

11-4

FILED

OCT 17 2019

BEFORE THE CORPORATION COMMISSION
OF THE STATE OF OKLAHOMA

COURT CLERK'S OFFICE - OKC
CORPORATION COMMISSION
OF OKLAHOMA

APPLICANTS: CHESAPEAKE OPERATING, L.L.C. AND)
 CHESAPEAKE EXPLORATION, L.L.C.)
)
RELIEF SOUGHT: WELL LOCATION EXCEPTION)
)
LEGAL DESCRIPTION: SECTION 16)
 TOWNSHIP 18 NORTH)
 RANGE 6 WEST OF THE IM)
 KINGFISHER COUNTY, OKLAHOMA)

Cause CD No.

201905151

APPLICATION

1. Parties:

1.1. Applicants herein are Chesapeake Operating, L.L.C. and Chesapeake Exploration, L.L.C., whose address for the purposes hereof is P.O. Box 54768, Oklahoma City, Oklahoma 73154-1768. The landman for Applicants is **Kate Ivey**, P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496, Telephone: **(405) 935-4879**.

1.2. Applicants are each the owner of the right to drill a well into and produce hydrocarbons from the Oswego common source of supply underlying the 640-acre horizontal drilling and spacing unit comprised of Section 16, Township 18 North, Range 6 West of the IM, Kingfisher County, Oklahoma.

1.3. The name and last-known address of operators, other than Applicants, of a well or wells currently completed in or producing from the common source of supply involved herein on one or more of the tracts of land or drilling and spacing units adjoining or cornering said Section 16, toward which the location of the well covered hereby is proposed to be moved, are set forth in Exhibit "A" attached hereto and made a part hereof.

1.4. The name of the operator(s) and well or wells currently completed in or producing from the common source of supply involved herein on one or more of the tracts of land or drilling and spacing units adjoining or cornering said Section 16, toward which the location of the well covered hereby is proposed to be moved, are set forth below:

Operator	Well Name	Legal Description
Chesapeake Operating, LLC.	Anderson 21-18-6 3H Wesley 28-18-6 1HC	Section 21, Township 18 North, Range 6 West, Kingfisher County, Oklahoma
Teocalli Exploration, LLC.	William Lee 1	Section 21, Township 18 North, Range 6 West, Kingfisher County, Oklahoma
Spess Oil Company, Inc.	Melvin 1	Section 9, Township 18 North, Range 6 West, Kingfisher County, Oklahoma

2. Allegations of Fact:

OKLA CORP COMM
 RECEIPT 2003420097
 Date: 10/17/2019 Time: 13:13
 Case: 201905151 CD Cashier: SSA
 Payer: CHESAPEAKE OPERATING
 Check: 7591 \$200.00
 23 ONG FILING FEE

2.1. By Order No. 681962, dated August 23, 2018, the Commission formed a 640-acre horizontal drilling and spacing unit in Section 16, Township 18 North, Range 6 West of the IM, Kingfisher County, Oklahoma, for the Oswego common source of supply. Under the above-named Order and the general rules of the Commission, the permitted well location in the said 640-acre horizontal drilling and spacing unit is to be located not less than 660 feet from any exterior boundary of such unit, unless the Commission grants an exception to the permitted well location tolerances.

2.2. Applicants propose to drill a well to be located as follows:

Location of Wellbore at Completion Interval:

The casing will be cemented along the entire length of the lateral. The interval from the first perforation to the last perforation will be no closer than 330 feet from the south line and no closer than 660 feet from the east line, and no closer than 0 feet from the north line and no closer than 660 feet from the east line of the unit comprising said Section 16, Township 18 North, Range 6 West of the IM, Kingfisher County, Oklahoma,

so as to be completed in and produce hydrocarbons from the common source of supply covered hereby. The well is currently planned as a multiunit well to be located in said Section 16 and Section 9, Township 18 North, Range 6 West of the IM, Kingfisher County, Oklahoma. Given the available data, the above-described well location is a necessary location for the further development of the common source of supply in the horizontal drilling and spacing unit involved herein.

2.3. No downward adjustment in the allowable for the proposed well involved herein is necessary in order to protect the correlative rights of the parties entitled to share in production from the common source of supply covered hereby, and such well as to such common source of supply should be granted a full allowable, with the right to produce same.

