



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

FOR RECORD ONLY

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenberg
Director
Oil Conservation Division

ADMINISTRATIVE ORDER DHC-2998

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

Attention: Mr. Andrew McCalmont

Boycott No. 2021223-123456789
API No. 30-025-35005
Unit A, Section 15, Township 16 South, Range 35 East, NMPM,
Lea County, New Mexico.
Undesignated Townsend - Permo Upper Penn (Oil - 59847),
Northwest Shoebar - Strawn (Oil - 56280) Pools

Dear Mr. McCalmont:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.(1), each of the commingled pools shall be allowed to produce up to the top oil allowable and top casing head gas allowable applicable for that pool.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

NW Shoebar - Strawn Pool	Oil-100%	Gas-97%
Townsend - Permo Upper Penn Pool	Oil-0%	Gas-3%

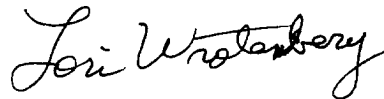
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REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 2nd day of April 2002.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

SEAL

LW/WVJ

cc: Oil Conservation Division – Hobbs ✓

