

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 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-101
August 1, 2011
Permit 146351

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 73154		2. OGRID Number 147179
		3. API Number 30-015-40126
4. Property Code 39138	5. Property Name PLU PIERCE CANYON 16 24 30 STATE	6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	16	24S	30E	O	50	S	1980	E	EDDY

8. Pool Information

WILDCAT; G-06 S243026M; BONE SPRING	97798
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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 3555
14. Multiple N	15. Proposed Depth 12990	16. Formation Bone Spring	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

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	775	909	0
Int1	11	8.625	32	3725	1408	0
Prod	7.875	5.5	20	12990	1896	3625

Casing/Cement Program: Additional Comments

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

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	3500	
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 type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Bryan Arrant Title: Regulatory Specialist II Email Address: bryan.arrant@chk.com Date: 3/29/2012	OIL CONSERVATION DIVISION	
	Approved By: Randy Dade	
	Title: District Supervisor	
	Approved Date: 3/29/2012	Expiration Date: 3/29/2014
	Conditions of Approval Attached	

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Form C-102
August 1, 2011
Permit 146351

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-40126	2. Pool Code 97798	3. Pool Name WILDCAT; G-06 S243026M; BONE SPRING
4. Property Code 39138	5. Property Name PLU PIERCE CANYON 16 24 30 STATE	6. Well No. 001H
7. OGRID No. 147179	8. Operator Name CHESAPEAKE OPERATING, INC.	9. Elevation 3555

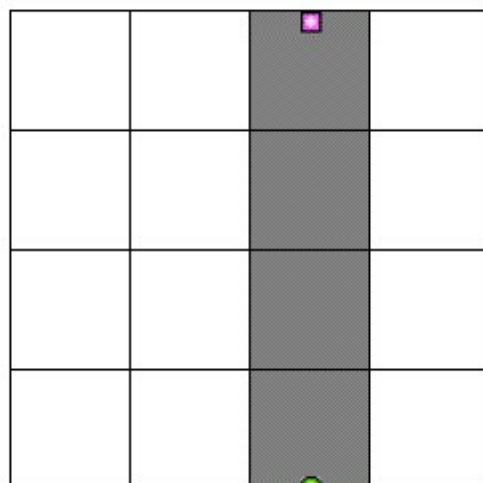
10. Surface Location

UL - Lot O	Section 16	Township 24S	Range 30E	Lot Idn	Feet From 50	N/S Line S	Feet From 1980	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

11. Bottom Hole Location If Different From Surface									
UL - Lot B	Section 16	Township 24S	Range 30E	Lot Idn B	Feet From 100	N/S Line N	Feet From 1980	E/W Line E	County EDDY
12. Dedicated Acres 0.00		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: Regulatory Specialist II
Date: 3/29/2012

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: 2/14/2012
Certificate Number: 7977

Permit Comments

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: PLU PIERCE CANYON 16 24 30 STATE #001H

API: 30-015-40126

Created By	Comment	Comment Date
Bryan Arrant	BOP tests are to be performed by 3rd party.	3/29/2012
CSHAPARD	Land s/S	3/29/2012
CSHAPARD	Corrected Online C-102 BHL from UL "O" to UL "B"	3/29/2012
CSHAPARD	Verbal approval from Sonny Swazo/OCD, Operator is in compliance with Rule 40.	3/29/2012

Permit Conditions of Approval

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: PLU PIERCE CANYON 16 24 30 STATE #001H

API: 30-015-40126

OCD Reviewer	Condition
CSHAPARD	Will require administrative order for non-standard location
CSHAPARD	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