

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 30-025-38845
4. Property Code 303016	5. Property Name OSUDO 22 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
K	22	21S	35E	K	1980	S	1310	W	LEA

8. Pool Information

OSUDO,MORROW, SOUTH (GAS)	82200
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3608
14. Multiple N	15. Proposed Depth 12700	16. Formation Morrow	17. Contractor	18. Spud Date 5/15/2008
Depth to Ground water 70		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	1450	1130	0
Int1	12.25	9.625	40	5700	1370	1450
Prod	9.75	7	26	10800	696	5700
Liner1	7.125	4.5	15.1	12700	184	10800

Casing/Cement Program: Additional Comments

13 3/8 48# H-40 surf csg set @ 1450 w/930 sx, tail w/200 sx, 1.74 yld. 9 5/8 40# J-55 inter csg set @ 5700 w/1171 sx, tail w/200 sx, 1.93 yld. 7 26# L-80 prod csg set @ 10800 w/496 sx, tail w/200 sx, 1.57 yld. 4 1/2 15.10# P-110 lnr set @ 12700 w/184 sx, 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. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/>. Printed Name: Electronically filed by Brenda Coffman Title: Sr. Regulatory Comp. Spec. Email Address: bcoffman@chkenergy.com Date: 4/4/2008 Phone: 817-556-5825	OIL CONSERVATION DIVISION	
	Approved By: Paul Kautz	
	Title: Geologist	
	Approved Date: 4/7/2008	Expiration Date: 4/7/2010
	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 72435

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-38845	2. Pool Code 82200	3. Pool Name OSUDO;MORROW, SOUTH (GAS)
4. Property Code 303016	5. Property Name OSUDO 22 STATE	6. Well No. 001
7. OGRID No. 147179	8. Operator Name CHESAPEAKE OPERATING, INC.	9. Elevation 3608

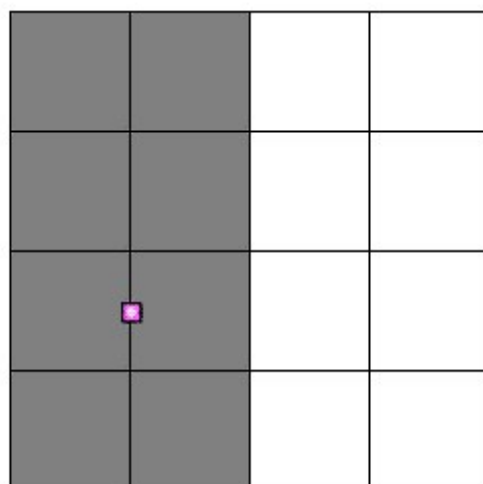
10. Surface Location

UL - Lot K	Section 22	Township 21S	Range 35E	Lot Idn	Feet From 1980	N/S Line S	Feet From 1310	E/W Line W	County LEA
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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 320.00	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: 4/4/2008

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: Gary Eidson
Date of Survey: 8/24/2006
Certificate Number: 12641

Permit Comments

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: OSUDO 22 STATE #001

API: 30-025-38845

Created By	Comment	Comment Date
pkautz	wells can not be drilled on Q/Q line must move well location 10' east or 10' west	4/3/2008

Permit Conditions of Approval

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: OSUDO 22 STATE #001

API: 30-025-38845

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
pkautz	Operator is in violation in the number of inactive wells. May not be able to produce well unless operator brings it self into compliance with number of inactive wells.