

NSL-5250

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 5320

*Finding Paragraph
No. (1)*

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address CHESAPEAKE OPERATING, INC. PO Box 11050 Midland, TX 79702-8050		OGRID Number 147179
		API Number 30-025-37050
Property Code 34007	Property Name JORDAN 12 STATE	Well No. 003

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	12	10S	32E	E	1650	N	330	W	Lea

Proposed Pools

MESCALERO,CISCO, NORTH 45750

Well Type New Well	Well Type OIL	Cable/Rotary	Lease Type State	Ground Level Elevation 4237
Multiple N	Proposed Depth 9700	Formation Cisco	Contractor	Spud Date 01/31/2005

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	400	400	0
Intl	11	8.625	32	3400	1100	0
Prod	7.875	5.5	17	9700	950	3400

Casing/Cement Program: Additional Comments

13 3/8 csg. Lead 35:65 Poz Cl. C + 6% D20 + 2% S1 + .1pps D29 12.40 ppg, 2.07 yield Tail Cl. C + 2% S1 14.8 ppg, 1.34 yield. 8 5/8 50:50 Poz. Cl. C + 5% D44 + 10% D20 + .1pps D29 + 3 pps D42 11.9 ppg, 2.48 yield, Tail Cl C + 1% D13 14.8 ppg, 1.32 yield; 5 1/2 Lead 50:50 Poz. Cl. H + 5% D44 + 10% D20 + .1pps D29 + 5 pps D42 11.9 ppg, 2.5 yield; Tail 50:50 Poz. Cl H + 5% D44 + 2% D20 + .4% D167 + 3% D174 + .15% D800 14.4 ppg, 1.35 yield

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: 01/17/2005 Phone: 432-685-4310	OIL CONSERVATION DIVISION	
	Electronically Approved By: Paul Kautz	
	Title: Geologist	
	Approval Date: 01/18/2005	Expiration Date: 01/18/2006
Conditions of Approval: There are conditions. See Attached.		

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Form C-102
Permit 5320

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-37050	Pool Name MESCALERO,CISCO, NORTH	Pool Code 45750
Property Code 34007	Property Name JORDAN 12 STATE	Well No. 003
OGRID No. 147179	Operator Name CHESAPEAKE OPERATING, INC.	Elevation 4237

Surface And Bottom Hole Location

UL or Lot E	Section 12	Township 10S	Range 32E	Lot Idn E	Feet From 1650	N/S Line N	Feet From 330	E/W Line W	County Lea
Dedicated Acres 40		Joint or Infill		Consolidation Code		Order No.			

x			

OPERATOR CERTIFICATION

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

Electronically Signed By: Brenda Coffman

Title: Regulatory Analyst

Date: 01/17/2005

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 L Jones

Date of Survey: 12/16/2004

Certificate Number: 7977

Submit 3 Copies To Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources

Form C-103 May 27, 2004

District I 1625 N. French Dr., Hobbs, NM 88240
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OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505.

WELL API NO. 30.025.37050
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Jordan 12 State 34007
8. Well Number 003
9. OGRID Number 147179
10. Pool name or Wildcat Mescalero; Cisco, North 45750

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well [X] Gas Well [] Other []
2. Name of Operator Chesapeake Operating, Inc. 147179
3. Address of Operator P. O. Box 11050 Midland, TX 79702-8050
4. Well Location Unit Letter E : 1650 feet from the North line and 330 feet from the West line Section 12 Township 10S Range 32E NMPM County Lea
11. Elevation (Show whether DR, RKB, RT, GR etc.) 4237
Pit or Below-grade Tank Application [] or Closure []
Pit type Drilling Depth to Groundwater 150+ Distance from nearest fresh water well 1000+ Distance from nearest surface water 1000+
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume 12139 bbb; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

- PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []

- REMEDIATION WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []

OTHER: Drilling Pit Application [X]

OTHER: []

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Chesapeake, respectfully, requests that the attached procedure be approved for the drilling pit for this well. Chesapeake, hereby, agrees to close the pit according to NMOCD guidelines #3.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines [X], a general permit [] or an (attached) alternative OCD-approved plan [].

