

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

HOBBS OCD

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1. **EXISTING ROADS/LEASE ROADS**

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Driving directions are from Jal NM. West on HWY 128, 18.5 miles to CR 21. Turn North and go approximately 4 miles to an existing caliche road on the west side that will have Chevron signs on it, turn west on XL road and go 3/4 of a mile, then turn north on a lease road to an existing caliche lease road, turn approximately North 1 mile and the road ends. Then turn west approximately 1 mile to the location. The location is about 25 miles from the nearest town, which is Jal, NM.

The proposed lease road is about 1/2 of a mile in length from the Brininstool USA 25-32-33 2H well location 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 Exhibits A-1 to A-4.**

2. **NEW OR RECONSTRUCTED ACCESS ROADS**

There will be approximately 1/2 of a mile 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%

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Crown Design: 2%

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Turnouts will be installed along the access route as needed.

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Ditch design: Drainage, interception and outlet.

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.

3. LOCATION OF EXISTING WELLS

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

4. LOCATION OF PRODUCTION FACILITIES

It is anticipated that production facilities will be located on the West side of the Brininstool USA 23-23-33 1H well pad and oil to be sold at that tank battery.

The production line will be buried 3 1/2" Fiberglass Pipe with a working pressure greater than 100 psi ran along existing disturbances.

Oil and gas measurement will be installed on this well location. **See Exhibits C.**

5. LOCATION AND TYPES OF WATER SUPPLY

Water will be obtained from a private water source.

Chesapeake will utilize the frac pond in section 2-23-33 for fresh water.

Water to be hauled into section 2.

A temporary 10" aluminum transfer line will run approx. 1.00 mile from the pond in section 2 to the location. All transfer lines will be laid on a disturbed area.

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6. **CONSTRUCTION MATERIALS**

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All construction materials will be used from the nearest Private, BLM, or State pit. 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 Patterson Rig #62 orientation and equipment location. **See Exhibit D.**

In order to level the location, cut and fill will be required. Please see attached Well Location and Acreage Dedication Plat – Exhibits A-1 to A-4.

A locking gate will be installed at the site entrance.

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

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10. PLANS FOR RECLAMATION OF THE SURFACE

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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

Brininstool XL Ranch, LLC
P.O. Box 940
Jal, New Mexico 88252

ROAD OWNERSHIP

All access roads are located on Federal lands.

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.

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13. CHESAPEAKE REPRESENTATIVES

Drilling and Completion Operations

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District Manager

Jay Stratton
P.O. Box 18496
Oklahoma City, OK 73154
405-935-6164 (Office)
405-831-3994 (Cell)
jay.stratton@chk.com

Drilling Engineer

Chris Gray
P.O. Box 18496
Oklahoma City, OK 73154
405-935-4346 (Office)
405-301-6515 (Cell)
chris.gray@chk.com

Field Representative

Stephen Tarr
1616 W. Bender
Hobbs, NM 88241
575-391-1462, x 86413 (Office)
432-238-6316 (Cell)
Starr@chevron.com

Asset Manager

Shannon Glancy
P.O. Box 18496
Oklahoma City, OK 73154
405-935-8109 (Office)
405-415-5229 (Cell)
shannon.glancy@chk.com

Geologist

Corey Dimond
P.O. Box 18496
Oklahoma City, OK 73154
405-935-3527 (Office)
405-628-9346 (Cell)
corey.dimond@chk.com

District Land Coordinator

Craig Barnard
P.O. Box 18496
Oklahoma City, OK 73154
405-879-8401 (Office)
405-397-8404 (Cell)
craig.barnard@chk.com

Regulatory Compliance Technician

Carol Adler
P.O. Box 18496
Oklahoma City, OK 73154
405-935-2896 (Office)
405-849-2896 (Fax)
carol.adler@chk.com

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CERTIFICATION

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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 10th day of May, 2013

Name: Stephen Tarr
Stephen Tarr - Field Superintendent

Address: 15 Smith Road Midland, Texas 79705-5423

Telephone: 432-687-7956

E-mail: stephen.tarr@chevron.com

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Chesapeake Operating, Inc. respectfully requests permission to drill a well to 15,683'. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and New Mexico Oil Conservation Division requirements.

