

**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 30-025-38171
4. Property Code 36141	5. Property Name SHELL 26 STATE	6. Well No. 003

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
G	26	10S	32E	G	2130	N	1980	E	LEA

**8. Pool Information**

CUERNO LARGO;UPPER PENNSYLVANIAN	14980
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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 4314
14. Multiple N	15. Proposed Depth	16. Formation Strawn	17. Contractor	18. Spud Date 11/20/2006
Depth to Ground water 35		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input 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	400	365	0
Int1	11	8.625	24	3750	870	0
Prod	7.875	5.5	17	10400	820	3250

**Casing/Cement Program: Additional Comments**

13-3/8" Surf lead 265sx CLC+2%CaCl2+4%gel Tail 100sxCLC2% 1.34 yld, 1.74 yld, 8-5/8" Intr Lead 670sx50:50Poz:C+5% CaCl2+10%gel+.25lbs/sxCelloFlk 2.45 yld, 5-1/2" Prod stage 1 400sxLWPoz:C+1.%FLA+.3%Accel 1.57Yld Stage 2 Lead:420sx50:50Poz:H2.45 yld, Tail:160sxCLH(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.

I further certify that the drilling pit will be constructed according to NMOCB guidelines ☐ a general permit ☐ or an (attached) alternative OCB-approved plan ☐.

Printed Name: Electronically filed by Brenda Coffman

Title: Regulatory Analyst

Email Address: bcoffman@chkenergy.com

Date: 11/14/2006 Phone: 432-685-4310

**OIL CONSERVATION DIVISION**

Approved By: Chris Williams

Title: District Supervisor

Approved Date: 11/20/2006 Expiration Date: 11/20/2007

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

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Form C-102  
 Permit 41198

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-38171	2. Pool Code 14980	3. Pool Name CUERNO LARGO;UPPER PENNSYLVANIAN
4. Property Code 36141	5. Property Name SHELL 26 STATE	6. Well No. 003
7. OGRID No. 147179	8. Operator Name CHESAPEAKE OPERATING, INC.	9. Elevation 4314

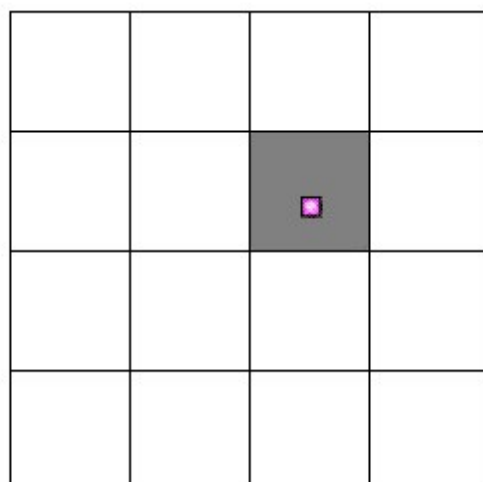
**10. Surface Location**

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: 11/14/2006

**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: 10/31/2006  
 Certificate Number: 12641

# Permit Conditions of Approval

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: SHELL 26 STATE #003

API: 30-025-38171

OCD Reviewer	Condition
DMULL	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