SIGNATURE Brenda Coffman TITLE Regulatory Analyst DATE 01/17/2005

Type or print name Brenda Coffman For State Use Only

E-mail address: bcoffman@chkenergy.com Telephone No. (432)687-2992

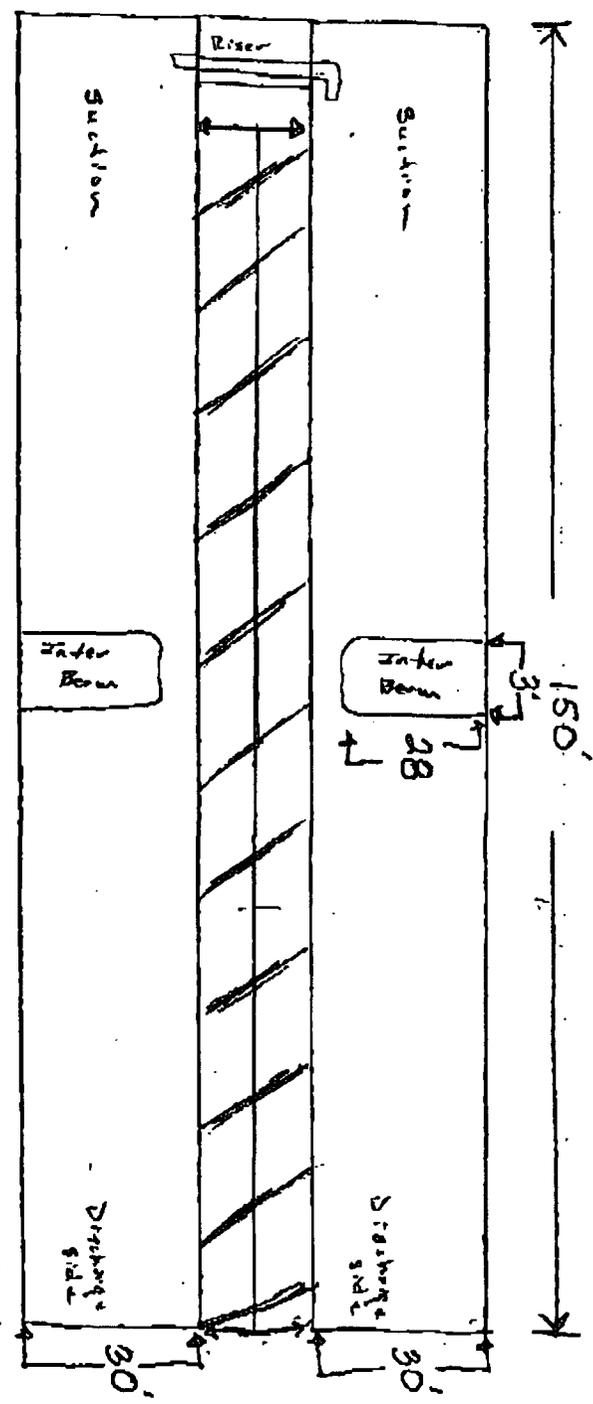
APPROVED BY: [Signature] Conditions of Approval (if any):

TITLE PETROLEUM ENGINEER DATE JAN 18 2005

Chesapeake Energy

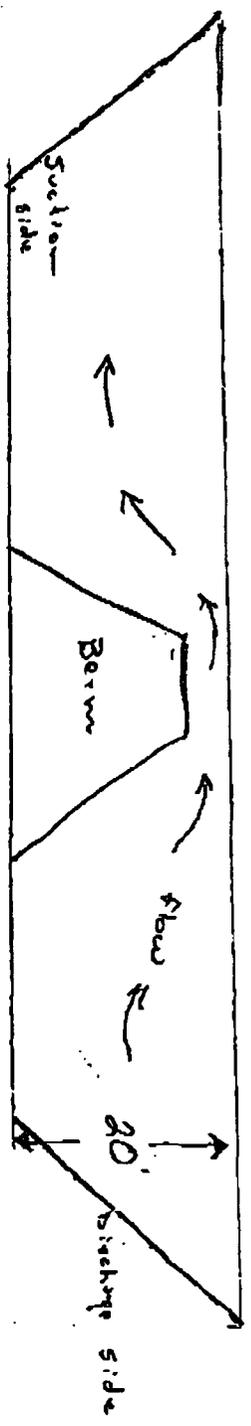
Double Pit

Guideline 3A

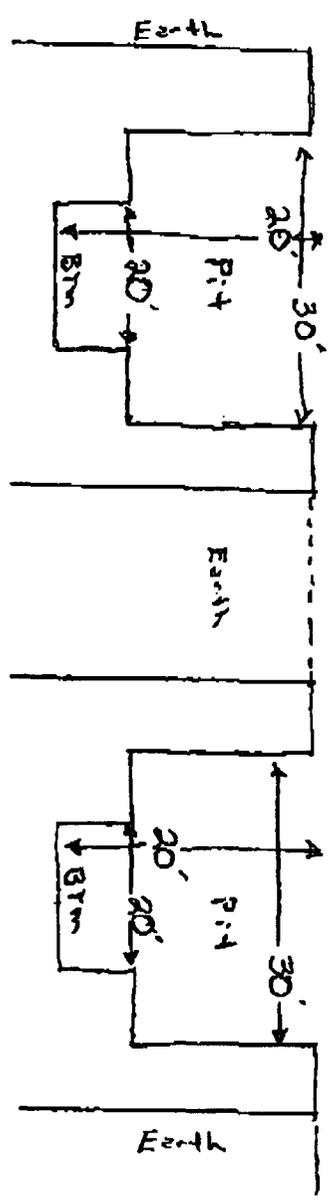


12mm plaster
↓
over all

Top View



Side View



End
cross section

$18' \times 30' \times 140' = 75600 \text{ ft}^3 \div 5.614 \text{ cu yd} = 13464.8 \text{ bbls} \times 2 = 26929.7 \text{ bbls}$. with 18' of fluid cuttings in pits.
 $20' \times 30' \times 140' = 90000 \text{ ft}^3 \div 5.614 \text{ cu yd} = 16029.6 \text{ bbls} \times 2 = 32059.2 \text{ bbls}$ with 20'