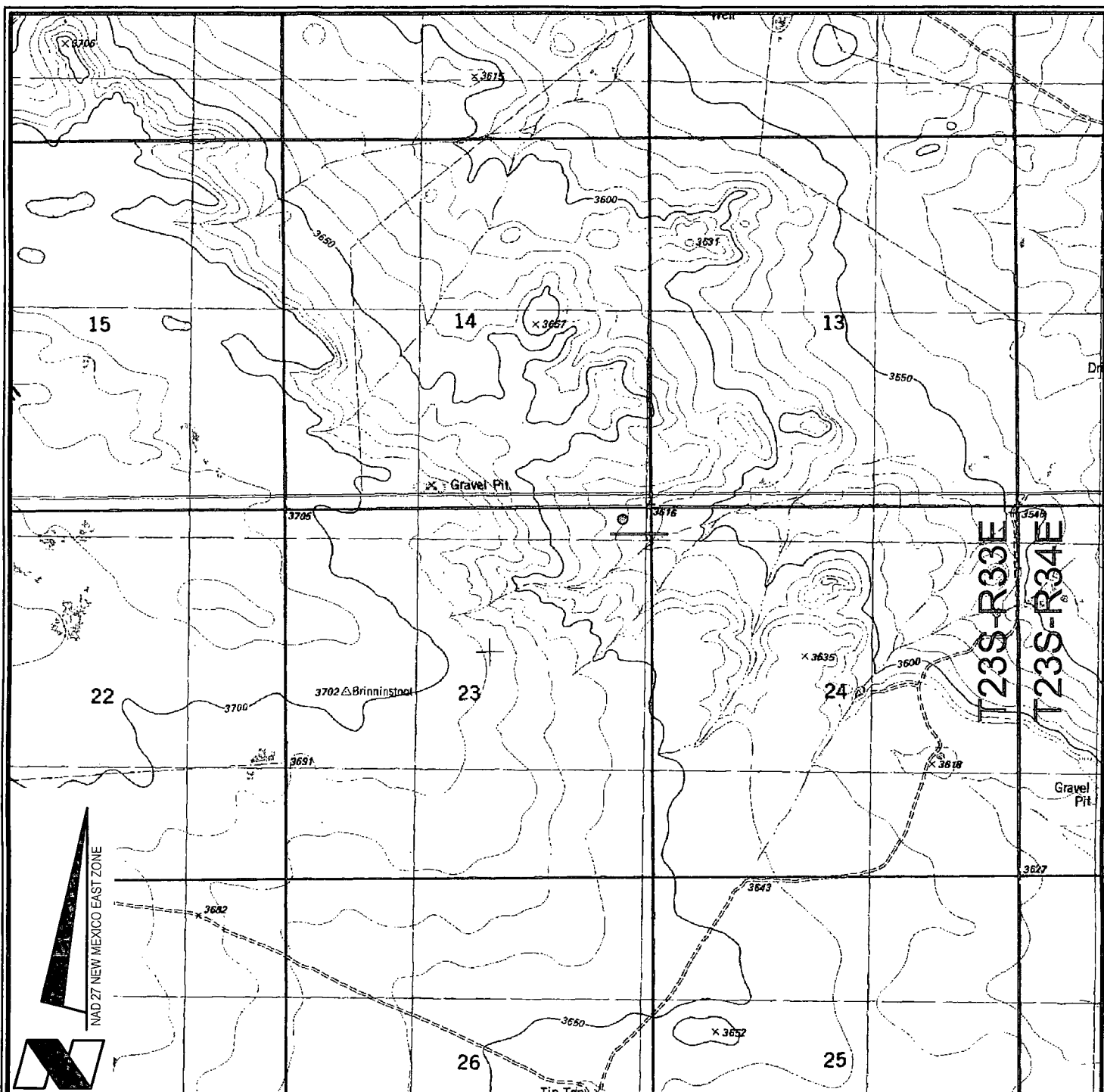
Please find the Surface Use Plan and Drilling Plan as required by Onshore Order No. 1.

Attached are the Exhibit A-1 to A-4 Survey plats, Exhibit B 1 mile radius plat, Exhibit C Production facility, Exhibit D Trinidad Rig layout, Exhibit F-1 to F-2 BOP & Choke Manifold, Exhibit G Standard Planning Report, Wellbore Schematic and Form C-144 Closed Loop System Permit.

