

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

RECEIVED

Oil Conservation Division OCT 18 2004
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

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

| | | |
|--|---|---|
| ¹ Operator Name and Address Chesapeake Operating, Inc. P. O. Box 11050 Midland, TX 79702-8050 | | ² OGRID Number 147179 |
| | | ³ API Number 30-015-32064 |
| ⁴ Property Code 30354 | ⁵ Property Name Will 7A Fee | ⁶ Well No. 001 |
| ⁷ Proposed Pool 1 Loving, North; Morrow | | ¹⁰ Proposed Pool 2 |

⁷ Surface Location

| | | | | | | | | | |
|--------------------|--------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|-----------------------|----------------|
| UL or lot no. A | Section 7 | Township 23S | Range 28E | Lot Idn | Feet from the 725 | North/South line North | Feet from the 1063 | East/Westline East | County Eddy |
|--------------------|--------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|-----------------------|----------------|

⁸ Proposed Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|--------------------|--------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|-----------------------|----------------|
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Additional Well Information

| | | | | |
|--|---------------------------------------|--|--|---|
| ¹¹ Work Type Code A (Add a zone) | ¹² Well Type Code Gas | ¹³ Cable/Rotary | ¹⁴ Lease Type Code Private | ¹⁵ Ground Level Elevation 3037 GR |
| ¹⁶ Multiple | ¹⁷ Proposed Depth 12540 | ¹⁸ Formation Atoka | ¹⁹ Contractor UA | ²⁰ Spud Date |
| Depth to Groundwater | | Distance from nearest fresh water well | | Distance from nearest surface water |
| Pit: Liner: Synthetic <input type="checkbox"/> milst thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: _____ | | | | |
| Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> | | | | |

²¹ Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 17 1/2 | 13 3/8 | 48# | 490' | 535 sx | |
| 12 1/4 | 9 5/8 | 36# | 2430' | 762 sx | |
| 8 3/4 | 7 | 26# | 9500' | 650 | |
| | 4 1/2 liner | | 12540 | 350 sx | |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.
There will be no pit for this re-completion. The re-completion procedure is attached.

²³ 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 NMOCD guidelines ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

Printed name: Brenda Coffman
Title: Regulatory Analyst

E-mail Address: bcoffman@chkenergy.com

Date: 10/15/2004

Phone: (432)685-4310

OIL CONSERVATION DIVISION

Approved by:

TIM W. GUM

DISTRICT II SUPERVISOR

Approval Date: NOV 08 2004

Expiration Date: NOV 08 2005

Conditions of Approval Attached ☐

Will 7A Fee #1
Re-Completion Procedure
Eddy County, New Mexico

GENERAL INFORMATION

Location: 725' FNL & 1063' FEL, S7 – T23S – R28E

API No.: 35-015-32064

WELL INFORMATION

| <u>String OD</u> | <u>Weight & Grade</u> | <u>Depth</u> | <u>ID</u> | <u>Drift</u> | <u>Burst</u> | <u>TOC</u> |
|------------------|---------------------------|----------------|-----------|--------------|--------------|------------|
| 13-3/8" | 48# H-40 STC | 0' – 494' | 12.715" | 12.559" | 1730 | 0' |
| 9-5/8" | 36# J55 LTC | 0' - 2430' | 8.921" | 8.765" | 3520 | 0' |
| 7" | 26# L80 LTC | 0' - 9500' | 6.276" | 6.151" | 7240 | ~6800' |
| 4-1/2" | 13.5# L80 LTC | 9286' - 12540' | 3.920" | 3.795" | 9020 | 9286' |

Existing Lower Morrow "B" perfs: 12392 – 12426'

Proposed Additional Lower Morrow "B" perfs: 12267 – 79'

Proposed Atoka perfs: 11288 – 92'

TD/PBTD: 12540' / 12510'

Morrow Re-Completion Procedure:

1. MIRU Service Rig and requisite equipment. NU BOP.
2. Kill well with 7% KCL water.
3. Release Arrowset packer @ 12251' and POOH w/ 2-3/8" 4.7# N-80 tubing and BHA.
4. Check PBTD w/ slickline. (34' gun in rathole).
5. RIH w/ wireline set packer and guns as follows:

2-3/8" X 4-1/2" Arrowset 1 Packer w/ 1.875" 'X' profile in On/Off Tool
1 Jt 2-3/8" N-80 4.7# 8 Rd EUE Tbg
2-3/8" 8 Rd 'XN' Nipple w/ 1.791" no-go
4' 2-3/8" 8 Rd Sub
2-3/8" Ported Sub-Debris Barrier
1 Jt 2-3/8" N-80 4.7# 8 Rd EUE Tbg
3 3-1/8" TCP Csg Gun w/ 10' Safety Spacer and lower 12' loaded 4 JSPF

Set Packer via WL w/ GR/CCL correlation on depth to position top shot
@ 12,267'. Correlate to OH N/D log dated 09/08/02.
6. RIH w/ 2-3/8" N-80 tubing and On/Off Tool. Tag On/Off stinger on top of packer. Space out tbg. Break circulation and circulate hole clean w/ 2% KCL. Latch On/Off tool and land tbg w/ 5,000# compression. Pressure test annulus to 3000#.
7. NDBOPE. NUWH. Swab FL down to 2650' from surface to provide 1000 psi underbalance from RFT reservoir pressure of 5213 psi.

