

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

**APPLICATION OF CHESAPEAKE OPERATING, INC.
FOR A HIGH ANGLE/HORIZONTAL DIRECTION
LEA COUNTY, NEW MEXICO**

ADMINISTRATIVE APPLICATION

Comes now Chesapeake Operating, Inc. ("Chesapeake"), by and through its attorneys, Kellahin & Kellahin, and in accordance with Division Rule 111.D, applies to the New Mexico Oil Conservation Division for approval for a Directional Wellbore for its Lovington 5 Well No. 1 (**API # 30-0-_____**) to be drilled from a standard surface location 2190 feet from the South line and 810 feet from the West line of Irregular Section 4, T16S, R36E, NMPM, to a standard subsurface location 2310 feet from the South line and 750 feet from the East line of Irregular Section 5, T16S, R36E, NMPM, and in support states:

(1) Chesapeake is the proposed operator for the NE/4SE/4 of Irregular Section 5, T16S,, R36E, NMPM, Lea County, New Mexico.

(2) Chesapeake is also the offset operator for all 40-acre spacing units adjacent to the NE/4SE/4 of Irregular Section 5, T16S,, R36E, NMPM, Lea County, New Mexico and therefore no offset notifications have been sent.

(3) Chesapeake desires to drill a well within near the City of Lovington to test for oil production from the Strawn formation underlying a 40-acre oil spacing unit being the NE/4SE/4 of Irregular Section 5, T16S, R36E, NMPM but is unable to find an acceptable surface locations in that 40-acre spacing unit due to zoning regulations adopted by the Lovington-Lea County Extraterritorial Zoning Authority, New Mexico.