Archeological Survey will be delivered to the BLM when completed.

Chesapeake Operating, Inc. has an agreement with the grazing lessee.

Please be advised that Chesapeake Operating, Inc. is the Designated Agent for Chevron. Chesapeake Operating, Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.



VICINITY MAP



CHESAPEAKE OPERATING, INC.

BRININSTOOL 23 23 33 USA NO. 2H WELL

LOCATED 150' FNL AND 400' FEL

SECTION 23, T23S-R33E

LEA COUNTY, NEW MEXICO

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Lafayette New Orleans Houston
135 Regency Sq. Lafayette, LA 70508
Ph. 337-237-2200 Fax. 337-232-3299
www.fenstermaker.com

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REVISED: 05/03/2013 BMO

DATE: APRIL 01, 2013

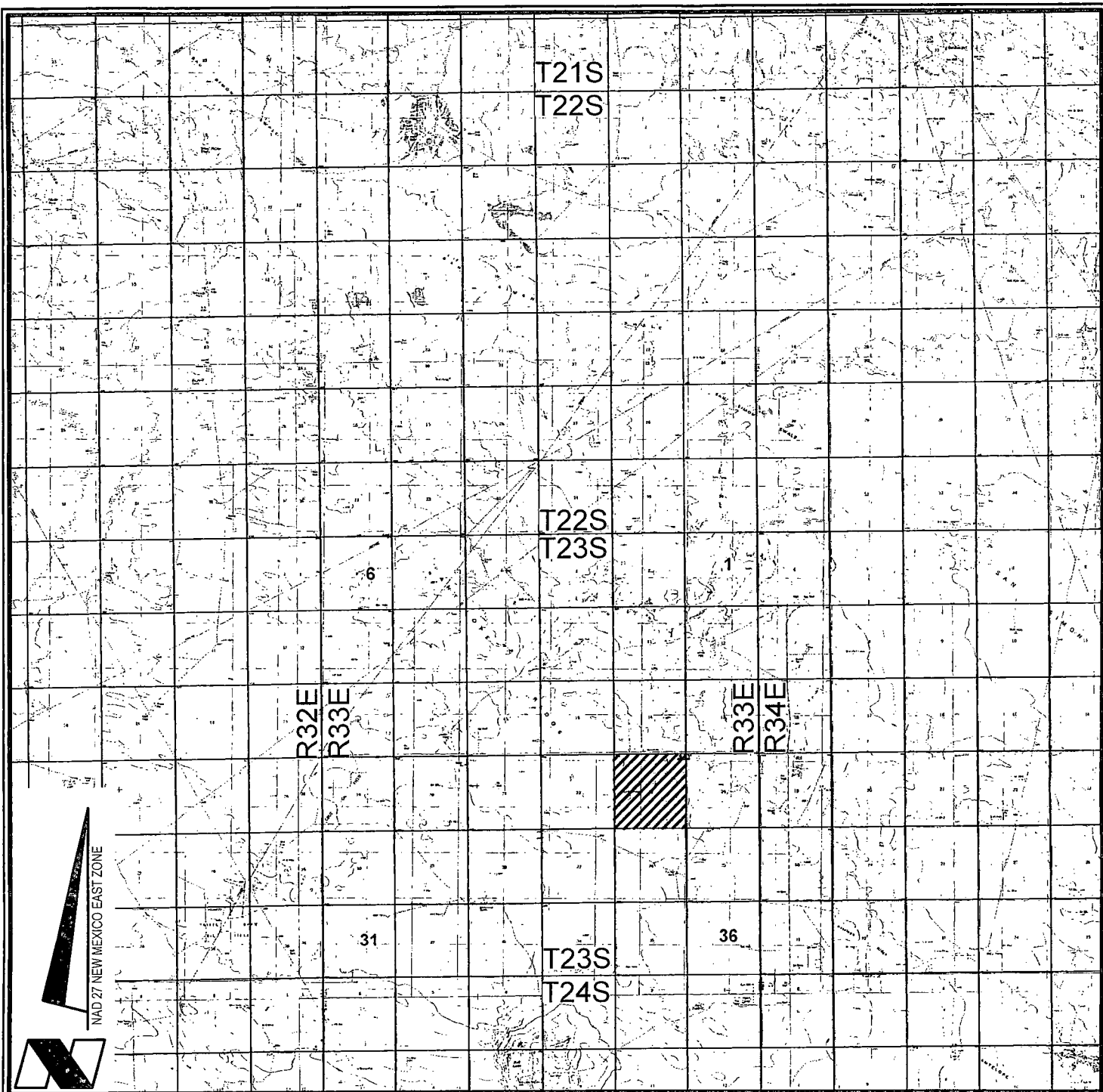
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06/10/2013 VHV

