

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

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		2. OGRID Number 147179
		3. API Number 30-025-37617
4. Property Code 35344	5. Property Name KELLER 34 STATE	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	34	23S	34E	C	673	N	1992	W	LEA

8. Pool Information

Wildcat;Bone Spring	0
---------------------	---

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3463
14. Multiple N	15. Proposed Depth 8800	16. Formation 1st Bone Spring Sand	17. Contractor	18. Spud Date 1/30/2006
Depth to Ground water 403		Distance from nearest fresh water well 1000		Distance to nearest surface water 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 12129 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	575	570	0
Int1	11	8.625	32	5100	950	0
Prod	7.875	5.5	17	8800	545	4500

Casing/Cement Program: Additional Comments

In 17 1/2" hole run 13 3/8" csg. set @ 575'. Cmt w/340 sx of Poz C + 6% Bentonite + 2% S1 CaCl2 + .25 pps D29; 12.70 ppg, 1.94 yield; Tail w/230 sx of C1C + 2% S1; 14.8 ppg, 1.34 yield. Circ to surface. In 11" hole, run 8 5/8" 32# J-55 STC Inter. Csg. set @ 5100'. Cmt Lead w/780 sx of Poz C + 10% D20 Bentonite CaCl2 + 1.5% D44 salt + 2pps D42 Kolite LCM + .2% D65 TIC + .2% D46 AF + .25 pps D29 Celloflake + D974 CemNET LCM 11.8 ppg, 2.45 yield; Tail w/170 sx of Cl. C + .05% S1CaCl2. 14.8 ppg, 1.34 yield Circ to surf. In 7 7/8" hole, run 5 1/2" csg set @ 8800'. Cmt'd w/305 sx of 50:50 Poz H + 12% Bentonite + .2% D112 FLAC + 5 pps D42 Kolite + .2% D46 + .25 pps D29 + D974 CemNET 11.6 ppg, 2.63 yield. Tail w/240 sx of 50:50 Poz H + 2% D20 + 1% D174 + .15% D65 14.6 ppg, 1.24 yield. Est. TOC: 4500'

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	3000	
DoubleRam	3000	3000	

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: Electronically filed by Brenda Coffman

Title: Regulatory Analyst

Email Address: bcoffman@chkenenergy.com

Date: 1/4/2006

Phone: 432-685-4310

OIL CONSERVATION DIVISION

Approved By: Paul Kautz

Title: Geologist

Approved Date: 1/4/2006

Expiration Date: 1/4/2007

Conditions of Approval Attached

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 Permit 20749

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-37617	2. Pool Code	3. Pool Name Wildcat,Bone Spring
4. Property Code 35344	5. Property Name KELLER 34 STATE	6. Well No. 001
7. OGRID No. 147179	8. Operator Name CHESAPEAKE OPERATING, INC.	9. Elevation 3463

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	34	23S	34E		673	N	1992	W	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00		13. Joint or Infill		14. Consolidation Code		15. 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

OPERATOR CERTIFICATION

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(s) 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.

E-Signed By: Brenda Coffman
 Title: Regulatory Analyst
 Date: 1/4/2006

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.

Surveyed By: Gary G Eidson
 Date of Survey: 12/16/2005
 Certificate Number: 12641

Permit Conditions of Approval

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: KELLER 34 STATE #001

API: 30-025-37617

OCD Reviewer	Condition
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
pkautz	Prior to any pit construction notify Gary Wink at 505-393-6161 ext 114