State of New Mexico

Form C-101 Permit 28224

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

AT THE ATTOM TO BE TENGHT TO DRIBE, RE-EVILLE, BELL EV, THOODACK, OR ADD A ZONE							
. Operator Name and Address	2. OGRID Number						
\$1.00 (\$40.00	147179 3. API Number						
20 July 7							
110WA 0111, OK 731340490	30-025-37987						
5. Property Name	6. Well No.						
SID 3 STATE	001						
	Operator Name and Address APEAKE OPERATING, INC. P.O.BOX 18496 HOMA CITY, OK 731540496						

7. Surface Location

8	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	Н	3	17S	37E	Н	1730	N	592	E	LEA

8. Pool Information

SHIPP:STRAWN 5569.	SHIPPSTRAWN	55695
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Additional Well Information

		101			necona	11HO11HH		0.00
9. Work New V				13. Ground Level Elevation 3766				
	ultiple V	15. Proposed Depth			16. Formation Strawn	n	17. Contractor	18. Spud Date 5/20/2006
Dept	h to Ground v 35	vater		D:	istance from nearest	fresh water well		Distance to nearest surface water
	Synthetic Loop System	×	mils thick	Clay	Pit Volume:		lling Method: sh Water Brine	Diesel/Oil-based Gas/Air

19. Proposed Casing and Cement Program

Туре	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	370	0
Int1	11	8.625	32	4200	1025	0
Prod	7.875	5.5	17	11650	805	3700

Casing/Cement Program: Additional Comments

13 3/8 Lead 170 sx Halliburton Light Tail 200 sx Prem Plus; 8 5/8" Lead 825 sx Interfill C Tail 200 sx Prem Plus; 5 1/2" Lead 660 sx Interfill H, 145 sx Super H

Proposed Blowout Prevention Program

<u> </u>	Troposed Bioliode Tr	cicitati i rogianti	(A)
Туре	Working Pressure	Test Pressure	Manufacturer
Annular	5000	5000	
DoubleRam	5000	5000	

I hereby certify that the information g of my knowledge and belief. I further certify that the drilling pi	ven above is true and complete to the best t will be constructed according to	OIL CONSERVATION DIVISION				
	ermit , or an (attached) alternative	Approved By: Paul Kautz				
Printed Name: Electronically fi	led by Brenda Coffman	Title: Geologist	No.			
Title: Regulatory Analyst		Approved Date: 7/3/2006	Expiration Date: 7/3/2007			
Email Address: bcoffman@chk	energy.com					
Date: 6/30/2006	Phone: 432-685-4310	Conditions of Approval Atta	nched			

District I

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

<u>District I</u>

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

Form C-102 Permit 28224

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

YY	ELL LOCATION AND	ACICEAGE DEDICATIO	TLAI
1. API Number	2. Pool Code		3. Pool Name
30-025-37987	55695	IIPP;STRAWN	
4. Property Code	5. P.	roperty Name	6. Well No.
35617	SIE	3 STATE	001
7. OGRID No.	8. 0	perator Name	9. Elevation
147179	CHESAPEAK	E OPERATING, INC.	3766

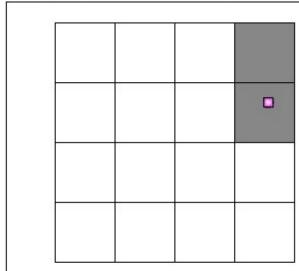
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
Н	3	17S	37E		1730	N	592	E	LEA

11. Bottom Hole Location If Different From Surface

	LLI DOVINGE LEGIC DEVENUE LE DELL'ACTIVE DELL'ACTIVE DELL'ACTIVE DE L'ACTIVE D										
UL - Lot	Section	Township	Range	Lot 1	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
302000000000000000000000000000000000000	cated Acres	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: 6/30/2006

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: 4/10/2006 Certificate Number: 12641

Permit Comments

Operator: CHESAPEAKE OPERATING, INC., 147179
Well: SID 3 STATE #001

30-025-37987 API:

Created By	Comment	Comment Date
DMULL	Rejecting. Need footage correction. NSL-5406 state 1730/N & 592/E.	6/30/2006

Permit Conditions of Approval

Operator: CHESAPEAKE OPERATING, INC., 147179
Well: SID 3 STATE #001

API: 30-025-37987

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
DMULL	NSL-5406, 06/26/06, 1730/N & 592/E, 81.16 acres, Lot 1 & SE/4NE/4, Shipp Strawn.