

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

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

Form C-101
May 27, 2004

SEP 19 2007

Submit to appropriate District Office
OCD-ARTESIA

☐ AMENDED REPORT

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

¹ Operator Name and Address Chesapeake Operating Inc. 2010 Rankin Hwy Midland, TX 79701		² OGRID Number 147179
		³ API Number 30-015-20560
⁴ Property Code 19341	⁵ Property Name Benson Shugart WFU	⁶ Well No 3
⁹ Proposed Pool 1 Shugart; Yates-7RS-QU-GRAYBURG 56439		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no J	Section 26	Township 18S	Range 30E	Lot Idn	Feet from the 2310	North/South line South	Feet from the 1650	East/Westline East	County Eddy
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⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no J	Section 26	Township 18S	Range 30E	Lot Idn	Feet from the 2310	North/South line South	Feet from the 1650	East/Westline East	County Eddy
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Additional Well Information

¹¹ Work Type Code E	¹² Well Type Code O	¹³ Cable/Rotary	¹⁴ Lease Type Code Fee	¹⁵ Ground Level Elevation 3473.8 GR
¹⁶ Multiple N	¹⁷ Proposed Depth 3534	¹⁸ Formation GRBG/PNRS/SVRV	¹⁹ Contractor	²⁰ Spud Date 09/24/2007
Depth to Groundwater 45		Distance from nearest fresh water well 1000		Distance from nearest surface water 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mil thick Clay <input type="checkbox"/> Pit Volume 12129 bbls Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				
Closed-Loop System <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11	8 5/8	24#	715	300 sx	0
7 7/8	5 1/2	15.5#	3534	350 sx	0

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.
Chesapeake, respectfully, request permission to re-enter this well per the attached procedure.

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: Shay Stricklin

Title Regulatory Tech.

E-mail Address: sstricklin@chkenergy.com

Date: 09/18/2007

Phone: (432)687-2992

OIL CONSERVATION DIVISION

Approved by

BRYAN G. ARANT

Title: DISTRICT II GEOLOGIST

Approval Date: SEP 19 2007

Expiration Date: SEP 19 2008

Conditions of Approval Attached ☐

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 30-015-20560		* Pool Code 56439	* Pool Name Shugart; YATES-7RS-QU-GRAYBURG
* Property Code 19341	* Property Name Benson Shugart WFU		* Well Number 3
* OGRID No. 147179	* Operator Name Chesapeake Operating Inc.		* Elevation 3473.8 GR

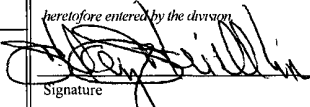
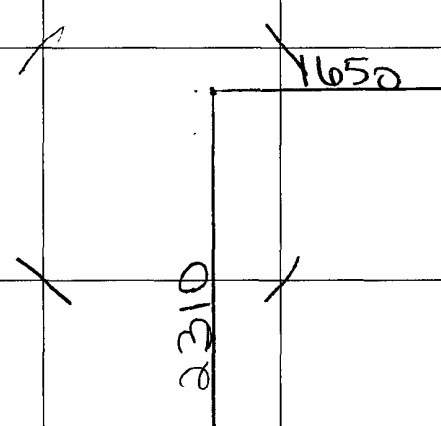
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	26	18S	30E		2310	South	1650	East	Eddy

11 Bottom 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
J	26	18S	30E		2310	South	1650	East	Eddy
" Dedicated Acres 40		" 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.

16					17 OPERATOR CERTIFICATION <i>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 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.</i>  Signature 09/18/2007 Date Shay Stricklin Printed Name
					18 SURVEYOR CERTIFICATION <i>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</i> Date of Survey Signature and Seal of Professional Surveyor Certificate Number



**Benson Shugart WFU 3
Add Pay & Stimulate
Eddy County, New Mexico**

Procedure

Hold Tailgate Safety meeting prior to beginning work each morning and as required for specific operations

1. Prep location. Check anchors and clean area for workover.
2. MIRU workover rig. POH w/pump and rods. ND WH. NU BOP. TIH w/tubing to tag PBTD. TOH w/tubing.
3. RU wireline unit. RIH and perforate as follows:

Grayburg	3,472' – 3,480'	2 SPF	16 holes
Penrose	3,272' – 3,278'	2 SPF	12 holes
Seven Rivers	2,224' – 2,234'	2 SPF	20 holes
Seven Rivers	2,200' – 2,208'	2 SPF	16 holes

Correlate to GR/Neutron/Acoustilog from 1/19/72.

4. RIH w/packer on 2-7/8" tubing and set at 3,225'. RU frac equipment and frac Penrose & Grayburg perforations 3,272' – 3,278', 3,326' – 3,334', 3,366' – 3,375', 3,446' – 3,452' and 3,472' – 3,480' with 40,000# 20/40 RC sand as per frac design. *NOTE: All fracs will have spearhead acid. Frac design will be sent separate from this procedure.*
5. Unset packer and TOH. RU wireline unit and RIH with CIBP and set at 2,300'. POH. PU treating packer and 2-7/8" tubing and RIH to 2,150' and set.
6. RU frac equipment and frac Seven Rivers perforations 2,200' – 2,208' and 2,226' – 2,234' with 20,000# 20/40 RC sand as per frac design. *NOTE: All fracs will have spearhead acid. Frac design will be sent separate from this procedure.*
7. Unset packer and TOH. PU 4-3/4" bit, bit sub and collars on 2-7/8" work string. TIH to bridge plug. RU power swivel and reverse unit. DO CIBP set at 2,300' and then clean out well to PBTD (3,532'). If possible, circulate wellbore clean.
8. RIH with tbg, SN and TAC and set SN at +/- 3,500' (below perfs).
9. PU and RIH with pump and rods. Space out and hang on. RDMO workover rig.
NOTE: Rod design to follow this procedure.



Current Wellbore Schematic

BENSON SHUGART WFU 3

Field: SHUGART (YATES-SEVEN RIVERS-QUEEN-GRAYBURG)
County: EDDY
State: NEW MEXICO
Elevation: GL 3,473.80 KB 3,483.80
KB Height: 10.00

Location: 2,310.0 ft FSL & 1,650.0 ft FEL - Section 26 - 018S - 030E

Spud Date: 1/8/1972
Initial Compl. Date:
API #: 3001520560
CHK Property #: 890933
1st Prod Date:
PBSD: Original Hole - 3532.0
TD: 3,534.0

