

CHESAPEAKE OPERATING, INC.

AUTHORIZATION FOR EXPENDITURE

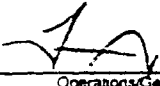
Project Area: Big Dog Prospect
Well Name: Boyce 1-15
Operator: Chesapeake Operating, Inc.
AFE #: 8110191
Spacing Unit: E/2 Section 15-16S-35E

County, State: Lea, New Mexico
Date: October 14, 1998
Measured Depth: 12,100'
Formation: Alcala/Morrow

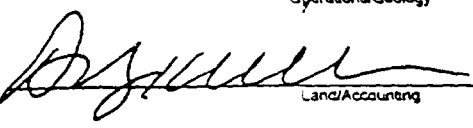
CODE	INTANGIBLE COSTS	WORK DESCRIPTION	DRY HOLE	PRODUCER
233400	Location:	Roads, Location, Pits	\$35,000.00	\$35,000.00
233405		Reclamation	\$12,000.00	\$12,000.00
233401		Damages	\$8,000.00	\$8,000.00
233402	Legal:	Governmental Filings	\$1,000.00	\$1,000.00
233403		Title Opinions	\$16,000.00	\$16,000.00
233404		Seismic Costs	\$0.00	\$0.00
233408	Drilling:	Top Drive	\$0.00	\$0.00
233410		Drilling Contractor: 33 days @ \$5,500/day	\$182,000.00	\$182,000.00
233411		Directional Services	\$25,000.00	\$25,000.00
233413		Rig Mobilization/Demobilization	\$32,000.00	\$32,000.00
233414		Contract Labor	\$18,000.00	\$23,000.00
233415		Bits	\$52,000.00	\$52,000.00
233416		Supplies and Utilities	\$3,000.00	\$4,000.00
233426		Cement Conductor	\$0.00	\$0.00
233417		Cement Surface Casing	\$8,000.00	\$8,000.00
233420		Cement Intermediate Casing	\$20,000.00	\$20,000.00
233424		Cement Production Casing	\$0.00	\$35,000.00
233425		Cement Drilling Liner	\$0.00	\$0.00
233452		Cement Production Liner	\$0.00	\$0.00
233418		Mud Logging	\$16,000.00	\$16,000.00
233419		Drilling Fluids, Mud, Chem.	\$38,000.00	\$38,000.00
233421		Drill String Inspection	\$3,000.00	\$3,000.00
233423		Open Hole Logging, Form Evaluation	\$35,000.00	\$35,000.00
233427		Fishing	\$0.00	\$0.00
233428		Downhole Rental Equipment	\$15,000.00	\$15,000.00
233430	Completion:	Completion Unit	\$0.00	\$20,000.00
233431		Cased Hole Logging/Perforating	\$0.00	\$18,000.00
233433		Jetting	\$0.00	\$0.00
233434		Formation Stimulation	\$0.00	\$10,000.00
233437	General:	Surface Equipment Rental	\$35,000.00	\$38,000.00
233438		Transportation	\$2,000.00	\$3,000.00
233441		Frac Fluid Hauloff	\$0.00	\$1,000.00
233442		Blowout/Emergencies	\$0.00	\$0.00
233443		Company Supervision/Engineering	\$15,000.00	\$20,000.00
233444		Consultants	\$20,000.00	\$20,000.00
233446		Company Overhead	\$10,000.00	\$13,000.00
233447		Insurance	\$6,000.00	\$6,000.00
233449		Major Construction Overhead	\$0.00	\$2,000.00
233450		Plug to Abandon	\$0.00	\$0.00
		5% Contingency	\$30,000.00	\$36,000.00
TOTAL	INTANGIBLES	Total Intangible Costs	\$637,000.00	\$747,000.00
CODE	TANGIBLE COSTS	WORK DESCRIPTION		
230108	Tubulars:	Conductor Casing:	\$0.00	\$0.00
230100		Surface Casing: 475' 13 3/8"	\$9,000.00	\$9,000.00
230101		Intermediate Casing: 4,300' 9 5/8"	\$60,000.00	\$60,000.00
230102		Production Casing: 12,100' 5 1/2"	\$0.00	\$97,000.00
230103		Drilling Liner:	\$0.00	\$0.00
230109		Production Liner:	\$0.00	\$0.00
230104		Float Equipment	\$1,000.00	\$2,000.00
230105		Tubing: 11,500' 2 7/8"	\$0.00	\$44,000.00
230106	Lease Equipment	Wellhead Equipment	\$0.00	\$7,000.00
230107		Downhole Equipment	\$0.00	\$5,000.00
230111		Artificial Lift-Pumping Unit	\$0.00	\$0.00
230113		Production Equipment	\$0.00	\$30,000.00
230115		Compressor/Compression	\$0.00	\$0.00
230120		Non-Controllable Equipment	\$0.00	\$2,000.00
		5% Contingency	\$4,000.00	\$13,000.00
TOTAL	TANGIBLES	Total Tangible Costs	\$74,000.00	\$269,000.00
		Total Costs	\$711,000.00	\$1,016,000.00

Prepared by: JKD

Approved by: JML

OPERATOR'S APPROVAL:  Operations/Geology

DATE: 10-14-98

OPERATOR'S APPROVAL:  Land/Accounting

DATE: 10-15-98

NON-OPERATOR'S APPROVAL: _____

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12186 Exhibit No. 4
Submitted By:
Chesapeake Operating
Hearing Date: June 24, 1999