

30005-29204

ONSHORE ORDER NO. 1
Chesapeake Agent for Chevron

CONFIDENTIAL – TIGHT HOLE
SURFACE USE PLAN

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases
Perseus 10 Federal Com 4H

HOBBS OGD

MAY 08 2013

RECEIVED

1. EXISTING ROADS/LEASE ROADS

Driving directions are from Maljamar, NM. East on HWY 82 1.0 miles. North on CR 249 /172 for 12.6 miles. West 0.1 miles. South 0.6 miles to location. 14.3 miles From Maljamar, NM.

The proposed lease road 50' in length and 14' in travel way width with a maximum disturbance area of 30' will be used, and in accordance with guidelines set forth in the BLM Onshore Orders. No turnouts are expected.

Existing county and lease roads will be used to enter proposed access road.

Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

Location, access, and vicinity plats attached hereto. **See Attachments.**

2. NEW OR RECONSTRUCTED ACCESS ROADS

There will be approximately 50' of new access to be constructed.

The new access road will be upgraded to a crowned and ditched road and will be graveled as needed for drilling. If requested by the surface owner, upgrading of this portion of the road will be kept to a minimum.

All existing roads (previously improved) will be used "as is" with the exception of minor blading as needed.

Surface disturbance and vehicular travel will be limited to the approved access route. Any additional area will be approved in advance.

Road Width: 14 – 20 feet traveling surface.

Maximum Grade: Road gradient less than 8%

Crown Design: 2%

Turnouts will be installed along the access route as needed.

Ditch design: Drainage, interception and outlet.

MAY 20 2013

Erosion Control: 6" rock under road.

Re-vegetation of Disturbed Area: All disturbed areas will be seeded by Broadcast or Drill and Crimp. Ground conditions will determine the method used.

Cattle guard(s) will be installed as needed.

Major Cuts and Fills: 2:1 Slope.

Surfacing material (road base derived from caliche or river rock) will be placed on the access road during construction. All surface disturbing activities will be discussed with and agreed to with the surface owner.

Topsoil will be placed on West side of the Location.

3. LOCATION OF EXISTING WELLS

All wells located within a 1-mile radius of the proposed location. **See Attachments.**

4. LOCATION OF PRODUCTION FACILITIES

It is anticipated that production facilities will be located on the Perseus 10 Federal Com 3H well pad and oil and gas to be sold at that tank battery.

5. LOCATION AND TYPES OF WATER SUPPLY

Water will be obtained from a private water source.

Chesapeake will utilize the frac pond in section 10 15 31 for fresh water.

Water to be pumped into section 10.

A temporary 10" aluminum transfer line will run approx. 0.1 mile from the pond in section 21 to the location. All transfer lines will be laid on a disturbed area.

6. CONSTRUCTION MATERIALS

All construction materials will be used from Medlin Ranch. All material (i.e. shale) will be acquired from private or commercial sources.

No construction material will be needed for well pad construction; subsurface spoil material will be utilized.

Surfacing material (caliche) will be purchased from a supplier having a permitted source of materials.

The entire location will be fenced with barb/woven wire and bermed with spoil dirt or gravel.

7. METHODS FOR HANDLING WASTE DISPOSAL

A closed system will be utilized consisting of above ground steel tanks.

All wastes accumulated during drilling operations will be contained in a portable trash cage and removed from location and deposited in a state approved facility.

Disposal of cuttings:

8. ANCILLARY FACILITIES
None

9. WELLSITE LAYOUT

The proposed site layout plat is attached showing the Trinidad #110 orientation and equipment location. **See Attachments.**

In order to level the location, cut and fill will be required. Please see attached Well Location and Acreage Dedication Plat – See Attachments.

A locking gate will be installed at the site entrance.

Any fences cut will be repaired. Cattle guards will be installed, if needed.

10. PLANS FOR RECLAMATION OF THE SURFACE

In the Event of Production

Interim reclamation will consist of reclaiming the pad to 50 feet outside the anchors or approximately 200 x 200 feet.

