

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Ave., Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505

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

Form C-101
Permit 8083

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address CHESAPEAKE OPERATING, INC. PO Box 11050 Midland, TX 79702-8050		OGRID Number 147179
Property Code 34682		API Number 30-025-37130
Property Name CHAVLEA 19 STATE		Well No. 001

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	19	12S	32E	4	660	S	660	W	Lea

Proposed Pools

CAPROCK, MORROW, WEST (GAS) 73780

Well Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 4399
Multiple N	Proposed Depth 11300	Formation Mississippi Limestone	Contractor	Spud Date 04/01/2005

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	360	400	0
Intl	11	8.625	32	3600	780	0
Prod	7.875	5.5	17	11300	1025	3000

Casing/Cement Program: Additional Comments

Surf Csg: 13 3/8 Cmtd w/190 sx 35.65 Poz C1 C + 2% CaCl2 + additives, Tail in w/210 sx C1 C + 2% CaCl2, circ. to surface.
11 csg. cmtd w/ 650 sx 50,50 Poz. C1 C + additives, Tail in w/110 sx C1 C + CaCl2 Circ. to surface. 5 1/2 csg. cmtd w/130 sx 50,50 Poz C1 H + additives, 1st Stage Tail: 335 sx 50,50 Poz C1 H + additives; 2nd stage 510 sx 50,50 Poz C1 H + additives, Tail w/50 sx 50,50 Poz C1 H + additives.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	5000	
Double Ram	5000	5000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Brenda Coffman

Title: Regulatory Analyst

Date: 03/10/2005 Phone: 432-685-4310

OIL CONSERVATION DIVISION	
Electronically Approved By: Paul Kautz	
Title: Geologist	
Approval Date: 03/11/2005	Expiration Date: 03/11/2006
Conditions of Approval: There are conditions. See Attached.	

BEFORE THE
 OIL CONSERVATION DIVISION
 Case 13526 Exhibit No. 4
 Submitted by Chesapeake
 Operating, Inc.

Permit Conditions Of Approval

C-101, Permit 8083

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: CHAVLEA 19 STATE #001

OCD Reviewer	Condition
PKAUTZ	Re-seeding mixture will must be approved or authorized by surface owner
PKAUTZ	Notice is to be given to the OCD prior to construction of the pit(s)
PKAUTZ	Pit construction and closure must satisfy all requirements of O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines

Submit 3 Copies To Appropriate District Office
 District I
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 1301 W. Grand Ave., Aracata, NM 88210
 District III
 1000 Rio Brazos Rd., Aracata, NM 87410
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 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-37130	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name Chavlea 19 State	
8. Well Number 001	
9. OGRID Number 147179	
10. Pool name or Wildcat Undesignated;Mississippian	

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Chesapeake Operating, Inc.

3. Address of Operator P. O. Box 11050
Midland, TX 79702-8050

4. Well Location
 Unit Letter M : 660 feet from the South line and 660 feet from the West line
 Section 19 Township 12S Range 32E NMPM County Chaves

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4399 GR

Pit or Below-grade Tank Application or Closure

Pit type Drilling Depth to Groundwater 100 Distance from nearest fresh water well 1000 Distance from nearest surface water 1000

Pit Liner Thickness: 12 in Below-Grade Tank: Volume 12139 bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Close Pit <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Chesapeake plans to close the drilling pit for this well according to current NMOCD guidelines Section B3b.

RECEIVED
 000
 HOBBS
 03/10/2005

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Brenda Coffman TITLE Regulatory Analyst DATE 03/10/2005

