

1. Operator Name and Address CHESAPEAKE OPERATING, INC. P. O. BOX 18496 OKLAHOMA CITY, OK 731540496		2. OGRID Number 147179
		3. API Number 30-015-37937
4. Property Code 38212	5. Property Name PLU PIERCE CANYON 8 STATE	6. Well No. 001H

UL - Lot A	Section 8	Township 25S	Range 30E	Lot Idn A	Feet From 145	N/S Line N	Feet From 400	E/W Line E	County EDDY
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WILDCAT: BONE SPRING	96403
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9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3235
14. Multiple N	15. Proposed Depth 12804	16. Formation Bone Spring	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mills thick      Clay <input type="checkbox"/> Pit Volume:      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"/>				

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	700	760	0
Int1	11	8.625	32	3750	1410	0
Prod	7.625	5.5	20	12804	1575	3250

NMOCD's forms C-102 & C-144(CLEZ) pit permit, proposed drilling program, directional planning report, and BOP schematics will be submitted by UPS. There are no known high levels of H2S in this area. However, monitoring of H2S & and readiness will be utilized in the drilling of this well. Will require a NSL. Application is for "drill only".

Type	Working Pressure	Test Pressure	Manufacturer
Blind	5000	3000	
Blind	5000	3000	

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

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
 Permit 115806

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-37937	2. Pool Code 96403	3. Pool Name WILDCAT; BONE SPRING
4. Property Code 38212	5. Property Name PLU PIERCE CANYON 8 STATE	6. Well No. 001H
7. OGRID No. 147179	8. Operator Name CHESAPEAKE OPERATING, INC.	9. Elevation 3235

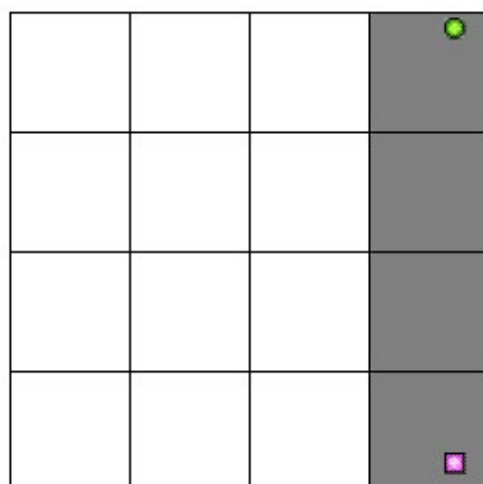
**10. Surface Location**

UL - Lot A	Section 8	Township 25S	Range 30E	Lot Idn	Feet From 145	N/S Line N	Feet From 400	E/W Line E	County EDDY
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**11. Bottom Hole Location If Different From Surface**

UL - Lot P	Section 8	Township 25S	Range 30E	Lot Idn P	Feet From 330	N/S Line S	Feet From 400	E/W Line E	County EDDY
12. Dedicated Acres 160.00		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: Bryan Arrant  
 Title: Sr. Regulatory Compliance Specialist  
 Date: 6/16/2010

**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 Jones  
 Date of Survey: 5/24/2010  
 Certificate Number: 7977

## Permit Comments

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

**Well:** PLU PIERCE CANYON 8 STATE #001H

**API:** 30-015-37937

Created By	Comment	Comment Date
Bryan Arrant	BOP and Formation Integrity Test (FIT): 13-5/8" x 5M BOP would be installed after setting the 13-3/8" surface casing. The BOP would be pressure tested as a 3M stack at the 13-3/8" and 9-5/8" casing shoes. In this case, no formation integrity test would be done below the 13-3/8" and 9-5/8" casing shoes.	6/15/2010
Bryan Arrant	BOP test to be performed by 3rd party.	6/15/2010



# Permit Conditions of Approval

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

**Well:** PLU PIERCE CANYON 8 STATE #001H

**API:** 30-015-37937

OCD Reviewer	Condition
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string