In the Event of a Dry Hole/Final Reclamation

Upon final abandonment of the well, caliche material from the well pad and access road will be removed and utilized to re-contour to a final contour that blends with the surrounding topography as much as possible. Any caliche material not used will be utilized to repair roads within the lease. Topsoil will be distributed over the reclamation area and cross ripped to control erosion; the site will be seeded with an approved BLM mixture.

The location will be restored to as near as original condition as possible. Reclamation of the surface shall be done in strict compliance with the existing New Mexico Oil Conservation Division regulations and BLM regulations.

11. SURFACE TENANT

Billy R. Medlin
P.O. Box 50
Maljamar, NM 88264

ROAD OWNERSHIP

All access roads are located on public lands.

CHESAPEAKE OPERATING, INC. HAS AN AGREEMENT WITH THE SURFACE OWNER, AND WILL MAKE A GOOD FAITH EFFORT TO PROVIDE THE SURFACE USE PLAN OF OPERATION TO THE SURFACE OWNER.

12. ADDITIONAL INFORMATION

Class III cultural resource inventory report was prepared by Boone Archaeological Services, Carlsbad, New Mexico for the proposed location. A copy of the report has been sent to the BLM office under separate cover and is also attached for reference.

13. CHESAPEAKE REPRESENTATIVES

Drilling and Completion Operations

District Manager
Jay Stratton
P.O. Box 18496

Drilling Engineer
Chris Gray
P.O. Box 18496

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SURFACE USE PLAN

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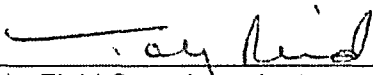
ONSHORE ORDER NO. 1
Chesapeake Agent for Chevron
Eddy County, NM

CONFIDENTIAL - TIGHT HOLE
OPERATOR CERTIFICATION

CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Executed this 17th day of December, 2012

