

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505



WELL API NO. 30-015-22754
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Culebra Bluff SWD
8. Well Number 1
9. OGRID Number 147179
10. Pool name or Wildcat SWD; Delaware

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other SWD Well	
2. Name of Operator Chesapeake Operating, Inc.	DEC 12 2008
3. Address of Operator P.O. Box 18496 Oklahoma City, OK 73154-0496	OCD-ARTESIA
4. Well Location Unit Letter <u>E</u> : <u>1980'</u> feet from the <u>North</u> line and <u>860'</u> feet from the <u>West</u> line Section <u>2</u> Township <u>23 S</u> Range <u>28 E</u> NMPM County <u>Eddy</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3008.5 GR	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Injection Pressure Increase (IPI) ☒

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Chesapeake Operating, Inc. respectfully request to increase the injection pressure for this well (SWD-481).
For your review, please find the attached application letter along with step rate test information.
A copy of this application has been submitted to the Artesia New Mexico Oil Conservation Division office.

ACCEPTED FOR RECORD

DEC 12 2008

Gerry Guye, Deputy Field Inspector
NMOCD-District II ARTESIA

Spud Date:

Rig Release Date:

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

SIGNATURE Linda Good TITLE Sr. Reg. Compliance Specialist DATE 12/09/2008

Type or print name Linda Good E-mail address: linda.good@chk.com PHONE: (405)767-4275

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS
 WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☒ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Linda Good
 Print or Type Name

Linda Good
 Signature

Regulatory Comp. Spec
 Title

12/9/08
 Date

 e-mail Address

November 24, 2008

Will Jones
NMOCD
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Jones,

Chesapeake Energy respectfully requests to increase the injection pressure on the Culebra Bluff SWD #1. This SWD has been active since 1992 and a step rate test has not been performed since 1992. Please see the information below for a summary of the current pressure limitation for the Culebra Bluff SWD #1.

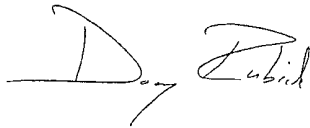
Well	API	Current Inj Press Limit	Order	Order Date	Comments
Culebra Bluff SWD #1	3001522754	860	SWD-481	7/8/1992	Administrative Order based on 0.2 psi/ft

A step rate test was performed on the Culebra Bluff SWD #1 on June 25th, 2008. The test results indicate there is room for an increase in maximum injection pressure. Results from the step rate test are attached and summarized in the table below.

Well	API	Fracture Pressure	Requested Inj Press Limit	Date SRT Ran
Culebra Bluff SWD #1	3001522754	1,502	1,452	6/25/2008

