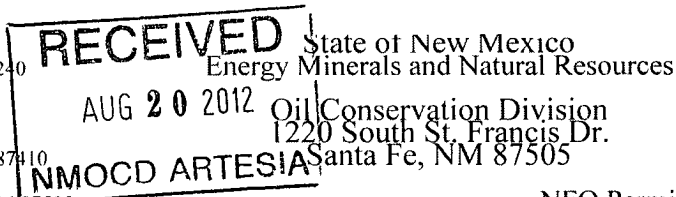


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505



Form C-129
Revised August 1, 2011

Submit one copy to appropriate
District Office

NFO Permit No. _____
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

- A. Applicant Chesapeake Operating, Inc. 30-015-40261,
whose address is P.O. Box 18496 Oklahoma City, OK 73154,
hereby requests an exception to Rule 19.15.18.12 for 60 days or until
_____, Yr _____, for the following described tank battery (or LACT):
Name of Lease PLU BIG SINKS 19 24 31 USA 1Y Name of Pool WILDCAT; BONE SPRING
Location of Battery: Unit Letter C Section 19 Township 24 S Range 31 E
Number of wells producing into battery 1
- B. Based upon oil production of 888 barrels per day, the estimated * volume
of gas to be flared is 1573 MCF; Value \$ 4545.97 per day.
- C. Name and location of nearest gas gathering facility:
SUG: Pipeline is 1110' from wellhead.
- D. Distance 1100' Estimated cost of connection \$ 100,000
- E. This exception is requested for the following reasons: _____
Waiting on construction of pipeline facility. The nearest public dwelling is 0.95 miles. Mesured H2S in the
gas stream is less than 1 PPM. A gas analysis is attached.
API # 30-015-40261.

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation
Division have been complied with and that the information given above
is true and complete to the best of my knowledge and belief.

Signature Bryan Arrant

Printed Name
& Title Bryan Arrant Regulatory Specialist II

E-mail Address bryan.arrant@chk.com

Date 08/17/2012 Telephone No. (405)935-3782

OIL CONSERVATION DIVISION

Approved Until Oct 31 2012

By RR Wade

Title Dist # Supervisor

Date 8/29/12

* Gas-Oil ratio test may be required to verify estimated gas volume.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No NMLC061705B
2. Name of Operator CHESAPEAKE AGENT FOR BOPCO E-Mail: erin.carson@chk.com		6. If Indian, Allottee or Tribe Name
3a. Address PO BOX 18496 OKLAHOMA CITY, OK 73154-0496		7. If Unit or CA/Agreement, Name and/or No 891000303X
3b. Phone No. (include area code) Ph: 405-935-2896		8. Well Name and No. PLU BIG SINKS 19 24 31 USA 1Y
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 19 T24S R31E Mer NMP NENW 140FNL 1980FWL		9. API Well No. 30-015-40261
		10. Field and Pool, or Exploratory WILDCAT
		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

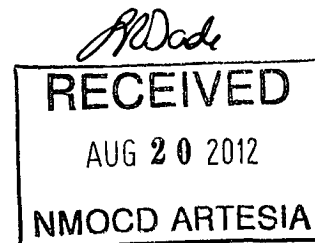
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Venting and/or Flaring
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

CHESAPEAKE REQUESTS PERMISSION TO FLARE PAST 30 DAYS. WE ARE WAITING ON PIPELINE CONNECTION.

Daily Gas- 1.3 million
Daily Oil- 900- 1002 barrels per day
Daily Water- 1400 barrels per day

CHK PN 643189



14. I hereby certify that the foregoing is true and correct. Electronic Submission #145996 verified by the BLM Well Information System For CHESAPEAKE AGENT FOR BOPCO, sent to the Carlsbad	
Name (Printed/Typed) ERIN CARSON	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 08/15/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****



LABORATORY SERVICES
Natural Gas Analysis

www.permianls.com

575.397.3713 2609 W Marland Hobbs NM 88240

For: Chesapeake Energy
Attention: Lee Blevins
P.O. Box 190
Hobbs, New Mexico 88241

Sample: Property # 643189
Identification: PLUBigSinks19-24-31USA1Y
Company: Chesapeake Energy
Lease:
Plant:

Sample Data: Date Sampled 8/13/2012
Analysis Date 8/14/2012
Pressure-PSIA 65
Sample Temp F 81.7
Atmos Temp F

Sampled by: Lee Blevins
Analysis by: Vicki McDaniel

H2S = 0.4 PPM

Component Analysis

		Mol Percent	GPM
Hydrogen Sulfide	H2S		
Nitrogen	N2	1.749	
Carbon Dioxide	CO2	5.399	
Methane	C1	71.854	
Ethane	C2	11.633	3.103
Propane	C3	5.775	1.587
I-Butane	IC4	0.662	0.216
N-Butane	NC4	1.564	0.492
I-Pentane	IC5	0.357	0.130
N-Pentane	NC5	0.392	0.142
Hexanes Plus	C6+	0.615	0.266
		100.000	5.936

REAL BTU/CU.FT.

At 14.65 DRY	1211.9
At 14.65 WET	1190.8
At 14.696 DRY	1215.7
At 14.696 WET	1195.0
At 14.73 DRY	1218.5
At 14.73 Wet	1197.5

Specific Gravity

Calculated 0.7888

Molecular Weight 22.8450