SHEET 1 OF 3 SHEETS

06/27/2013 KJD

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VICINITY MAP

10,000' 0 5,000' 10,000'
Scale: 1" = 10,000'

CHESAPEAKE OPERATING, INC.

HOBBS OCD

BRINSTOOL 23 23 33 USA NO. 2H WELL

LOCATED 150' FNL AND 400' FEL

SECTION 23, T23S-R33E

LEA COUNTY, NEW MEXICO

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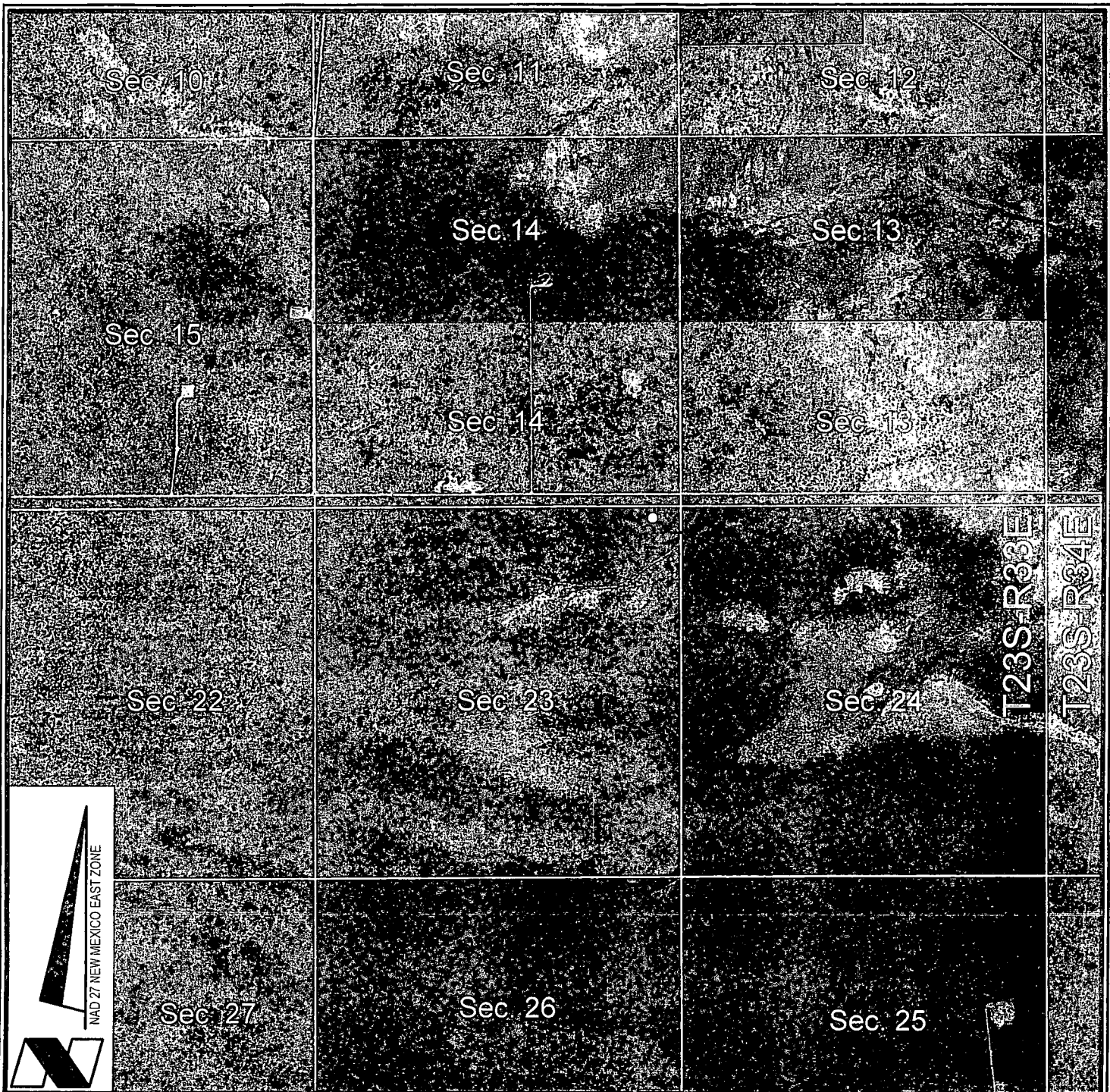
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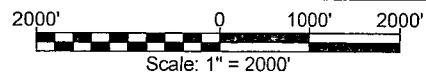
SHEET 2 OF 3 SHEETS