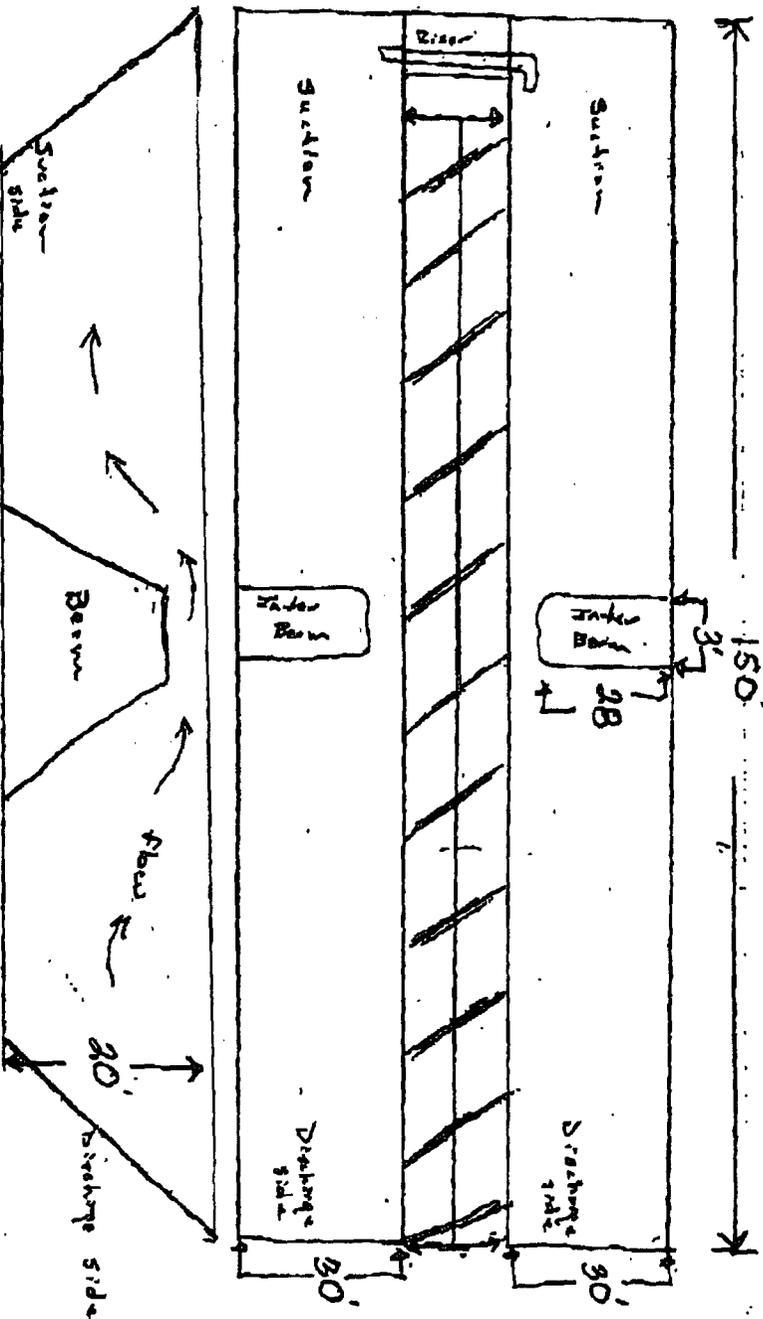
Type or print name Brenda Coffman E-mail address: bcoffman@ch&cm.com Telephone No. (432)687-2992

For State Use Only

APPROVED BY: Gay W. Wink TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER

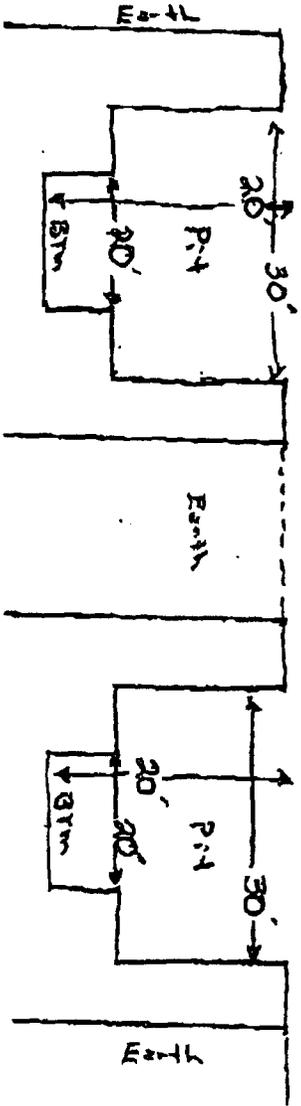
Conditions of Approval (if any):

MAR 28 2005



Top View

Side View



End cross section

3x 30' x 140' = 126000 ft³ @ 5.6 UK = 13464.8 bbls x 2 = 26929.7 bbls. with 18' of fluid cuttings in pits.
 6' x 30' x 140' = 90000 ft³ @ 5.6 UK = 16200.0 bbls x 2 = 32400.0 bbls with 20'

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6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Chaviea 19 State
8. Well Number 001
9. OGRID Number 147179
10. Pool name or Wildcat Undesignated;Mississippian
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4399 GR
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>
Pit type <u>Drilling</u> Depth to Groundwater <u>100</u> Distance from nearest fresh water well <u>1000</u> Distance from nearest surface water <u>1000</u>
Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume <u>12139</u> bbls; Construction Material