2.4. In order to prevent the various types of waste, protect correlative rights and obtain the greatest ultimate recovery of oil and gas, the Commission should grant an exception to the permitted well location tolerances in the horizontal drilling and spacing unit covered hereby so as to permit the proposed well involved herein to be drilled at the location described in paragraph 2.2 above, and to be completed in and produce hydrocarbons from the common source of supply involved herein.

3. Legal Authority: The relief sought by this application is authorized by Tit. 52, Okla. Stat., Section 87.1.

4. Relief Sought: Applicants request the Corporation Commission of Oklahoma enter an order, to be effective as of the date of the execution thereof or as of a date prior thereto, as follows:

(i) Authorizing and permitting an exception to the permitted well location tolerances in the 640-acre horizontal drilling and spacing unit formed for the Oswego common source of supply underlying Section 16, Township 18 North, Range 6 West of

Chesapeake Operating, L.L.C. and
Chesapeake Exploration, L.L.C.
Cause CD No. 201905151
Application

the IM, Kingfisher County, Oklahoma, so as to allow a well to be drilled at the location described in paragraph 2.2 above, and to be completed in and produce hydrocarbons from the above-named common source of supply, with such authorization and permission running in favor of one or both of the Applicants, including Chesapeake Exploration, L.L.C., acting by and through its agent, Chesapeake Operating, L.L.C., or some other party recommended by Applicants;

(ii) Providing for the re-opening of the cause at such time as the bottom hole location of the well proposed hereunder has been determined; and

(iii) Establishing a proper allowable for the proposed well involved herein as to the common source of supply covered hereby, which allowable should be a full allowable with no downward adjustment made thereto.

DATED this 17th day of October 2019.

CHESAPEAKE OPERATING, L.L.C. and
CHESAPEAKE EXPLORATION, L.L.C.

Freda L. Williams, OBA 16338
P.O. Box 18496
Oklahoma City, OK 73154-0496
Physical address
6100 N. Western Avenue (73118)
(405) 935-9485
(405) 849-0002 (facsimile)
freda.williams@chk.com (email)
ATTORNEY FOR APPLICANTS

For more information regarding this Application, contact Kate Ivey, Chesapeake Operating, L.L.C., P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496, Telephone: (405) 935-4879.

EXHIBIT "A"

1. Chisholm Oil & Gas Operating LLC
6100 S. Yale Avenue, Suite 1700
Tulsa, OK 74316
2. Isaacs Fam LLP
c/o XTO Energy
22777 Springwoods Village Parkway
Spring, TX 77390
3. Quail Creek Royalty LLC
c/o XTO Energy
22777 Springwoods Village Parkway
Spring, TX 77391
4. Spess Oil Company Inc.
200 S. Broadway Street
Cleveland, OK 74020
5. Stockbridge Consulting, Inc
1500 W. Edmond Road
Edmond, OK 73003
6. Teocalli Exploration, LLC
6608 N. Western Avenue, #404
Oklahoma City, OK 73116
7. Chisholm Oil & Gas Operating LLC
22777 Springwoods Village Parkway
Spring, TX 77389
8. Blackacre Resources, LLC
P. O. Box 1534
Oklahoma City, OK 73101
9. Cimarex Energy Co.
202 S. Cheyenne Ave, Suite 1000
Tulsa, OK 74103
10. XTO Energy
22777 Springwoods Village Parkway
Spring, TX 77390

IF ANY NAMED PERSON IS DECEASED, THEN THE KNOWN OR UNKNOWN HEIRS, EXECUTORS, ADMINISTRATORS, TRUSTEES, DEVISEES, AND ASSIGNS, IMMEDIATE AND REMOTE OF SUCH DECEDENT, ARE MADE RESPONDENTS TO THIS APPLICATION. IF ANY NAMED RESPONDENT IS A CORPORATION WHICH DOES NOT CONTINUE TO HAVE LEGAL EXISTENCE, THEN THE KNOWN OR UNKNOWN SUCCESSORS, TRUSTEES OR ASSIGNS, IF ANY OF SUCH ENTITY, ARE MADE RESPONDENTS TO THIS APPLICATION.