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VICINITY MAP



-  = FEDERAL LAND
-  = FEE LAND
-  = STATE LAND

CHESAPEAKE OPERATING, INC.

BRINSTOOL 23 23 33 USA NO. 2H WELL

LOCATED 150' FNL AND 400' FEL

SECTION 23, T23S-R33E

LEA COUNTY, NEW MEXICO

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Lafayette New Orleans Houston
135 Regency Sq. Lafayette, LA 70508
Ph. 337-237-2200 Fax. 337-232-3299
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DATE: APRIL 01, 2013

SHEET 3 OF 3 SHEETS

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NW ARCH. AREA CRN.	NE ARCH. AREA CRN.	SE ARCH. AREA CRN.	SW ARCH. AREA CRN.	BRININSTOOL 23 23 33 USA NO. 2H WELL	LEGEND
X= 746,249 NAD 27 Y= 472,933	X= 746,849 NAD 27 Y= 472,936	X= 746,852 NAD 27 Y= 472,336	X= 746,252 NAD 27 Y= 472,333	X= 746,550 NAD 27 Y= 472,635	<input type="checkbox"/> Proposed Well
ELEVATION +3630' NAVD 88	ELEVATION +3623' NAVD 88	ELEVATION +3618' NAVD 88	ELEVATION +3632' NAVD 88	LAT. 32.296867 LONG. 103.535426	--- Section Line
NW PAD CRN.	NE PAD CRN.	SE PAD CRN.	SW PAD CRN.	X= 787,734 NAD83 Y= 472,694	--- Existing Fenceline
X= 746,385 NAD 27 Y= 472,759	X= 746,755 NAD 27 Y= 472,760	X= 746,756 NAD 27 Y= 472,430	X= 746,386 NAD 27 Y= 472,429	LAT. 32.296891 LONG. 103.535907	--- Existing Road
ELEVATION +3630' NAVD 88	ELEVATION +3622' NAVD 88	ELEVATION +3621' NAVD 88	ELEVATION +3631' NAVD 88	ELEVATION +3627' NAVD 88	● Found Occupation