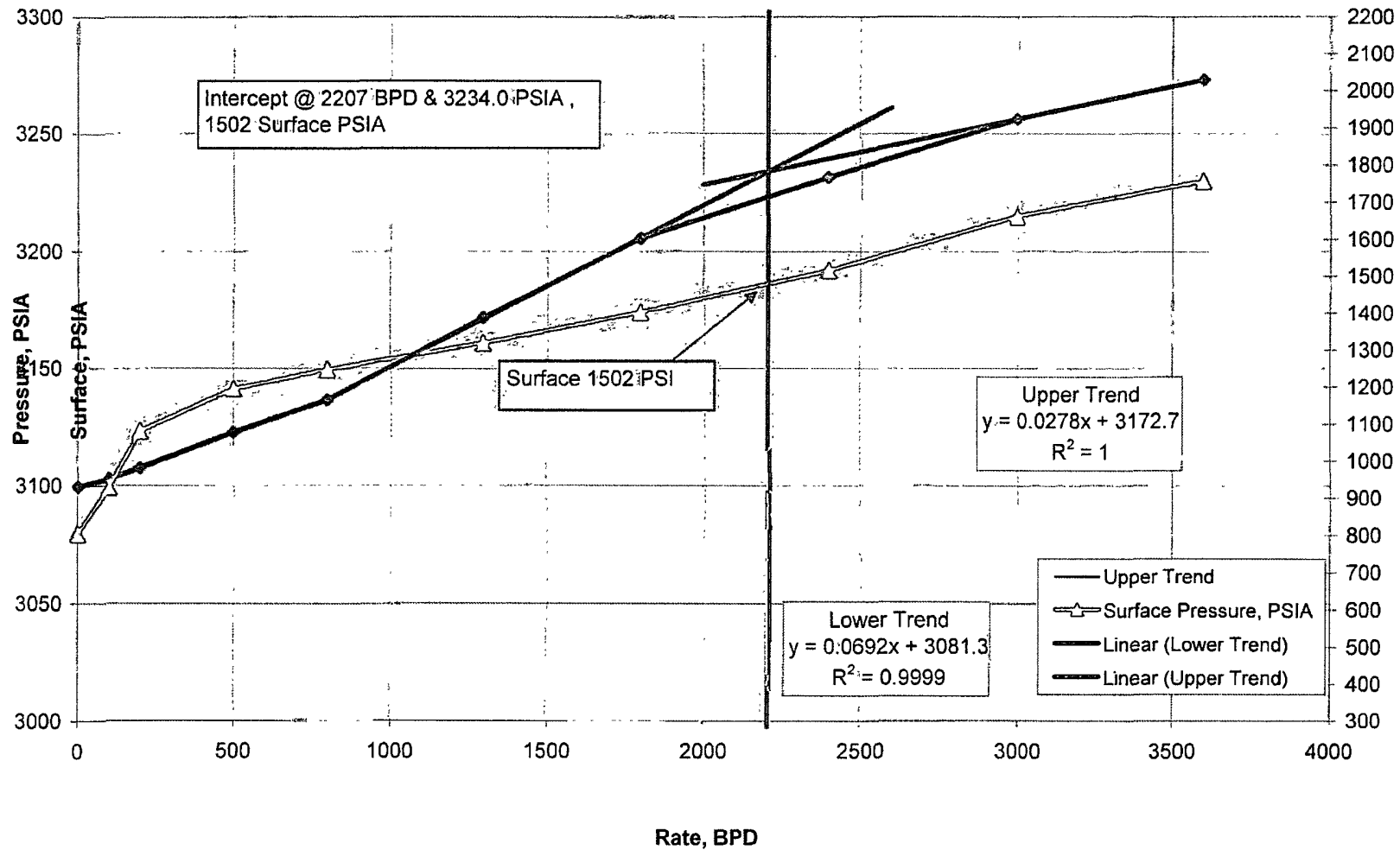
Should you require further information or have any questions, please call Doug Rubick at 405-208-3185.

Sincerely,



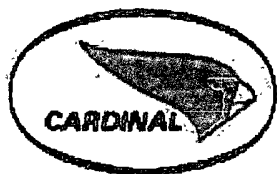
Doug Rubick
Field Engineer

Chesapeake Energy Corp. Culebra Bluff SWD # 1
Step Rate Test 06-24-2008



Step Rate Test

Chesapeake Energy
Culebra Bluff SWD # 1
Field:
Eddy County, NM



	S Time	E Time	D Time Min	Last Rate BPD	Step BPD	B. H. Pressure PSIA	Surf PSIA	Cum BBL	Delta BBL	Avg. BPD	Lower Trend	Upper Trend
1	8:50 AM	9:00 AM	10	0	0	3099.6	805.2	0	0	0		
2	9:00 AM	10:00 AM	60	100	100	3103	928.8	5.4	5.4	130		
3	10:00 AM	11:00 AM	60	200	100	3107.6	1081.3	13.5	8.1	194		
4	11:00 AM	12:00 PM	60	500	300	3122.7	1195.1	34.9	21.4	514		
5	12:00 PM	1:00 PM	60	800	300	3136.5	1247.5	66.8	31.9	766	3136.5	
6	1:00 PM	2:00 PM	60	1300	500	3171.6	1318.5	120.6	53.8	1291	3171.6	
7	2:00 PM	3:00 PM	60	1800	500	3205.7	1402.3	197.4	76.8	1843	3205.7	
8	3:00 PM	4:00 PM	60	2400	600	3231.6	1516.1	296.3	98.9	2374		
9	4:00 PM	5:00 PM	60	3000	600	3256.2	1661.1	423.5	127.2	3053		3256.2
10	5:00 PM	6:00 PM	60	3600	600	3272.9	1755.6	569.4	145.9	3502		3272.9
11	6:00 PM	6:15 PM	15	0	-3600	3222.5	1294.7	569.4	0	0		

0.0692 3081.3
0.0278 3172.7

int point: 2207.7295 BPD
3234.0749 Psia