

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 3948

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address CHESAPEAKE OPERATING, INC. PO Box 11050 Midland, TX 79702-8050		OGRID Number 147179
		API Number 30-015-33853
Property Code 34475	Property Name BOUNDS 25 COM	Well No. 001

Surface Location

UL or Lot D	Section 25	Township 24S	Range 26E	Lot Idn D	Feet From 990	N/S Line N	Feet From 660	E/W Line W	County Eddy
----------------	---------------	-----------------	--------------	--------------	------------------	---------------	------------------	---------------	----------------

Proposed Pools

BLACK RIVER; MORROW, SW (G) 97255

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type Private	Ground Level Elevation 3230
Multiple N	Proposed Depth 12000	Formation Morrow	Contractor	Spud Date 12/20/2004

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	300	320	0
Int1	12.25	9.625	36	1910	445	0
Int2	8.75	7	26	8850	900	1500
Prod	6.125	4.5	15.1	12000	380	8500

Casing/Cement Program: Additional Comments

13 3/8: 35:65 Poz C1. C + 5% NaCl + 6% Bentonite + .25 PPSk Cello Flake Tail: C1C + 2% CaCl2; 9 5/8 35:65 Poz C1C + 5% bwow Sodium Chl + .25 PPS Cello Flake + 6% Bentonite; 7 5/8 50:50 Poz. C1. C + 2% Bentonite + 5% bwow Sodium Chl + .2% CD-32 Tail C1. H; 4 1/2 C1. H + 1% BA-10 + .1% FL-52 + .6% CD-32+ .2% Sodium Meta. TOC 8500

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	3500	
Double Ram	5000	5000	

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

Electronically Signed By: Brenda Coffman

Title: Regulatory Analyst

Date: 12/15/2004

Phone: 432-685-4310

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 01/06/2005

Expiration Date: 01/06/2006

Conditions of Approval:

There are conditions. See Attached.