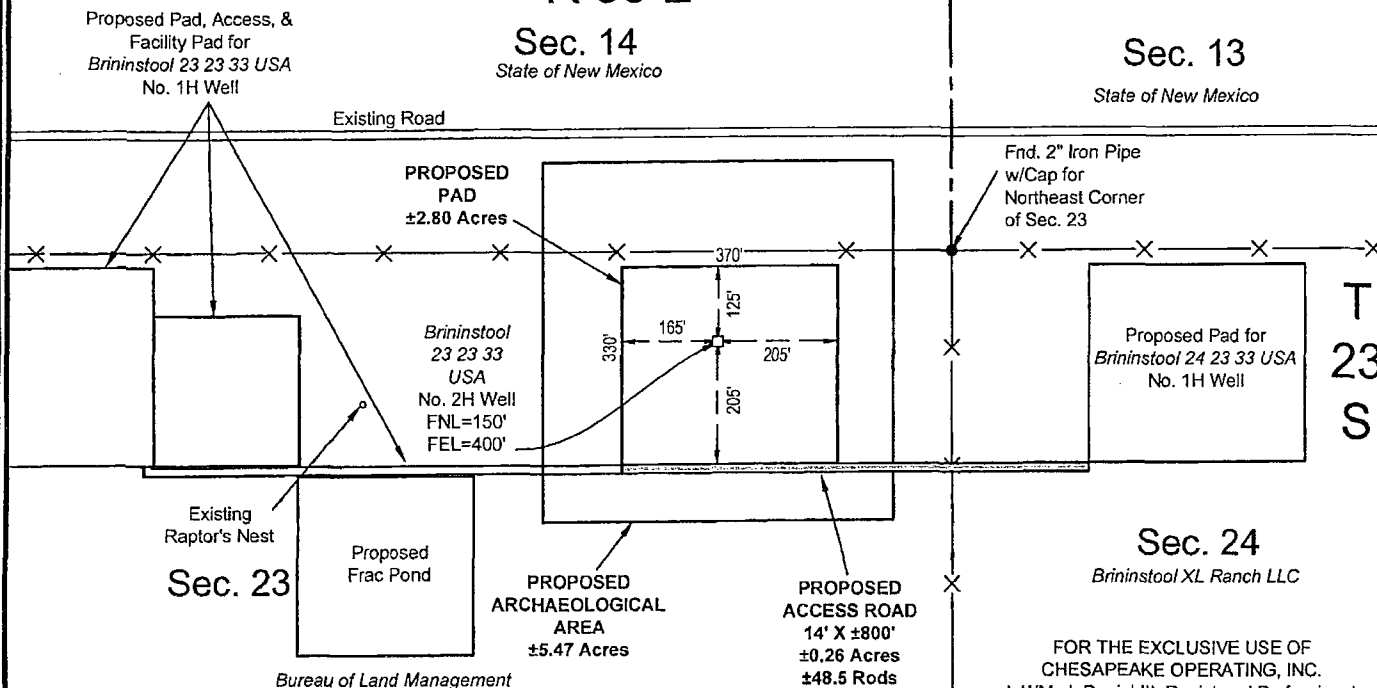
R 33 E

Sec. 14

State of New Mexico

Sec. 13

State of New Mexico



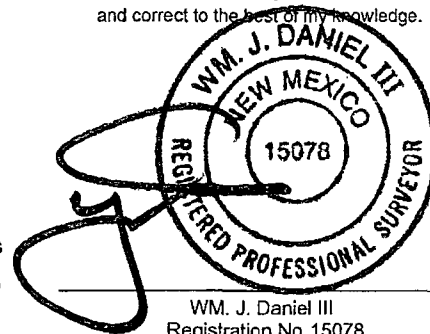
NOTE:

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MANY STATES MAINTAIN INFORMATION CENTERS THAT ESTABLISH LINKS BETWEEN THOSE WHO DIG (EXCAVATORS) AND THOSE WHO OWN AND OPERATE UNDERGROUND FACILITIES (OPERATORS). IT IS ADVISABLE AND IN MOST STATES, LAW, FOR THE CONTRACTOR TO CONTACT THE CENTER FOR ASSISTANCE IN LOCATING AND MARKING UNDERGROUND UTILITIES. NEW MEXICO ONE CALL, <http://www.nmonecall.org/>.

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FOR THE EXCLUSIVE USE OF CHESAPEAKE OPERATING, INC. I, WM. J. Daniel III, Registered Professional Land Surveyor, do hereby state this plat is true and correct to the best of my knowledge.



WM. J. Daniel III
Registration No. 15078

SURFACE USE PLAT

Scale: 1"=300'

300' 0 150' 300'

CHESAPEAKE OPERATING, INC.

