

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTRECEIVED  
SEP 16 2009  
HOBBSOCDFORM 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<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other |   | 5. Lease Serial No.<br>NMNM54882                  |
| 2. Name of Operator<br>CHESAPEAKE OPERATING INC  |   | 6. If Indian, Allottee or Tribe Name              |
| Contact LINDA GOOD<br>E-Mail linda.good@chk.com  |   | 7. If Unit or CA/Agreement, Name and/or No        |
| 3a. Address<br>P O BOX 18496<br>OKLAHOMA CITY, OK 73154-0496   | 3b. Phone No. (include area code)<br>Ph: 405-935-4275 | 8. Well Name and No.<br>Multiple--See Attached    |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>Multiple--See Attached                                 |   | 9. API Well No.<br>Multiple--See Attached         |
|  |   | 10. Field and Pool, or Exploratory<br>TONTON      |
|  |   | 11. County or Parish, and State<br>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 recompletable 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 recompletable 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 WATER DISPOSAL INFORMATION SHEET, WATER ANALYSIS AND THE TEXACO FEDERAL 2 SWD ORDER PER REQUEST BY PAT HUTCHINS WITH THE BLM.

WYNELL FEDERAL WELLS DISPOSING IN TEXACO FEDERAL 2 SWD.


WYNELL FEDERAL 2 30-025-35105 1700 FNL 330 FEL, SENE ✓  
WYNELL FEDERAL 3 30-025-35718 990 FNL 1650 FEL, NWNE ✓  
WYNELL FEDERAL 4 30-025-35719 800 FNL 660 FEL, NENE ✓  
WYNELL FEDERAL 5 30-025-37065 1800 FNL 2010 FEL, SWNE ✓

(CHK PN 890803, 890804, 890805 & 890885)

SWD-483

|   |                                      |
|---|--------------------------------------|
| 14. I hereby certify that the foregoing is true and correct<br>Electronic Submission #73754 verified by the BLM Well Information System<br>For CHESAPEAKE OPERATING INC, sent to the Hobbs<br>Committed to AFMSS for processing by KURT SIMMONS on 08/28/2009 (09KMS1052SE) |                                      |
| Name (Printed/Typed) LINDA GOOD   | Title SR. REGULATORY COMPLIANCE SPEC |
| Signature (Electronic Submission)   | Date 08/28/2009                      |

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

|  |   |                 |
|--|---|-----------------|
| Approved By <b>ACCEPTED</b>   | MYLES KRISTOF<br>Title PETROLEUM ENGINEER | Date 09/14/2009 |
| 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 \*\*

# Additional data for EC transaction #73754 that would not fit on the form

## Wells/Facilities, continued

| Agreement | Lease     | Well/Fac Name, Number | API Number         | Location  |
|-----------|-----------|-----------------------|--------------------|---|
| NMNM54882 | NMNM54882 | WYNELL FED 2          | 30-025-35105-00-S1 | Sec 15 T19S R33E SENE 1700FNL 330FEL<br>32 66277 N Lat, 103 64346 W Lon |
| NMNM54882 | NMNM54882 | WYNELL FED 3          | 30-025-35718-00-S1 | Sec 15 T19S R33E NWNE 990FNL 1650FEL                                    |
| NMNM54882 | NMNM54882 | WYNELL FED 4          | 30-025-35719-00-S1 | Sec 15 T19S R33E NENE 800FNL 660FEL                                     |
| NMNM54882 | NMNM54882 | WYNELL FEDERAL 5      | 30-025-37065-00-S1 | Sec 15 T19S R33E SWNE 1800FNL 2010FEL                                   |

Unit-H ✓  
Unit-B ✓  
Unit-A ✓  
Unit-G ✓

Pat Hatcherins (BUN) *Kenley Federal 2 SW 14*  
(575) 391-6679 *Kenley Federal 2 SW 14*

ATTACHMENT to Incident of Noncompliance number \_\_\_\_\_

The following information is needed before your disposal of produced water can be approved, Onshore Oil & Gas Order # 7.

- 1.- Name(s) of all formation(s) producing water on the lease. *Seven Rivers*
- 2.- Amount of water produced from all formations in barrels per day. *10 BOPD*
- 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.
- 4.- How water is stored on the lease. *250 bbl PG Open top*
- 5.- How water is moved to the disposal facility. *Trucked*
- 6.- Identify the Disposal Facility by :
  - A.- Operators name. *Chase Petroleum*
  - B.- Well name. *Kenley Federal 2 SW 14*
  - C.- Well type and well number. *(SWDW) (WIW)*
  - D.- Location by 1/4 1/4, section, township, & range. *SW NE 14*
- 7.- A copy of the Underground Injection Control Permit - issued for the injection well by the Environmental Protection Agency or New Mexico Oil Conservation Division where the State has achieved primacy. *195 33E*

Submit all the above required information, to this office, on a Sundry Notice form 3160-5 in triplicate within the required time frame.