8. Drop Detonating Bar and perforate Lower Morrow Sand 12,267 – 12,279' (12') w/ 4 JSPF (49 holes) w/ 3-3/8" Super Deep Penetrator TCP Csg Gun w/ HERO Charges, 90 deg phasing, 41.49" penetration, .48" holes.
9. Flow test/put well through sales as well cleans up. Evaluate for additional stimulation as warranted. Fracture treatment will likely not be required. If warranted, frac procedure will be provided under separate cover.

Atoka Completion:

10. MIRU Slickline Unit. Set plug in XN nipple below packer to kill well.
11. ND WH, NU BOP. Release from on/off tool and POOH w/ tubing.
12. RIH w/ 4-1/2" RBP. Set at 11500'. Load hole and test plug to 3000#.
13. Pull tubing to 11292' and spot 200 gal of 7-1/2% HCL. Acid to contain 200 gpt of methanol, 4 gpt of iron control, 1 gpt each of corrosion inhibitor, surface tension reducer, and non-emulsifier. POOH w/ tbg.
14. RIH w/ Arrowset packer, 2-3/8" tubing subs, nipples, picking up 2-3/8" tubing as follows: Re-entry guide, 4' sub, 'XN' w/ 1.791" no-go, 10' sub, Arrowset packer w/ 1.875" 'X' Profile in on/off tool, and 2-3/8" N-80 tubing. Reverse spot acid into tubing, space out and set packer ~ 11,240'. Pressure test annulus to 3000#. ND BOP. NU tree.
15. RU lubricator and RIH w/ 1-11/16" "Power Jet" strip gun. Correlate to OH Density/Neutron log dated 09/08/02 and perforate the Atoka w/ 4 SPF, 45 degree phasing, 8 gram charge, .26" holes from 11288 – 92' (17 holes).
16. MIRU Service Company. Pressure test lines. Conduct logistics and safety review. Pressure annulus to 2000 psi. Bullhead 1,300 gal of 7-1/2% acid. Acid to contain 200 gpt of methanol, 4 gpt of iron control, 1 gpt each of corrosion inhibitor, surface tension reducer, and non-emulsifier. Ramp rate and treat at 4 -5 BPM. Anticipated treating pressure ~5000#. RFT Res. Pr = 6351#.
17. Flow back to recover load, clean up well, and test zone. Evaluate for additional stimulation as warranted. Fracture treatment will likely not be required. If warranted, frac procedure will be provided under separate cover.

Dual Completion Procedure:

18. Kill well w/ an 11# mud system.
19. ND WH, NU BOP. Release packer and POOH w/ tubing. RIH w/ retrieving head, circulate well clean on top of RBP, and POOH w/ RBP.
20. Prep to run 2-3/8" production tubing. RIH with on/off tool, 2 jts of 2-3/8" N-80, Baker Oil Tools Model "CMD" Sliding Sleeve (in open position), and remainder of tubing. Space out tubing and land in on/off tool.
21. ND BOP, NU WH. Swab in Atoka zone up tubing. Flow to clean up well.
22. MIRU Slickline Unit. Lubricate in and shift CMD sleeve to the closed position to flow Atoka up annulus. POOH w/ shifting tool.
23. Load tubing w/ 2% KCL.
24. RIH and retrieve plug from XN nipple and prep to bring Morrow on line. RDMO slickline unit.
25. Swab in Morrow and put well on production.

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | |
|----------------------------|---|-----------|-----------------------------------|--|
| API Number 30-015-32064 | | Pool Code | Pool Name Loving, North; Atoka | |
| Property Code 30354 | Property Name Will 7A Fee | | Well Number 001 | |
| OGRID No. 147179 | Operator Name Chesapeake Operating, Inc. | | Elevation 3037 GR | |

¹⁰Surface Location

| | | | | | | | | | |
|--------------------|--------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|--------|
| UL or lot no. A | Section 7 | Township 23S | Range 28E | Lot Idn | Feet from the 725 | North/South line North | Feet from the 1063 | East/West line East | County |
|--------------------|--------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|--------|

¹¹Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|------------------------|---------|-----------------|-------|--------------------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| Dedicated Acres 320 | | Joint or Infill | | Consolidation Code | | 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

