

**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 35344		3. API Number 30-025-37866
5. Property Name KELLER 34 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
D	34	23S	34E	D	660	N	660	W	LEA

**8. Pool Information**

Wildcat;Bone Spring	0
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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 3472
14. Multiple N	15. Proposed Depth 8800	16. Formation Bone Spring	17. Contractor	18. Spud Date 3/31/2006
Depth to Ground water 400		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	502	0
Int1	11	8.625	32	5050	1080	0
Prod	7.875	5.5	17	8800	506	4600

**Casing/Cement Program: Additional Comments**

13 3/8" csg. Lead: 402 sx of Cl. C + 5% Bentonite + 2% bwoc CaCl<sub>2</sub> 13.50 ppg, 1.74 yield. Tail w/100 sx of Cl. C + 2% bwoc CaCl<sub>2</sub> 14.8 ppg, 1.34 yield. 8 5/8": 950 sx 50:50 Poz C + 10% bwoc Bentonite + 5% bwow Sodium Chloride +.25 pps Cello Flake 11.8 ppg, 2.45 yield. Tail w/130 sx Cl. C + 1% bwoc CaCl<sub>2</sub> 14.8 ppg, 1.34 yield. 5 1/2" Lead 233 sx 50:50 Poz H + 10% Bentonite + 0.5% FL-25 + .08% bwoc ASA-301 + .3% bwoc R-21 11.8 ppg, 2.30 yield; Tail: 273 sx (15:61:11) Poz (Fly Ash): C:CSE + 0.7% bwoc FL-25 + .3% bwoc Sodium Metasilicate + 0.7% bwoc FL-52A 13.2 ppg, 1.57 yield.

**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 NMOCB guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCB-approved plan <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Electronically filed by Brenda Coffman	Approved By: Paul Kautz	
Title: Regulatory Analyst	Title: Geologist	
Email Address: bcoffman@chkenergy.com	Approved Date: 5/18/2006	Expiration Date: 5/18/2007
Date: 5/17/2006	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 26035

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-37866	2. Pool Code	3. Pool Name Wildcat,Bone Spring
4. Property Code 35344	5. Property Name KELLER 34 STATE	6. Well No. 002
7. OGRID No. 147179	8. Operator Name CHESAPEAKE OPERATING, INC.	9. Elevation 3472


**10. Surface Location**

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**11. Bottom Hole Location If Different From Surface**

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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: 5/17/2006

**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: 3/16/2006  
 Certificate Number: 12641

## Permit Comments

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: KELLER 34 STATE #002

API: 30-025-37866

Created By	Comment	Comment Date
DMULL	Per phone conversation with Brenda Coffman, Bottom hole location should be Unit D, Sec 34, T-23s, R-34e.	5/17/2006

# Permit Conditions of Approval

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: KELLER 34 STATE #002

API: 30-025-37866

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