

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No NMNM56263
2. Name of Operator CHESAPEAKE OPERATING INC / Contact: LINDA GOOD E-Mail: lgood@chkenergy.com		6. If Indian, Allottee or Tribe Name
3a. Address P O BOX 18496 OKLAHOMA CITY, OK 73154-0496	3b. Phone No (include area code) Ph: 405.767.4275 Fx: 405.753.5469	7. If Unit or CA/Agreement, Name and/or No. NMNM117035
4. Location of Well (Footage, Sec., T, R, M., or Survey Description) Sec 28 T19S R34E NWSW 1980FSL 660FWL / Unit L		8. Well Name and No CODORNIZ 28 FEDERAL 02 /
		9. API Well No. 30-025-36196-00-S1 /
		10. Field and Pool, or Exploratory QUAIL RIDGE /
		11. County or Parish, and State LEA COUNTY, NM /

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Water Disposal	

13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

PLEASE FIND THE ATTACHED SALT WATER DISPOSAL INFORMATION.

(CHK PN 890781)

**RECEIVED**

MAR 26 2008

**HOBBS OCD**

14 I hereby certify that the foregoing is true and correct <b>Electronic Submission #58694 verified by the BLM Well Information System</b> <b>For CHESAPEAKE OPERATING INC, sent to the Hobbs</b> <b>Committed to AFMSS for processing by KURT SIMMONS on 02/20/2008 (08KMS0415SE)</b>	
Name (Printed/Typed) LINDA GOOD	Title FEDERAL REGULATORY ANALYST
Signature (Electronic Submission)	Date 02/20/2008

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By JAMES A AMOS	Title SUPERVISOR EPS	Date 03/24/2008
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon		Office Hobbs

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

ATTACHMENT TO INCIDENT OF NON COMPLIANCE NUMBER KAH-010-08

### WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

1. Names(s) of all formation(s) producing water on the lease.  
Morrow
2. Amount of water produced from all formations in barrels per day.  
10 BWPD
3. A Current water analysis of produced water from all zones showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates. - See Attached
4. How water is stored on the lease.  
Well #2: 250 Bbl FG open top. Well #3: 300 Bbl FG closed tank.
5. How water is moved to the disposal facility.  
By transport
6. Identify the Disposal Facility by:
  - A. Facility Operator Name Chesapeake
  - B. Name of facility of well name & number Texaco Fed Com #2 SWD
  - C. Type of facility of well (WDW)(WIW), etc. WDW
  - D. Location by 1/4, 1/4, Section, Township and Range 1980 FNL \* 2310 FEL S14-19S-33E
7. Attach a copy of the State issued permit for the Disposal Facility. - Attached

Submit all of the above required information to this office, 414 West Taylor, Hobbs, NM 88240, on a Sundry Notice Form 3160-5, 1 Original and 5 copies, within the required time frame. (This form may be used as an attachment to the Sundry Notice.) Call (505) 393-3612 if you need to further discuss this matter.

709 W. INDIANA  
MIDLAND, TEXAS 79701  
FAX (432) 682-8819

208-49

LABORATORY NO. 2-5-08  
SAMPLE RECEIVED 2-6-08  
RESULTS REPORTED

COMPANY Chesapeake LEASE Codorniz 28 Fed  
FIELD OR POOL \_\_\_\_\_  
SECTION \_\_\_\_\_ BLOCK \_\_\_\_\_ SURVEY \_\_\_\_\_ COUNTY Lea STATE NM  
SOURCE OF SAMPLE AND DATE TAKEN:  
NO. 1 Cordoniz 28 Fed #2. 2-4-08  
NO. 2 Cordoniz 28 Fed #3. 2-4-08  
NO. 3 \_\_\_\_\_  
NO. 4 \_\_\_\_\_

## REMARKS:

[illegible]

Form No. 3

By Greg Ogden, B.S.



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

***AMENDED ADMINISTRATIVE ORDER SWD-483***

**APPLICATION OF MANZANO OIL CORPORATION FOR SALT WATER DISPOSAL,  
LEA COUNTY, NEW MEXICO**

**ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Rule 701(B), Manzano Oil Corporation made application to the New Mexico Oil Conservation Division on June 22, 1992, for permission to complete for salt water disposal its Texaco Federal No. 2 located 1990 feet from the North line and 2310 feet from the East line (Unit G) of Section 14, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico.

**THE DIVISION DIRECTOR FINDS THAT:**

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

**IT IS THEREFORE ORDERED THAT:**

- (1) The applicant herein, Manzano Oil Corporation is hereby authorized to complete its Texaco Federal No. 2 located 1990 feet from the North line and 2310 feet from the East line (Unit G) of Section 14, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Delaware formation at approximately 6260 feet to 7811 through 2 7/8 inch plastic lined tubing set in a packer located at approximately 6310 feet.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 1252 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Delaware formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

*Amended Administrative Order SWD-483*

*Manzano Oil Corporation*

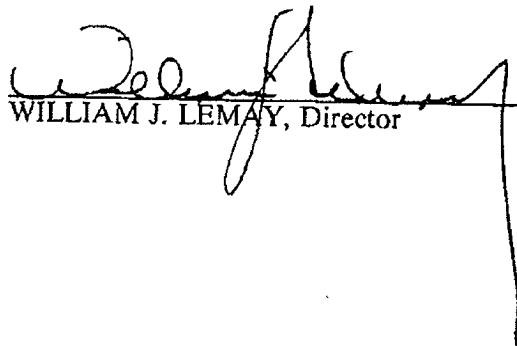
*April 29, 1993*

*Page 3*

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The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on this 29th day of April, 1993.

  
WILLIAM J. LEMAY, Director

xc:   OCD - Hobbs  
      BLM - Carlsbad