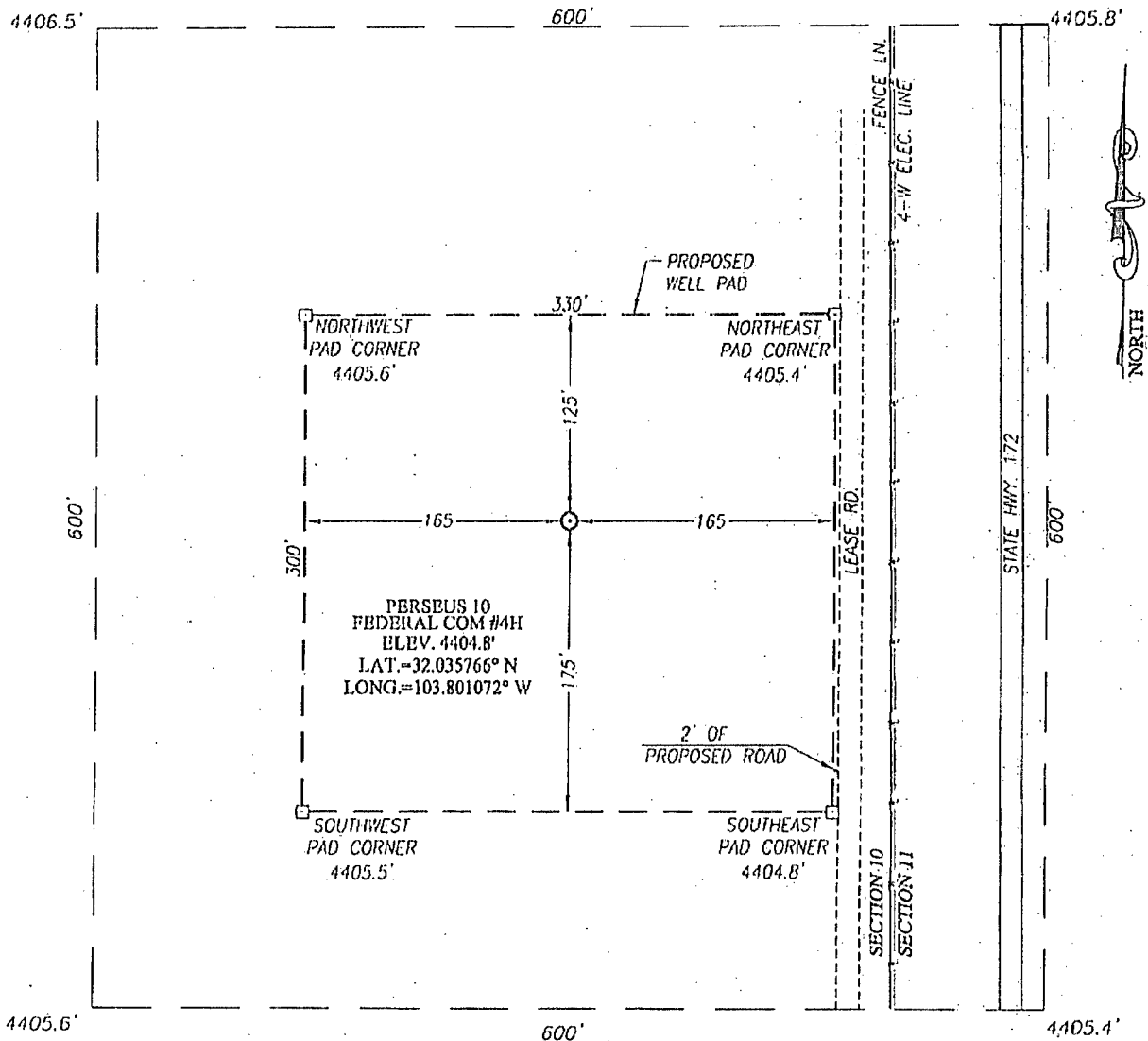
Name: 
Toby Reid - Field Superintendent

Address: 1616 W Bender Blvd Hobbs, NM 88240

Telephone: 575-725-8497

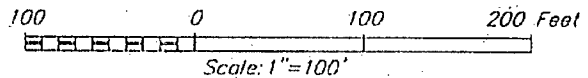
E-mail: treid@chevron.com

SECTION 10, TOWNSHIP 15 SOUTH, RANGE 31 EAST, N.M.P.M.
CHAVES COUNTY **NEW MEXICO**



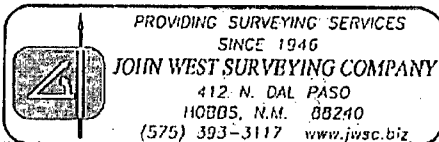
DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. #249 AND ST. HWY. #172 GO NORTH ON ST. HWY. #172 APPROX. 2.15 MILES. TURN LEFT AND GO EAST APPROX. 200 FEET. TURN LEFT AND GO SOUTHEAST APPROX. 250 FEET. VEER RIGHT AND GO SOUTH APPROX. 0.6 MILES. THE LOCATION IS 170 FEET WEST.

