

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 18496 OKLAHOMA CITY, OK 731540496		2. OGRID Number 147179
4. Property Code 34862		3. API Number 30-025-37621
5. Property Name SIMS 13 STATE		6. Well No. 002

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	13	20S	35E	E	1650	N	330	W	LEA

8. Pool Information

FEATHERSTONE,BONE SPRING, EAST	24270
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3655
14. Multiple N	15. Proposed Depth	16. Formation 3rd Bone Spring Sand	17. Contractor	18. Spud Date 1/15/2006
Depth to Ground water 34		Distance from nearest fresh water well		Distance to nearest surface water

Pit: Liner: Synthetic ☐ miles thick Clay ☐ Pit Volume: bbls Drilling Method:
 Closed Loop System ☒ Fresh Water ☐ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐

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	450	400	0
Int1	11	8.625	32	4000	710	0
Prod	7.875	5.5	17	11050	1160	3500

Casing/Cement Program: Additional Comments

In 17 1/2" hole run 13 3/8" 48# H-40 STC Surf. csg. set @ 450'. Cmt w/Lead 200 sx Cl C + 2% bwoc CaCl2 + 0.25 pps Cello Flake + 4% bwoc bentonite; 13.5 ppg, 1.75 yld; Tail w/200 sx Cl. C + 2% bwoc CaCl2; 14.8 ppg, 1.34 yield. Circ. In 11" hole run 8 5/8" 32# J-55 LT&C Inter. csg. set @ 4000'. Cmt w/Lead 580 sx 35:65 Poz Cl C + 5% bwow Sodium Ch. + 0.25 pps Cello Flake 12.5 ppg, 1.93 yield; Tail w/130 sx Cl. C + 1% bwoc CaCl2 14.8 ppg, 1.34 yld. Circ to surf. In 7 7/8" hole, run 5 1/2" 17# L-80 LT&C Csg set @ 11,050'. Cmt w/Lead 860 sx (50:50) Poz (Fly Ash): Cl. H Cmt + 3 pps LCM-1 + 10% bwoc Bentonite + 0.4% bwoc R-21 11.8 ppg, 2.30 yld; Tail: 300 sx Cl. H Cmt + 0.8% bwoc BA-10 + 0.5% bwoc CD-32 + 0.8% bwoc FL-62 15.6 ppg, 1.19 yld. TOC @ 3500 (est)

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	5000	
DoubleRam	5000	5000	

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 <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Brenda Coffman	Approved By: Paul Kautz	
Title: Regulatory Analyst	Title: Geologist	
Email Address: bcoffman@chkenergy.com	Approved Date: 1/6/2006	Expiration Date: 1/6/2007
Date: 1/5/2006	Phone: 432-685-4310	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

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Form C-102
 Permit 20840

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-37621	2. Pool Code 24270	3. Pool Name FEATHERSTONE,BONE SPRING, EAST
4. Property Code 34862	5. Property Name SIMS 13 STATE	6. Well No. 002
7. OGRID No. 147179	8. Operator Name CHESAPEAKE OPERATING, INC.	9. Elevation 3655

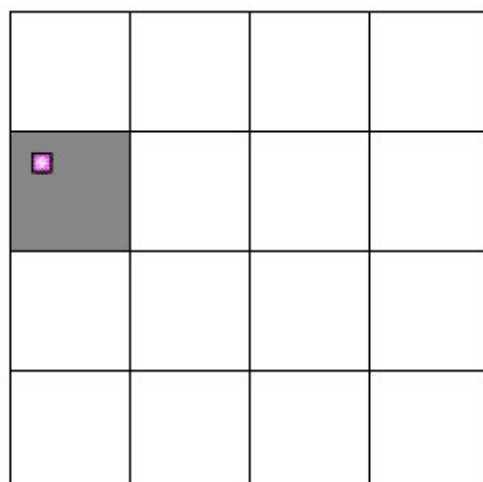
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
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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: 1/5/2006

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 Eidson
 Date of Survey: 1/3/2006
 Certificate Number: 12641

Permit Conditions of Approval

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: SIMS 13 STATE #002

API: 30-025-37621

OCD Reviewer	Condition
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, D.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