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

*CORRECTED*  
**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 ~~6410~~ feet through 2 7/8 inch plastic lined tubing set in a packer located at approximately 6310 feet.

6260

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 ~~1282~~ <sup>1252</sup> 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.

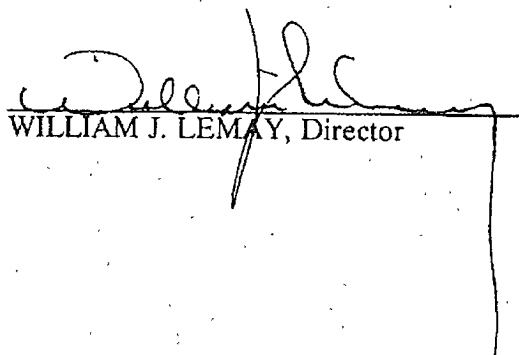
The operator shall submit monthly reports of the disposal operations in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

*Amended Administrative Order SWD-483*  
*Manzano Oil Corporation*  
*April 14, 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 14th day of April, 1993.

  
WILLIAM J. LEMAY, Director

xc:   OCD - Hobbs  
      BLM - Carlsbad



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

May 16, 1997

Manzano Oil Corporation  
P.O. Box 2107  
Roswell, New Mexico 88202-2107

Attn: Mr. David Sweeney

**RE: Injection Pressure Increase,  
Texaco Federal SWD Well No.2,  
Lea County, New Mexico**

Dear Mr. Sweeney:

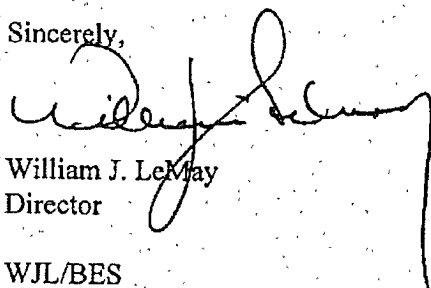
Reference is made to your request dated March 5, 1997 to increase the surface injection pressure on the above referenced well. This request is based on a step rate test conducted on February 18, 1997. The results of the test have been reviewed by my staff and we feel an increase in injection pressure on this well is justified at this time.

You are therefore authorized to increase the surface injection pressure on the following well:

| <i>Well and Location</i>  | <i>Maximum Surface Injection Pressure</i> |
|---|---|
| Texaco Federal SWD Well No.3  | 1772 PSIG                                 |
| Located in UL 'G' of Section 14, Township 19 South, Range 33 East,<br>Lea County, New Mexico. |   |

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected water is not being confined to the injection zone or is endangering any fresh water aquifers.

Sincerely,

  
William J. LeMay  
Director

WJL/BES

cc: Oil Conservation Division - Hobbs  
Files: SWD-483; PSL-X 3rdQTR97



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

June 4, 1996

Manzano Oil Corporation  
P.O. Box 2107  
Roswell, New Mexico 88202-2107

Attn: Mr. David Sweeney

**RE: Injection Pressure Increase, Texaco Federal (SWD) Well No.2  
Lea County, New Mexico**

Dear Mr. Sweeney:

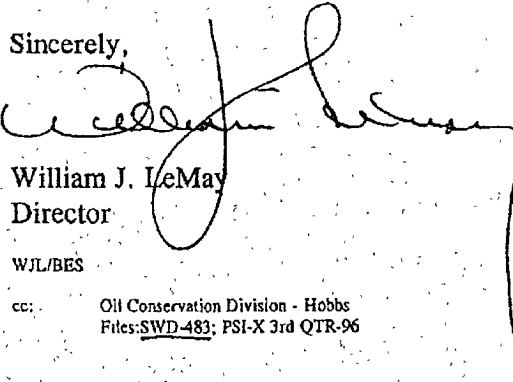
Reference is made to your request dated March 27, 1996 to increase the surface injection pressure on the above referenced well. This request is based on a step rate test conducted on March 22, 1996. The results of the test have been reviewed by my staff and we feel an increase in injection pressure on this well is justified at this time.

You are therefore authorized to increase the surface injection pressure on the following well:

| <i>Well and Location</i>   | <i>Maximum Surface<br/>Injection Pressure</i> |
|--|---|
| Texaco Federal (SWD) Well No.2   | 1620 PSIG                                     |
| Located in Unit Letter 'G', Section 14, Township 19 South,<br>Range 33 East, Lea County, New Mexico. |   |

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected water is not being confined to the injection zone or is endangering any fresh water aquifers.

Sincerely,

  
William J. LeMay  
Director

WJL/BES

cc: Oil Conservation Division - Hobbs  
Files:SWD-483; PSI-X 3rd QTR-96



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

LABORATORY NO. 809-173  
SAMPLE RECEIVED 8-20-09  
RESULTS REPORTED 8-24-09