SUNDRY NOTICES AND REPORTS ON WELLS
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PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Close Pit <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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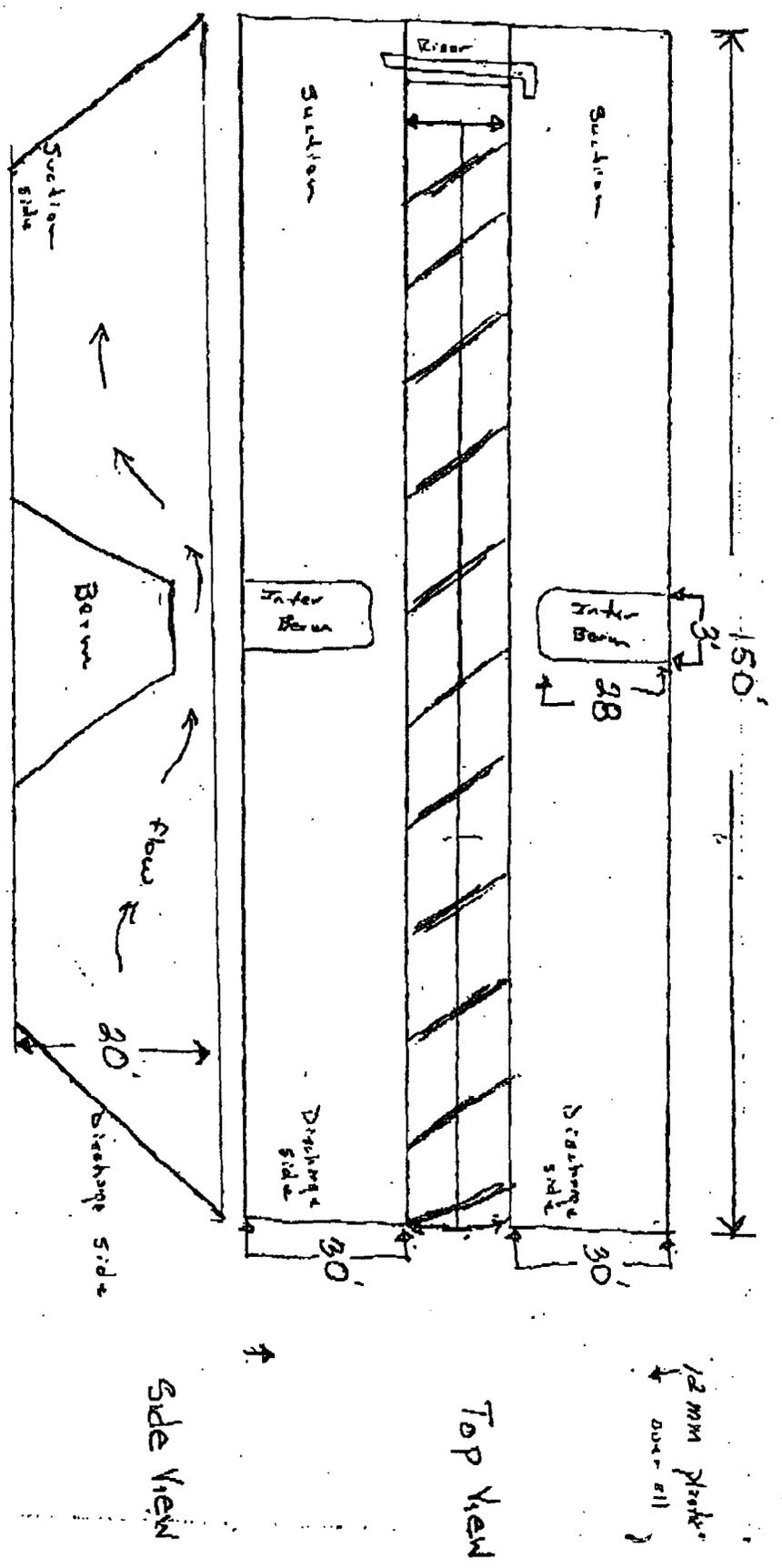
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SIGNATURE Brenda Coffman TITLE Regulatory Analyst DATE 03/10/2005
Type or print name Brenda Coffman E-mail address: bcoffman@chkenergy.com Telephone No. (432)687-2992
For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE 3/11/05
Conditions of Approval (if any):

Chesapeake Energy Double Pit Guideline 3A



12 mm probe
↓ over all

$1 \times 30' \times 140' = 75600 \text{ ft}^2 \div 5.614 \text{ bbls} \times 2 = 26929.7 \text{ bbls}$, with 18' of fluid cuttings in pits.
 $2 \times 30' \times 140' = 90000 \text{ ft}^2 \div 5.614 \text{ bbls} \times 2 = 32059.2 \text{ bbls}$ with 20'

