

**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
		3. API Number 30-025-38163
4. Property Code 35344	5. Property Name KELLER 34 STATE	6. Well No. 004

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	34	23S	34E	F	1991	N	1990	W	LEA

**8. Pool Information**

BELL LAKE,DELAWARE, EAST	96322
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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 3467
14. Multiple N	15. Proposed Depth 8800	16. Formation Bone Spring	17. Contractor	18. Spud Date 11/15/2006
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	500	0
Int1	11	8.625	32	5050	1350	0
Prod	7.875	5.5	17	8800	680	4000

**Casing/Cement Program: Additional Comments**

13-3/8" Surf Csg lead 400 sx of C1 C 4% Bentonite+2%CaCl2,1.74 yld; tail 100 sx C1 C+2%CaCl2,1.34 yld. 8-5/8" Inter Csg lead 1150 sx 50:50 PozC+10% gel+5% NaCl+.25 Cello Fl. 2.00 yld; tail 200 sx C1 C+1% CaCl2 1.34 yld. 5-1/2" Csg 380 sx 15:61:11 Poz:C1 C:CSE 1.57 yld; tail 180 sx C1 H neat 1.18 yld.

**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. <b>I further certify that the drilling pit will be constructed according to NMOCB guidelines</b> <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCB-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Chris Williams	
	Title: District Supervisor	
	Approved Date: 11/6/2006	Expiration Date: 11/6/2007
	Email Address: bcoffman@chkenegy.com	
Date: 11/3/2006	Phone: 432-685-4310	

**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 40872

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-38163	2. Pool Code 96322	3. Pool Name BELL LAKE,DELAWARE, EAST
4. Property Code 35344	5. Property Name KELLER 34 STATE	6. Well No. 004
7. OGRID No. 147179	8. Operator Name CHESAPEAKE OPERATING, INC.	9. Elevation 3467

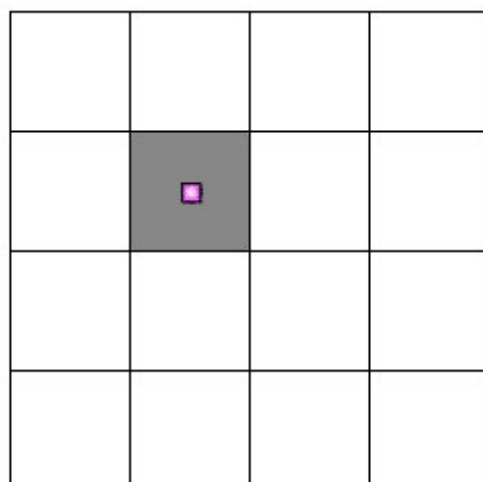
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	34	23S	34E		1991	N	1990	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: 11/3/2006

**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: Ronald J Eidson  
 Date of Survey: 9/21/2006  
 Certificate Number: 3239

## Permit Comments

**Operator:** CHESAPEAKE OPERATING, INC. , 147179

**Well:** KELLER 34 STATE #004

**API:** 30-025-38163

Created By	Comment	Comment Date
BSCOFFMAN	The program would not allow selection of 40 acre pro-ration unit.	11/3/2006
BSCOFFMAN	Proration unit now working.	11/3/2006