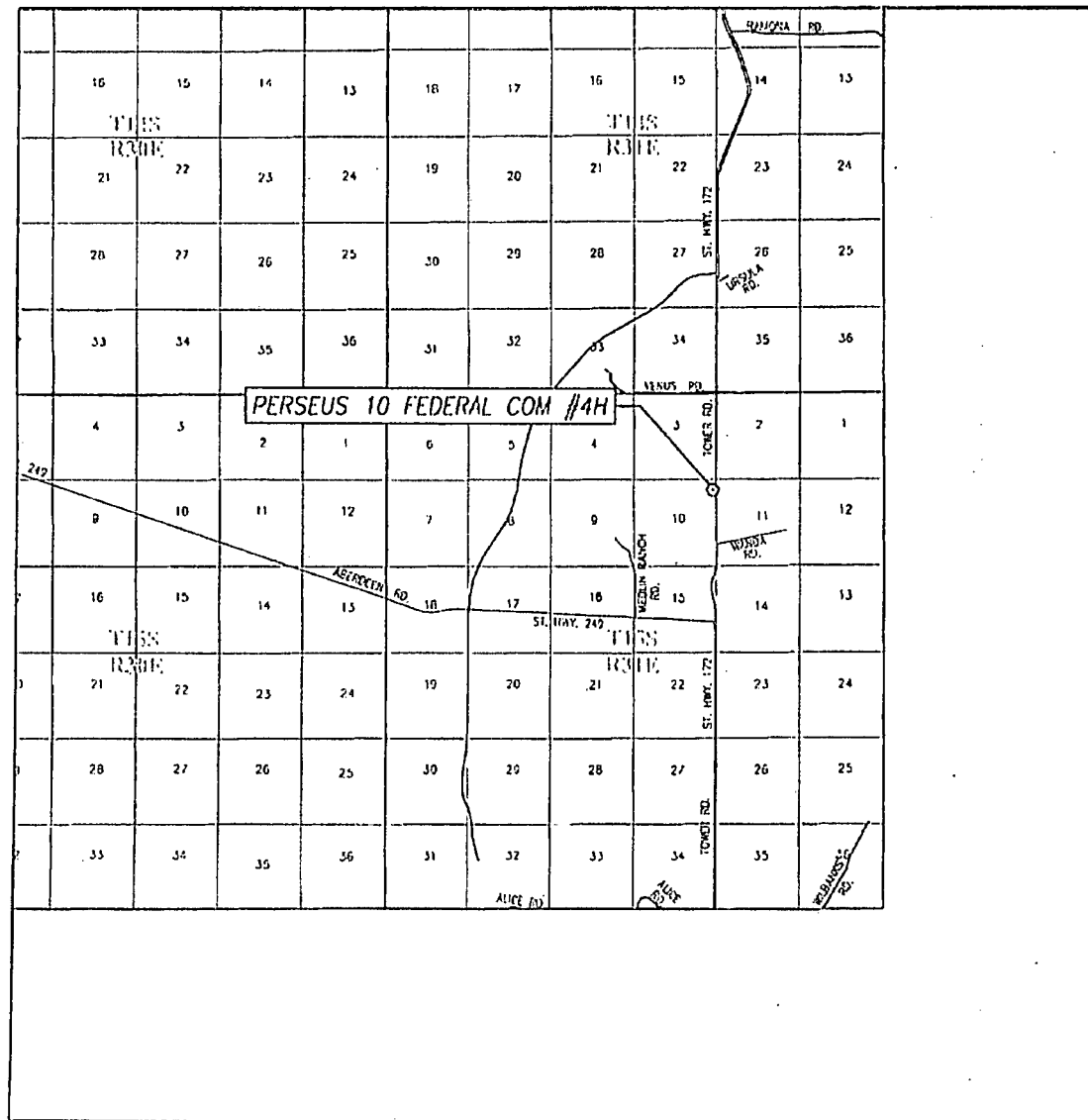


CHESAPEAKE OPERATING, LLC

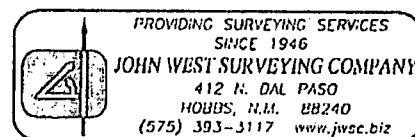
PERSEUS 10 FEDERAL COM #4H WELL
 LOCATED 660 FEET FROM THE NORTH LINE
 AND 200 FEET FROM THE EAST LINE OF SECTION 10,
 TOWNSHIP 15 SOUTH, RANGE 31 EAST, N.M.P.M.,
 CHAVES COUNTY, NEW MEXICO



