> <p>Signature</p>	
					<p>Brenda Coffman</p> <p>Printed Name</p> <p>Regulatory Analyst</p> <p>bcoffman@chkenergy.com</p> <p>Title and E-mail Address</p>	
<p style="text-align: center;">1980'</p> <p style="text-align: center;">1310'</p>				18 SURVEYOR CERTIFICATION		
				I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.		
				<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>		
				<p>Certificate Number</p>		

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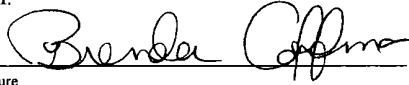
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16	<p style="text-align: center;">RECEIVED MAY 09 2005 OPERATIONS</p>				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Brenda Coffman Printed Name Regulatory Analyst bcoffman@chkenergy.com Title and E-mail Address 05/05/2005 Date
					18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

Handwritten notes on the plat: 1980 (horizontal distance), 1310' (vertical distance), and diagonal lines indicating survey points.