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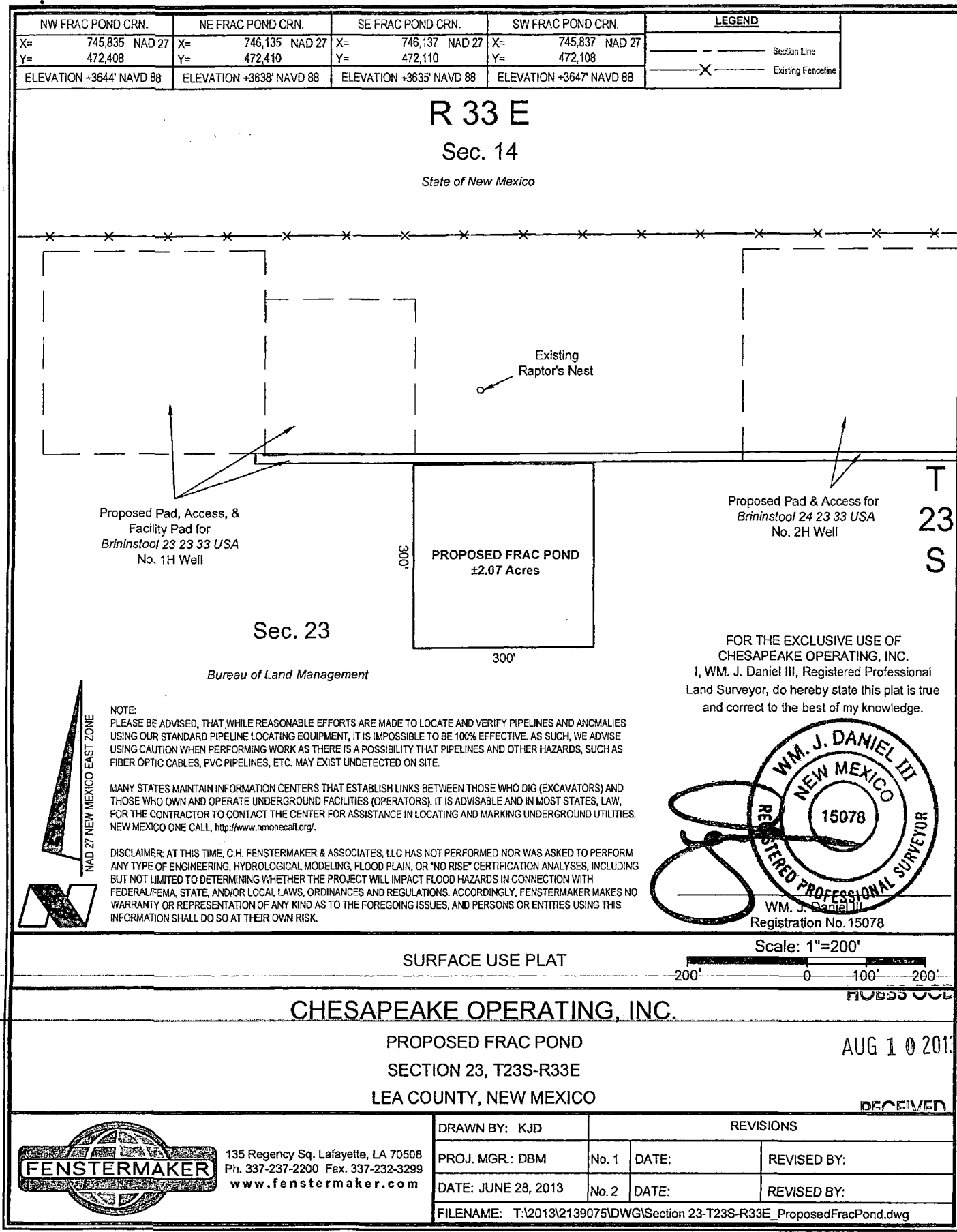
PROPOSED PAD & ACCESS ROAD
BRININSTOOL 23 23 33 USA NO. 2H WELL
SECTIONS 23 & 24, T23S-R33E
LEA COUNTY, NEW MEXICO

AUG 10 2013



135 Regency Sq. Lafayette, LA 70508
Ph. 337-237-2200 Fax. 337-232-3299
www.fenstermaker.com

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Ph. 337-237-2200 Fax. 337-232-3299
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TE COM-1H 2

1 MILE RADIUS AROUND BHL

15

STATE #101-1
14

13

BLACK MAMBA 15 STAT-1

22

23

BRININSTOOL 23-23-33 USA 2H
24

STLE UNIT-13H

THISTLE UNIT-14

1 MILE RADIUS AROUND SHL

OH

STLE UNIT-16

27

26

25

BRININSTOOL 25 FEDE-1

FEDERAL H-1

MARY FEDERAL-2
M MARY FEDERAL-1-1
WIL MARY FEDERAL-3 L-1


THISTLE U THISTLE UNIT-11

0.3000 0 0.3000 0.6000 0.9000 mi

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	CHESAPEAKE OPERATING, INC.
PERMIAN DISTRICT BRININSTOOL 23-23-33 USA 2H LEA COUNTY, NM 23-23S-33E BRININSTOOL 23-23-33 USA 2H_1 Mile Radius.gmp	
Date: 24 April, 2013	MAP BY: SARAH LYNCH