

Form 3160-3
(April 2004)

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

51K
OCD-ARTESIA

HIGH CAVE KARST

CONFIDENTIAL

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

SEP 25 2007
OCD-ARTESIA

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: ☒ DRILL ☐ REENTER
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

Split Estate

2. Name of Operator
CHESAPEAKE OPERATING, INC. LINDA GOOD

3a. Address P. O. BOX 18496
OKLAHOMA CITY, OK 73154-0496

3b. Phone No. (include area code)
405-767-4275

4. Location of Well (Report location clearly and in accordance with any State requirements *)
At surface 371' FSL & 365' FEL, SESE
At proposed prod. zone 330' FSL & 2310' FWL, SESW

Carlsbad Controlled Water Basin

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
MOSAIC 34 FEDERAL 2H

9. API Well No.
30-015-35831

10. Field and Pool, or Exploratory
UNDES. WILLOW LAKE ; Delaware, SW

11. Sec., T. R. M. or Blk. and Survey or Area

34-24S-28E

14. Distance in miles and direction from nearest town or post office*
7 MILES SOUTH OF MALAGA, NM.

12. County or Parish
EDDY CO.

13. State
NM

15. Distance from proposed*
location to nearest
property or lease line, ft
(Also to nearest drg. unit line, if any)

16. No. of acres in lease
80

17. Spacing Unit dedicated to this well
80

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

19. Proposed Depth
6400'

20. BLM/BIA Bond No. on file
NM2634

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
2986' GR EST. 3004' KB EST.

22. Approximate date work will start*

23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office)
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above)
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

Name (Printed/Typed)
Henry Hood

Date
7/24/07

Title
Sr. Vice President - Land & Legal & General Counsel

Approved by (Signature) **/s/ James Stovall**

Name (Printed/Typed)
/s/ James Stovall

Date
SEP 12 2007

Title
FIELD MANAGER

Office
CARLSBAD FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

**If earthen pits are used in
association with the drilling of this
well, an OCD pit permit must be
obtained prior to pit construction.**

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED**

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

Form C-102

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
			Und. Willow Lake; Delaware, SW
Property Code	Property Name		Well Number
36004	MOSAIC 34 FEDERAL		2H
OGRID No.	Operator Name		Elevation
147179	CHESAPEAKE OPERATING, INC.		2987'

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	34	24-S	28-E		371	SOUTH	365	EAST	EDDY

UL or lot No. N	Section 34	Township 24-S	Range 28-E	Lot Idn	Feet from the 330	North/South line SOUTH	Feet from the 2310	East/West line WEST	County EDDY
Dedicated Acres 120	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

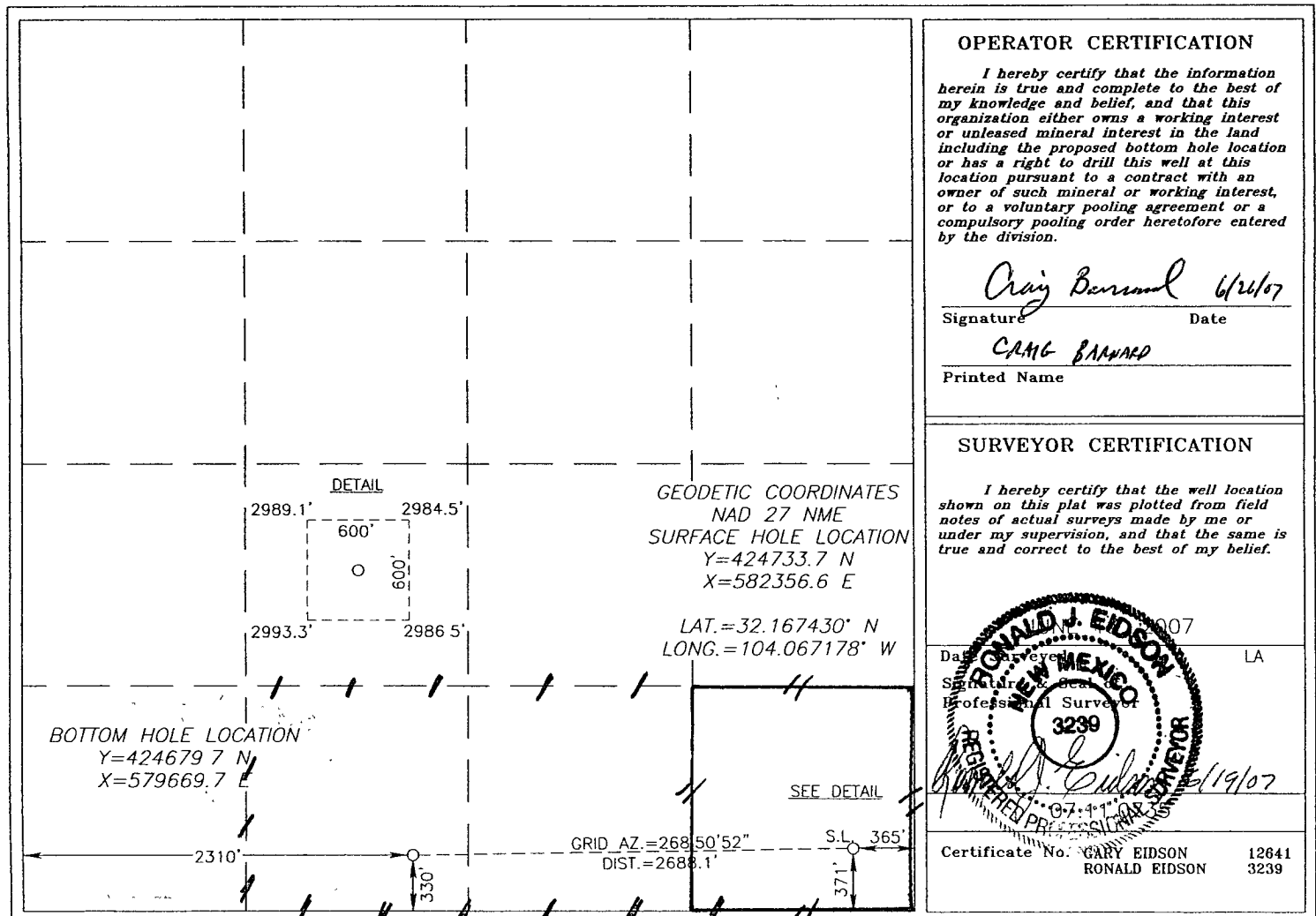


EXHIBIT A-1