

Santa Fe, NM 87505

1. Operator Name and Address CHESAPEAKE OPERATING, INC. P. O. BOX 18496 OKLAHOMA CITY, OK 731540496		2. OGRID Number 147179
		3. API Number 30-015-34938
4. Property Code 33998	5. Property Name ESPERANZA 4	6. Well No. 005

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
0	4	22S	27E	0	553	S	1650	E	EDDY

ESPERANZA DELAWARE	22640
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9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3124
14. Multiple N	15. Proposed Depth	16. Formation Delaware	17. Contractor	18. Spud Date 6/15/2006
Depth to Ground water 100		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method:				
Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	11	8.625	24	400	285	0
Prod	7.875	5.5	15.5	5300	1165	0

8 5/8" csg. cmt w/285 sx C + 1% bwoc CaCl₂ + 0.25 lbs/sx Cello Flake. 5 1/2" csg. cmt w/765 sx (35.65) Poz C + 5% bwow NaCl₂ + 0.25 lbs/sx Cello Flake + 6% bwoc Bentonite + 0.2% bwoc CD-32; Tail w/400 sx C + 2% bwow NaCl₂ + 0.8% bwoc BA-10 + 0.3% bwoc CD-32

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	3000	
DoubleRam	3000	3000	

Conditions of Approval Attached

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 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-102
 Permit 31009

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34938	2. Pool Code 22640	3. Pool Name ESPERANZA,DELAWARE
4. Property Code 33998	5. Property Name ESPERANZA 4	6. Well No. 005
7. OGRID No. 147179	8. Operator Name CHESAPEAKE OPERATING, INC.	9. Elevation 3124

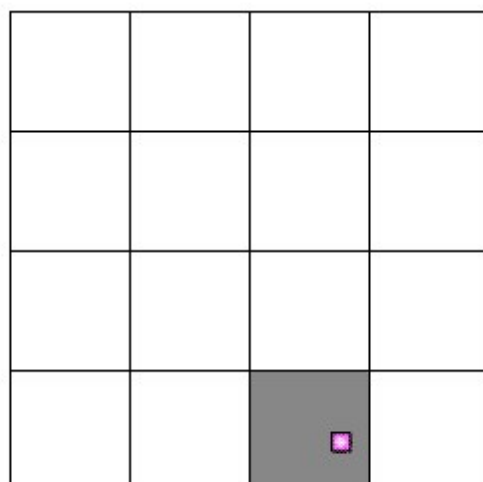
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	4	22S	27E		553	S	1650	E	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	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



OPERATOR CERTIFICATION

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.

E-Signed By: Brenda Coffman
 Title: Regulatory Analyst
 Date: 6/14/2006

SURVEYOR CERTIFICATION

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.

Surveyed By: Ronald Eidson
 Date of Survey: 5/15/2006
 Certificate Number: 12641

Permit Comments

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: ESPERANZA 4 #005

API: 30-015-34938

Created By	Comment	Comment Date
BArrant	Brenda, The location of this well belongs in District I. Location: 4-22-33. I cannot approve this well.	5/26/2006
BSCOFFMAN	Due to size, H2S Contingency plan is being mailed.	5/30/2006
BArrant	Please review from the State Engineer's web-site data as to where water wells may be and re-submit.	6/12/2006

Permit Conditions of Approval

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: ESPERANZA 4 #005

API: 30-015-34938

OCD Reviewer	Condition
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, D.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	Operator to set surface casing above the Salado. Please refer to offset well logs for more information.
BArrant	Please submit a detailed drilling mud program.
BArrant	The drilling of this well is to use a closed loop system as noted by Brenda Coffman 6/14/2006.