

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

Form C-101  
Permit 1162

### APPLICATION FOR PERMIT TO DRILL

|                                                                                                         |                              |                            |
|---------------------------------------------------------------------------------------------------------|------------------------------|----------------------------|
| Operator Name and Address<br>CHESAPEAKE OPERATING, INC.<br>PO Box 18496<br>Oklahoma City, OK 73154-0496 |                              | OGRID Number<br>147179     |
|                                                                                                         |                              | API Number<br>30-015-33904 |
| Property Code<br>300166                                                                                 | Property Name<br>TELEDYNE 20 | Well No.<br>005            |

### Surface Location

| UL or Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|-----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| J         | 20      | 23S      | 29E   | J       | 1980      | S        | 2310      | E        | Eddy   |

### Proposed Pools

|                                  |
|----------------------------------|
| HARROUN RANCH;DELAWARE, NE 96878 |
|----------------------------------|

|                       |                        |                       |                       |                                |
|-----------------------|------------------------|-----------------------|-----------------------|--------------------------------|
| Work Type<br>New Well | Well Type<br>OIL       | Cable/Rotary          | Lease Type<br>Private | Ground Level Elevation<br>2959 |
| Multiple<br>N         | Proposed Depth<br>6800 | Formation<br>Delaware | Contractor            | Spud Date<br>08/15/2004        |

### Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5      | 13.375      | 48               | 400           | 350             | 0             |
| Int1 | 11        | 8.625       | 32               | 2800          | 600             | 0             |
| Prod | 7.875     | 5.5         | 17               | 6800          | 900             | 2700          |

### Casing/Cement Program: Additional Comments

|                                                                                                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Drill 17 1/2 hole to 400 w/fr wtr. NU annular prevento and test to 1000# w/rig pump. Drill 11 hole to 2800 w/cut brine. NU 3000# BOP & test to 3000#. Drill 7 7/8 hole w/cut brine, starch & gel to 6800. |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### Proposed Blowout Prevention Program

| Type    | Working Pressure | Test Pressure | Manufacturer |
|---------|------------------|---------------|--------------|
| Annular | 2000             | 1000          |              |
| Annular | 3000             | 3000          |              |

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Mark Mabe

Title: Manager

Date: 06/30/2004

Phone: 432-685-4339

### OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 07/16/2004

Expiration Date: 07/16/2005

Conditions of Approval:

There are conditions. See Attached.