



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

August 7, 1997

Chesapeake Operating Inc.  
P. O. Box 18496  
Oklahoma City, Oklahoma 73154-0496

SUBJECT: Division Order R-10848

Gentlemen:

According to the provisions of Division Order R-10848, retroactive to April 3, 1997, special rules and regulations are assigned to the Northeast Shoe Bar-Strawn Pool, which include the following:

1. A standard proration unit to be 80 acre, consisting of the N/2, S/2, W/2 or the E/2 of a governmental quarter section.
2. Only one well to be located on a standard proration unit.
3. No well to be located nearer than 330 feet to a quarter/quarter section line.

The request for an allowable of 445 barrels of oil per day and a discovery allowable for the Chambers 7 Well No. 1 located in Unit H of Section 7, Township 16 South, Range 36 East, has been denied.

In order to comply with the provisions of R-10848, we request that you submit a new Form C-102, dedicating 80 acres for a standard proration unit, or to request and receive approval for a non-standard proration unit, for your Chambers 7 Well No. 1 and the Alston 8 Well No. located in Unit L of Section 8, Township 16 South, Range 36 East. The C-102's or approval for the non-standard proration units are to be received in this office no later than October 7, 1997.

Very truly yours

OIL CONSERVATION DIVISION

Chris Williams  
Supervisor, District I

CW:bp

File