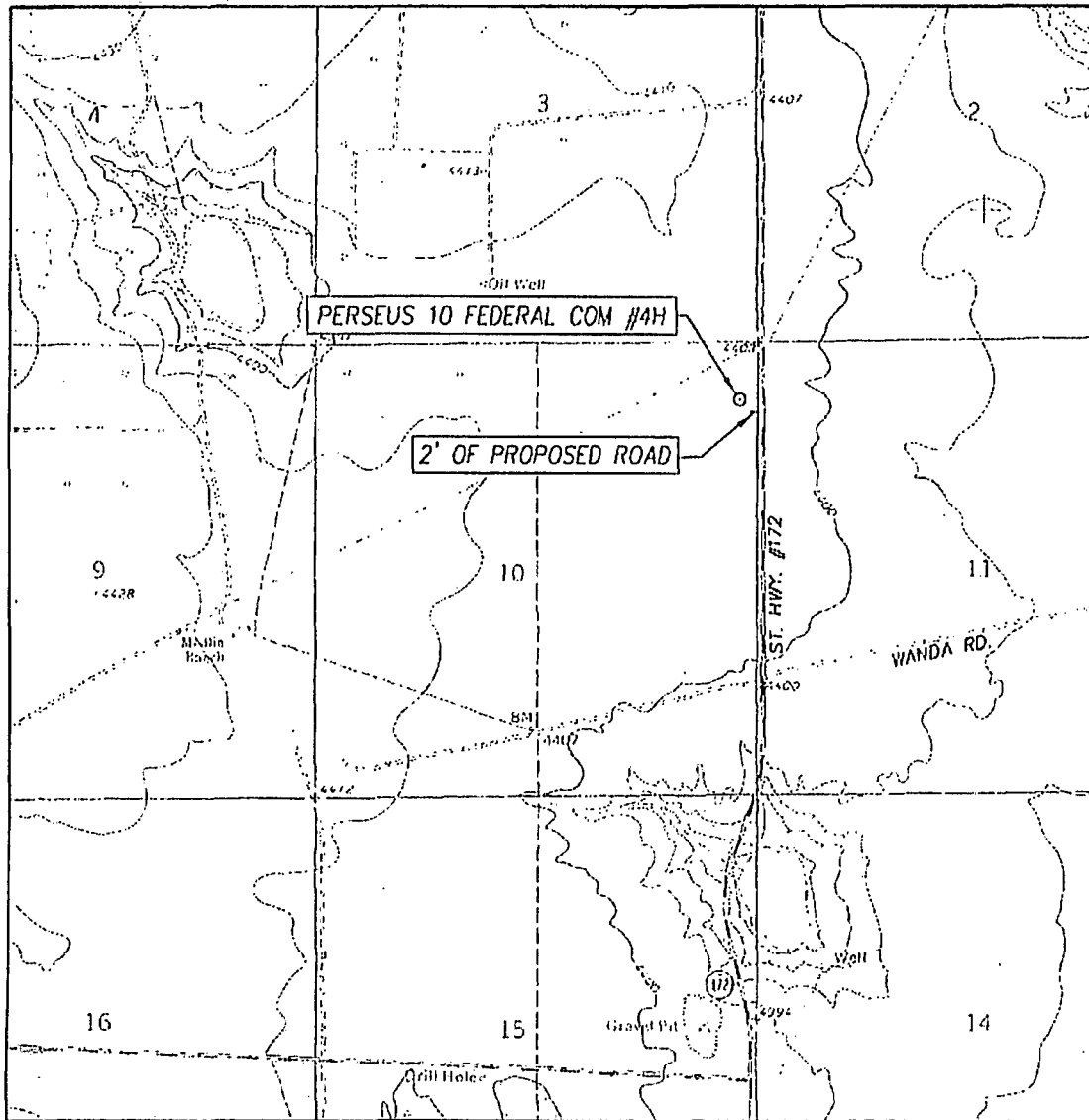
Survey Date: 12/7/12	CAD Date: 12/10/12	Drawn By: AF
W.O. No.: 12112001	Rev: .	Rel. W.O.: Sheet 1 of 1



SEC. 10 TWP. 15-S RGE. 31-E
SURVEY _____ N.M.P.M. _____
COUNTY CHAVES STATE NEW MEXICO
DESCRIPTION 660' FNL & 200' FEL
ELEVATION _____ 4405' _____
OPERATOR CHESAPEAKE OPERATING, L.L.C.
LEASE PERSEUS 10 FEDERAL.COM



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
CEDAR POINT SE, N.M. - 10'

SEC. 10 TWP. 15-S. RGE. 31-E

SURVEY N.M.P.M.

COUNTY CHAVES STATE NEW MEXICO

DESCRIPTION 660' FNL & 200' FEL

ELEVATION 4405'

OPERATOR CHEVRON USA INC.

LEASE PERSEUS 10 FEDERAL COM

U.S.G.S. TOPOGRAPHIC MAP

CEDAR POINT SE, N.M.

