

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form C-101
August 1, 2011
Permit 149286

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address CHESAPEAKE OPERATING, INC. P.O. Box 18496 Oklahoma City, OK 73154		2. OGRID Number 147179
		3. API Number 30-015-40341
4. Property Code 39247	5. Property Name PLU REMUDA BASIN 32 23 30 STATE	6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	32	23S	30E	M	150	S	660	W	EDDY

8. Pool Information

FORTY NINER RIDGE; BONE SPRING, WES	96526
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3241
14. Multiple N	15. Proposed Depth 13071	16. Formation Bone Spring	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	350	414	0
Int1	11	8.625	32	3550	1622	0
Prod	7.875	5.5	17	13071	1926	3050

Casing/Cement Program: Additional Comments

NMOCD's forms C-102, C-144(CLEZ) pit permit, well bore diagram and directional planning report will be submitted separately. There are no known high levels of H2S in this area. However, monitoring of H2S and well readiness will be utilized in the drilling of this well. Requires NSL. Application for NSL will be filed with Santa Fe and copied for the Artesia District office. Application is for "drill only"

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	3500	Hydril
DoubleRam	5000	5000	Shaffer

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Bryan Arrant Title: Regulatory Specialist II Email Address: bryan.arrant@chk.com Date: 5/24/2012	OIL CONSERVATION DIVISION Approved By: Randy Dade Title: District Supervisor Approved Date: 5/25/2012 Expiration Date: 5/25/2014 Conditions of Approval Attached
Phone: 405-935-3782	

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Form C-102
August 1, 2011
Permit 149286

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-40341	2. Pool Code 96526	3. Pool Name FORTY NINER RIDGE; BONE SPRING, WES
4. Property Code 39247	5. Property Name PLU REMUDA BASIN 32 23 30 STATE	6. Well No. 001H
7. OGRID No. 147179	8. Operator Name CHESAPEAKE OPERATING, INC.	9. Elevation 3241

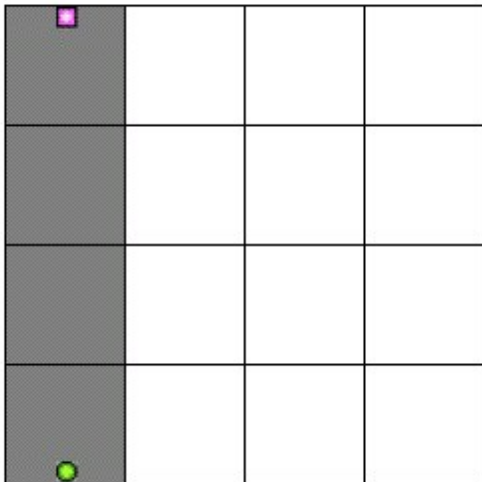
10. Surface Location

UL - Lot M	Section 32	Township 23S	Range 30E	Lot Idn	Feet From 150	N/S Line S	Feet From 660	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot D	Section 32	Township 23S	Range 30E	Lot Idn D	Feet From 100	N/S Line N	Feet From 660	E/W Line W	County EDDY
12. Dedicated Acres 160.00		13. Joint or Infill		14. Consolidation Code		15. Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: Bryan Arrant Title: Regulatory Specialist II Date: 5/24/2012</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Surveyed By: W.M. Daniel III Date of Survey: 5/22/2012 Certificate Number: 15078</p>
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Permit Comments

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: PLU REMUDA BASIN 32 23 30 STATE #001H

API: 30-015-40341

Created By	Comment	Comment Date
Bryan Arrant	Will require administrative order for non-standard location. Well will not produce until NSL is approved.	5/24/2012
Bryan Arrant	BOP test to be performed by 3rd party.	5/24/2012
CSHAPARD	Land s/S	5/25/2012

Permit Conditions of Approval

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: PLU REMUDA BASIN 32 23 30 STATE #001H

API: 30-015-40341

OCD Reviewer	Condition
CSHAPARD	Will require administrative order for non-standard location
CSHAPARD	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string