

**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 30-025-38828
4. Property Code 37068	5. Property Name SHOOFLY 9 STATE	6. Well No. 001

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	9	16S	37E	P	554	S	554	E	LEA

**8. Pool Information**

LOVINGTON;UPPER PENN, NORTHEAST	40760
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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 3807
14. Multiple N	15. Proposed Depth 11850	16. Formation Strawn	17. Contractor	18. Spud Date 3/2/2008
Depth to Ground water 50		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	450	400	0
Int1	11	8.625	32	5150	1130	450
Prod	7.875	5.5	17	11850	730	10800

**Casing/Cement Program: Additional Comments**

13 3/8 48# ST&C surf csg set @ 450 w/200 sx 35.65 Poz C, tail w/200 sx 25.75 Poz C, 1.27 yld. 8 5/8 32# LT&C inter csg set @ 5150 w/930 sx 50.50 Poz C, tail w/200 sx 25.75 Poz C, 1.54 yld. 5 1/2 17# LT&C prod csg set @ 11850 w/600 sx 50.50 Poz H, tail w/130 sx LW prem, 1.57 yld.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	3000	
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 <input checked="" type="checkbox"/>, a general permit <input type="checkbox"/>, or an (attached) alternative OCB-approved plan <input type="checkbox"/>.</b>	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Brenda Coffman	Approved By: Paul Kautz
Title: Sr. Regulatory Comp. Spec.	Title: Geologist
Email Address: bcoffman@chkenergy.com	Approved Date: 3/25/2008   Expiration Date: 3/25/2010
Date: 3/25/2008   Phone: 817-556-5825	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 69870

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-38828	2. Pool Code 40760	3. Pool Name LOVINGTON;UPPER PENN, NORTHEAST
4. Property Code 37068	5. Property Name SHOOFLY 9 STATE	6. Well No. 001
7. OGRID No. 147179	8. Operator Name CHESAPEAKE OPERATING, INC.	9. Elevation 3807

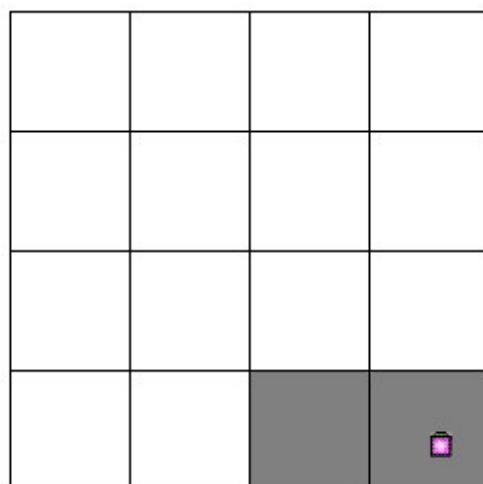
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	9	16S	37E		554	S	554	E	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 80.00		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: Sr. RegulatoryComp. Spec.  
 Date: 3/25/2008

**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 Eidson  
 Date of Survey: 2/12/2008  
 Certificate Number: 3239

## Permit Comments

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: SHOOFLY 9 STATE #001

API: 30-025-38828

Created By	Comment	Comment Date
pkautz	Special pool rules requires this well to be with 150 of the center of the Q/Q. The proposed location is 190 feet from the center Q/Q	2/21/2008
pkautz	This operator is not in compliance with rule 40	2/21/2008
pkautz	Location is non-standard. APD is being rejected for correction to location.	3/25/2008

# Permit Conditions of Approval

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: SHOOFLY 9 STATE #001

API: 30-025-38828

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