



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

December 23, 1997

Donna

Chesapeake Operating, Inc.
P. O. Box 18496
Oklahoma City, Oklahoma 73154-0496
Attention: Mike Hazlip

Administrative Order NSL-3921

Dear Mr. Hazlip:

Reference is made to your application dated December 15, 1997 for an exception to the "Special Rules and Regulations for the Northeast Lovington-Pennsylvanian Pool," as promulgated by Division Order No. R-3816, as amended, requesting authorization to drill your proposed Lorena "1" Well No. 1 (API No. 30-025-34230) at an unorthodox oil well location 2927 feet from the South line and 1104 feet from the East line (Lot 16/Unit P) of irregular Section 1, Township 16 South, Range 36 East, NMPM, Undesignated Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico.

Lots 15 and 16 of said Section 1 being a standard 80-acre oil spacing and proration unit for said pool is to be dedicated to said well.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

The geologic interpretation submitted with this application indicates that a well drilled to the south and west of the nearest location considered "standard" in Lot 16 of said Section 1 will be at a more favorable geologic position within the Strawn formation of the Pennsylvanian system underlying the subject 80-acre tract.

By the authority granted me under the provisions of RULE 5 of said special pool rules and Division General Rule 104.F(2), the above-described unorthodox oil well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs