

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 1282

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address CHESAPEAKE OPERATING, INC. PO Box 11050 Midland, TX 79702-8050		OGRID Number 147179
		API Number 30-025-36794
Property Code 34152	Property Name CC "3" STATE	Well No. 001

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	3	21S	35E	M	990	S	990	W	Lea

Proposed Pools

OSUDO;MORROW, SOUTH (GAS) 82200

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3622
Multiple N	Proposed Depth 12000	Formation Morrow	Contractor	Spud Date 08/06/2004

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	54.5	1450	1065	0
Int1	12.25	9.625	40	5300	1625	0
Int2	8.75	7	26	10400	625	8600
Prod	6.125	4.5	11.6	12000	300	8600

Casing/Cement Program: Additional Comments

13 3/8 cmt w/765 sx Lite C w/2% CaCl2 & 1/4# FC & 300 sx Cw/2% CaCl2 & 1/4# FC; 9 5/8 cmt d 1 425 sx 50:50:10 Poz C Gel w/5% salt, 5# gil & 1/43 FC + 200 sx C; 2) 800 sx 50:50:10 Poz C: Gel w/5% salt, 5# gil & 1/4# FC + 200 sx C w/2% CaCl2.7 cmt d w/625 sx 50:50:2 Poz H; Gel w/5% salt, 3# gil; 4 1/2 w/300 sx 50:50:2 Poz H Gel w/5% salt 3# gil.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	5000	
Double Ram	1500	3000	

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

Electronically Signed By: Mark Mabe

Title: Manager

Date: 07/29/2004

Phone: 432-685-4339

OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 08/02/2004

Expiration Date: 08/02/2005

Conditions of Approval:

There are conditions. See Attached.