State of New Mexico

Form C-101 Permit 113206

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Open	itor Name and Address	2. OGRID Number
CHESAPEA	147179	
P. O. BOX 18496 OKLAHOMA CITY , OK 731540496		3. API Number
		30-05-29136
4. Property Code	5. Property Name	6. Well No.
38138	POSEIDON 22 STATE COM	001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	22	15S	31E	H	1980	N	330	E	CHAVES

8. Pool Information

WILDCAT G-05 \$153117E;ABO-WOLFCAMP

97722

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 4391
14. Multiple N	15. Proposed Depth 13332	16. Formation Wolfcamp	17. Contractor	18. Spud Date
Depth to Ground	water	Distance from nearest fr	esh water well	Distance to nearest surface water
Pit: Liner: Synthetic Closed Loop Syste	mils thick	Clay Pit Volume:	bbls Drilling Method: Fresh Water X Brine	Diesel/Oil-based Gas/Air

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	515	0
Int1	12.25	9.625	40	4000	1140	0
Prod	8.75	5.5	17	13332	2510	3500

Casing/Cement Program: Additional Comments

NMOCD's form C-102, C-144(CLEZ) pit permit, directional survey planning report, proposed drilling program and BOP schematic will be submitted by UPS. There are no high levels of H2S in this area. However, monitoring of H2S and readiness will be utilized in the drilling of this well.

Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Manufacturer
Annular	5000	3500	
Blind	5000	5000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to	OIL CONSERVATION DIVISION			
NMOCD guidelines, a general permit, or an (attached) alternative OCD-approved plan.	Approved By: Paul Kautz			
Printed Name: Electronically filed by Bryan Arrant	Title: Geologist			
Title: Sr. Regulatory Compliance Specialist	Approved Date: 5/11/2010 Expiration Date: 5/11/2012			
Email Address: bryan.arrant@chk.com				
Date: 5/4/2010 Phone: 405-935-3782	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

Form C-102 Permit 113206

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code		3. Pool Name
30-05-29136	97722		153117E;ABO-WOLFCAMP
4. Property Code 38138	5. Property Name POSEIDON 22 STATE COM		6. Wett No. 001H
7. OGRID No.	8. Operator Name		9. Elevation
147179	CHESAPEAKE OPERATING, INC.		4391

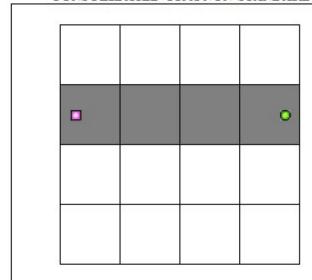
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	22	15S	31E	101000	1980	N	330	E	CHAVES

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
E	22	15S	31E	E	1980	N	330	W	CHAVES
2	cated Acres	13. 3	oint 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: Bryan Arrant

Title: Sr. Regulatory Compliance Specialist

Date: 5/4/2010

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: Gary Eidson Date of Survey: 3/30/2010 Certificate Number: 12641

Permit Comments

Operator: CHESAPEAKE OPERATING, INC. , 147179 Well: POSEIDON 22 STATE COM #001H

API: 30-05-29136

Created By	Comment	Comment Date
DMULL	OCD Hobbs received form C-144CLEZ "Pit Registration". OCD Permit Number P1- 02011.	5/11/2010

Permit Conditions of Approval

Operator: CHESAPEAKE OPERATING, INC., 147179
Well: POSEIDON 22 STATE COM #001H

API: 30-05-29136

OCD Reviewer	Condition
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and (see continuation 1b)
pkautz	(continuation 1b) shall immediately set in gement the water protection string.
DMULL	Will require a directional survey with the C-104
DMULL	API Number has been assigned by OCD for Drilling ONLY: Your company has too many wells in violation of the Inactive well Rule 19.15.25.8NMAC. You must bring your Inactive well list to 7 or less before you can produce this well.