

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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 & Natural Resources

Oil Conservation Division

1220 South St. Francis

Santa Fe

AUG 10 2010

NMOCD ARTESIA

Form C-104  
Revised October 15, 2009

Submit one copy to appropriate District Office

☐ AMENDED REPORT

I. REQUEST FOR

AUTHORIZATION TO TRANSPORT

|                                                                                                                        |                                                            |                                                              |                                 |
|------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------|---------------------------------|
| <sup>1</sup> Operator name and Address<br>Chesapeake Operating, Inc.<br>P.O. Box 18496<br>Oklahoma City, OK 73154-0496 |                                                            | <sup>2</sup> OGRID Number<br>147179                          |                                 |
| <sup>4</sup> API Number<br>30 - 0015-37518                                                                             |                                                            | <sup>5</sup> Pool Name<br>Pierce Crossing; Bone Spring, East | <sup>6</sup> Pool Code<br>96473 |
| <sup>7</sup> Property Code<br>37999                                                                                    | <sup>8</sup> Property Name<br>PLU Pierce Canyon 12 Federal |                                                              | <sup>9</sup> Well Number<br>1H  |

This well has been placed in the pool designated below.  
If you do not concur notify the Hobbs OCD Geologist.

II. <sup>10</sup> Surface Location

|                    |               |                      |                  |         |                      |                           |                       |                        |                |
|--------------------|---------------|----------------------|------------------|---------|----------------------|---------------------------|-----------------------|------------------------|----------------|
| UI or lot no.<br>P | Section<br>12 | Township<br>24 South | Range<br>29 East | Lot Idn | Feet from the<br>250 | North/South<br>South Line | Feet from the<br>217' | East/West line<br>East | County<br>Eddy |
|--------------------|---------------|----------------------|------------------|---------|----------------------|---------------------------|-----------------------|------------------------|----------------|

<sup>11</sup> Bottom Hole Location

|                             |                                          |                                                 |                                   |                                    |                                     |                           |                        |                        |                |
|-----------------------------|------------------------------------------|-------------------------------------------------|-----------------------------------|------------------------------------|-------------------------------------|---------------------------|------------------------|------------------------|----------------|
| UL or lot no.<br>B          | Section<br>12                            | Township<br>24 South                            | Range<br>29 East                  | Lot Idn                            | Feet from the<br>334'               | North/South line<br>North | Feet from the<br>2321' | East/West line<br>East | County<br>Eddy |
| <sup>12</sup> Lse Code<br>F | <sup>13</sup> Producing Method Code<br>E | <sup>14</sup> Gas Connection Date<br>07/01/2010 | <sup>15</sup> C-129 Permit Number | <sup>16</sup> C-129 Effective Date | <sup>17</sup> C-129 Expiration Date |                           |                        |                        |                |

III. Oil and Gas Transporters

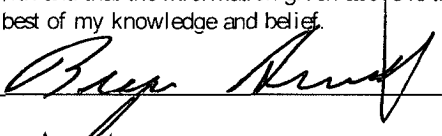
|                                 |                                                                              |                     |
|---------------------------------|------------------------------------------------------------------------------|---------------------|
| <sup>18</sup> Transporter OGRID | <sup>19</sup> Transporter Name and Address                                   | <sup>20</sup> O/G/W |
| 241472                          | Southern Union Gas Services, LTD<br>301 Commerce, Suite 700<br>Ft. Worth, TX | G                   |
| 234435                          | EnterpriseCrude Oil, LLC<br>210 Park Ave, Suite 1600<br>Oklahoma City, OK    | O                   |
|                                 |                                                                              |                     |
|                                 |                                                                              |                     |
|                                 |                                                                              |                     |
|                                 |                                                                              |                     |

IV. Well Completion Data

|                                       |                                        |                            |                              |                                            |                                   |
|---------------------------------------|----------------------------------------|----------------------------|------------------------------|--------------------------------------------|-----------------------------------|
| <sup>21</sup> Spud Date<br>02/08/2010 | <sup>22</sup> Ready Date<br>06/22/2010 | <sup>23</sup> TD<br>12934' | <sup>24</sup> PBDT<br>12900' | <sup>25</sup> Perforations<br>8100'-12600' | <sup>26</sup> DHC, MC<br>NSL-6136 |
| <sup>27</sup> Hole Size               | <sup>28</sup> Casing & Tubing Size     | <sup>29</sup> Depth Set    | <sup>30</sup> Sacks Cement   |                                            |                                   |
| 17 1/2"                               | 13 3/8"                                | 700'                       | 1313 sxs                     |                                            |                                   |
| 12 1/4"                               | 9 5/8"                                 | 3375'                      | 1565sxs                      |                                            |                                   |
| 8 5/8"                                | 5 1/2"                                 | 12934'                     | 2150 sxs                     |                                            |                                   |
|                                       | 2 7/8" tubing set at 3061'             |                            |                              |                                            |                                   |

V. Well Test Data

|                                          |                                               |                                       |                                       |                             |                             |
|------------------------------------------|-----------------------------------------------|---------------------------------------|---------------------------------------|-----------------------------|-----------------------------|
| <sup>31</sup> Date New Oil<br>07/01/2010 | <sup>32</sup> Gas Delivery Date<br>07/01/2010 | <sup>33</sup> Test Date<br>07/01/2010 | <sup>34</sup> Test Length<br>24 Hours | <sup>35</sup> Tbg. Pressure | <sup>36</sup> Csg. Pressure |
| <sup>37</sup> Choke Size                 | <sup>38</sup> Oil<br>245 BOPD                 | <sup>39</sup> Water<br>3160 BWPD      | <sup>40</sup> Gas<br>218 MCFGPD       |                             | <sup>41</sup> Test Method   |

|                                                                                                                                                                                                                                                                                                            |                         |                                                                                                   |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------------------------------------------------------------------|--|
| <sup>42</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.<br>Signature:  |                         | OIL CONSERVATION DIVISION                                                                         |  |
| Printed name:<br>Bryan Arrant                                                                                                                                                                                                                                                                              |                         | Approved by:  |  |
| Title:<br>Senior Regulatory Compl. Sp.                                                                                                                                                                                                                                                                     |                         | Title:        |  |
| E-mail Address:<br>bryan.arrant@chk.com                                                                                                                                                                                                                                                                    |                         | Approval Date: NOV 09 2010                                                                        |  |
| Date:<br>08/09/2010                                                                                                                                                                                                                                                                                        | Phone:<br>(405)935-3782 |                                                                                                   |  |

jm

KZ