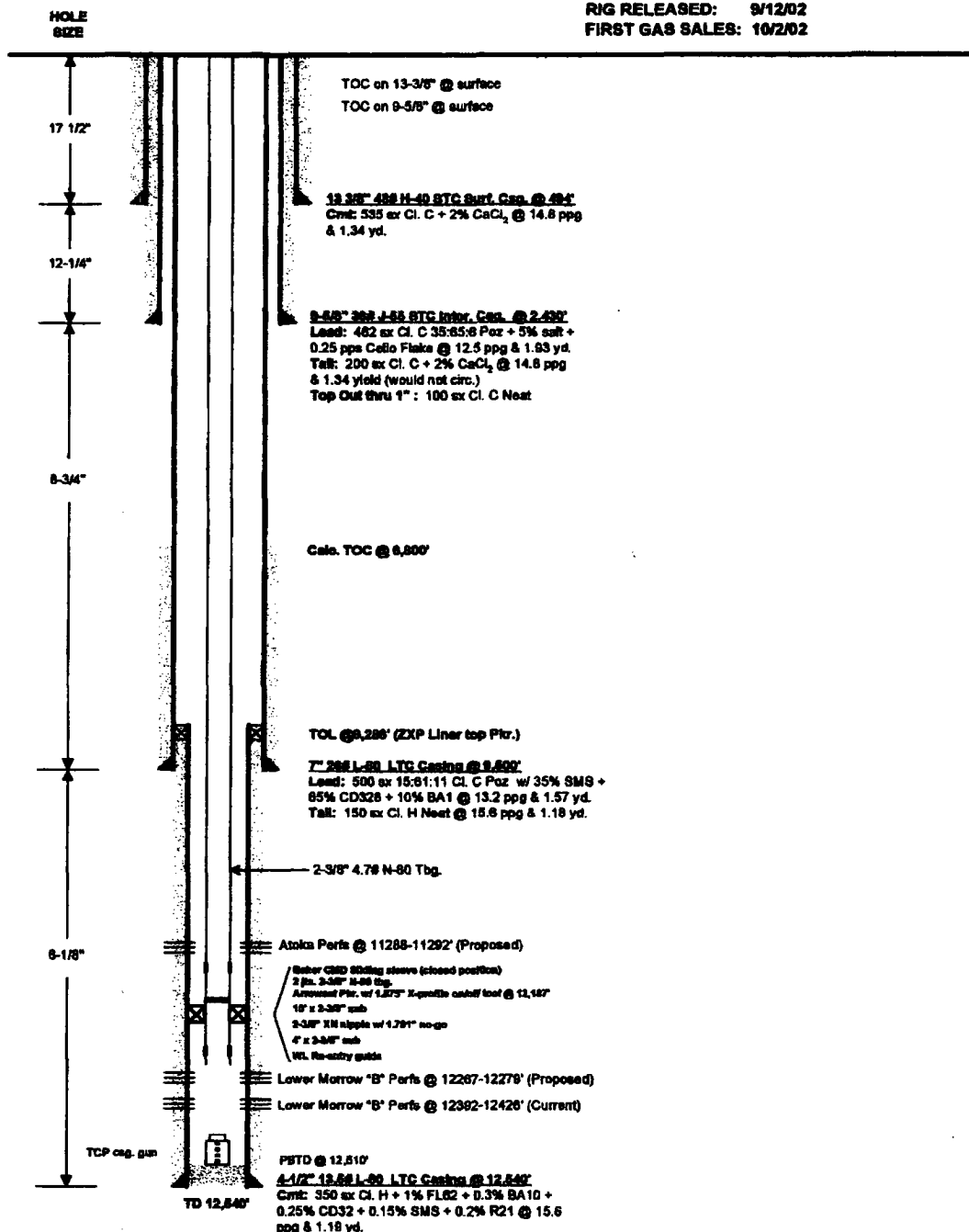
| | |
|---|--|
| <div style="position: relative; height: 400px;"> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; border: 1px solid black; border-style: dashed;"></div> <div style="position: absolute; top: 10%; left: 50%; transform: translate(-50%, -50%);"> 725' 1063' </div> </div> | <p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <i>Brenda Coffman</i></p> <p>Printed Name Brenda Coffman</p> <p>Regulatory Analyst</p> <p>Title and E-mail Address</p> <p>10/15/2004</p> <p>Date</p> |
| | <p>¹⁸ 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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> |
| | <p>Certificate Number</p> |
| | |

PROPOSED WELLBORE SCHEMATIC CHESAPEAKE OPERATING INC.

WELL : WILL 7A FEE #1
 SHL : 725' FNL & 1,063' FEL, UNIT A, SEC. 7-23S-28E
 TARGET : MORROW
 COUNTY : EDDY STATE : NM
 FIELD : LOVING, NORTH (MORROW)
 ELEVATION : GL - 3,037' KB - 3,057'



API #: 30-015-32064
 SPUD DATE: 7/16/02
 RIG RELEASED: 9/12/02
 FIRST GAS SALES: 10/2/02



PREPARED BY: Ginni A. Kennedy

DATE: 10/05/02

UPDATED BY: Ginni A. Kennedy

DATE: 11/4/04