

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a Type of work: ☒ DRILL ☐ REENTER		5 Lease Serial No. NMLC063079A	6 If Indian, Allottee or Tribe Name ICS 9/29/2012
1b. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone		7 If Unit or CA Agreement, Name and No. POKER LAKE UNIT NMNM071016X	
2 Name of Operator <u>CHESAPEAKE AGENT FOR BOPCO</u> ATTN: Erin Carson 147179		8 Lease Name and Well No. PLU Phantom Banks 25 25 30 USA 1H C39478	
3a Address <u>P O BOX 18496</u> <u>OKLAHOMA CITY, OK 73154-0496</u>	3b Phone No. (include area code) 405-935-2896	9 API Well No. 30-015-40756	
4 Location of Well (Report location clearly and in accordance with any State requirements *) At surface <u>SESW, 150 FSL 2280 FWL, LOT N</u> At proposed prod zone <u>NENW, 100 FNL 1980 FWL, LOT C</u>		10 Field and Pool, or Exploration WILDCAT, BONE SPRING 6-05-52430010, B.S.	
11 Sec, T R M. or Blk and Survey of Area 25-25S-30E C97814		12 County or Parish EDDY	
13 State NM		14 Distance in miles and direction from nearest town or post office* 33 MILES FROM LOVING, NM	
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drg unit line, if any) 150' FR SOUTH SECTION LINE	16 No. of acres in lease 1762 80 ACRES	17 Spacing Unit dedicated to this well 160	
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 1539' TO NEAREST WELL	19 Proposed Depth 14,108' MD / 9236' TVD PH 9600'	20 BLM/BIA Bond No on file ESB000159	
21 Elevations (Show whether DF, KDB, RT, GL, etc) 3340' GL	22 Approximate date work will start* 11/12/2012	23 Estimated duration 30 DAYS	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, must be attached to this form.

- | | |
|--|---|
| 1 Well plat certified by a registered surveyor | 4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above) |
| 2 A Drilling Plan | 5 Operator certification |
| 3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office) | 6 Such other site specific information and/or plans as may be required by the BLM |

25 Signature 	Name (Printed/Typed) Erin Carson	Date 7/9/12
Title Regulatory Technician III		
Approved by (Signature) Is/ Don Peterson	Name (Printed/Typed) Is/ Don Peterson	Date SEP 25 2012
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

Conditions of approval, if any, are attached

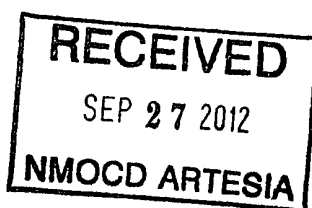
APPROVAL FOR TWO YEARS

Title 18 USC Section 1001 and Title 43 USC Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Continued on page 2)

*(Instructions on page 2)

Carlsbad Controlled Water Basin

Approval Subject to General Requirements
& Special Stipulations Attached

CONDITIONS OF APPROVAL

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) 748-1243 Fax (575) 748-0720
 District III
 1000 Rio Brazos Road, Aztec, NM 87410
 Phone (505) 314-6178 Fax (505) 334-6170
 District IV
 1220 S. St. Francis Dr. Santa Fe, NM 87505
 Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-102
 Revised August 1, 2011
 Submit one copy to appropriate
 District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-40756		² Pool Code 97814		S26°30'01" W WC; G-05 S26°30'01" W ; BONE SPRING	
³ Property Code 39458		⁴ Property Name PLU PHANTOM BANKS 25 25 30 USA			⁶ Well Number 1H
⁵ GRID No 147179		⁸ Operator Name CHESAPEAKE OPERATING, INC.			⁹ Elevation 3340'

" Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	25	25S	30E		150'	SOUTH	2280	WEST	EDDY

" Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	25	25S	30E		100'	NORTH	1980'	WEST	EDDY

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No
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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

	PROPOSED BOTTOM HOLE LOCATION X= 653,880 NAD 27 Y= 403,410 LAT. 32 108116 LONG. 103 836358 X= 695,065 NAD 83 Y= 403,468 LAT. 32 108241 LONG. 103 836837	" OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that it is my responsibility to ensure that the proposed bottom hole location is in accordance with the owner of such a mineral or working interest, or to a voluntary pooling agreement or a unitization pooling and, heretofore, entered by the division. Signature: <i>Bryan Arrant</i> Date: 06/13/2012 Printed Name: Bryan Arrant E-mail Address: bryan.arrant@chk.com
	PLU PHANTOM BANKS 25 25 30 USA NO 1H WELL X= 654,167 NAD 27 Y= 398,342 LAT. 32 094179 LONG. 103 835506 X= 695,352 NAD 83 Y= 398,399 LAT. 32 094303 LONG. 103 835985 ELEVATION +3340 NAVD 88	"SURVEYOR CERTIFICATION I hereby certify that the well location and acreage dedication plat was plotted from field notes of G. M. Survey made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: June 12, 2013 Signature and Seal of Professional Surveyor: <i>[Signature]</i> Certificate Number: #15078

FIRST PROJECTED PERFORATIONS
 330' FSL & 2280 FWL

EXHIBIT - A1

ONSHORE ORDER NO 1
Chesapeake Agent for BOPCO
PLU Phantom Banks 25 25 30 USA 1H
Eddy County, NM

CONFIDENTIAL – TIGHT HOLE
OPERATOR CERTIFICATION

CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct, and, that the work associated with the operations proposed will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C 1001 for the filing of a false statement.

Executed this 4th day of June, 2011

Name Toby Reid
Toby Reid - Field Superintendent

Address: 1616 W Bender Blvd Hobbs, NM 88240

Telephone 575-725-8497

E-mail. toby.reid@chk.com

Chesapeake Oper. Agent for BOPCO.
PLU Phantom Banks 25 25 30 USA 1H
Eddy County, New Mexico

Confidential – Tight Hole

Attachment to Application for Permit to Drill or Re-enter

Chesapeake Operating, Inc. respectfully requests permission to drill a well to 14,108' to test the Bone Spring formation. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and New Mexico Oil Conservation Division requirements.

Please find the Surface Use Plan and Drilling Plan as required by Onshore Order No. 1.

Attached are the Exhibit A-1 to A-4 Survey plats, Exhibit B 1 mile radius plat, Exhibit C Production facility, Exhibit D Trinidad Rig layout, Exhibit F-1 to F-2 BOP & Choke Manifold, Exhibit G Standard Planning Report, Wellbore Schematic and Form C-144 Closed Loop System Permit.

Logs: Triple Combo: Int Casing to curve TD
GR- Neutron: Int Casing to surface

Archeological Survey will be delivered to the BLM when completed.

Chesapeake Operating, Inc. has an agreement with the grazing lessee.

Please be advised that Chesapeake Operating, Inc. is the Designated Agent for BOPCO, the Operator of this unit. Chesapeake Operating, Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Eddy, NM

DRILLING PLAN
PAGE 1

OHSORE OIL & GAS ORDER NO 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (CFR 43, Part 3160) and the approved Application for Permit to Drill. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling and completion operations.

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease, which would entitle the applicant to conduct operations thereon.

1. FORMATION TOPS

The estimated tops of important geologic markers are as follows.

FORMATION	SUB-SEA	KBTVD	MD
Rustler	2184	1181	1181
Top of Salt	1992	1373	1373
Base of Salt	-434	3799	3799
Lamar	-634	3999	3999
Bell Canyon	-654	4019	4019
Cherry Canyon	-1600	4965	4965
Brushy Canyon	-2850	6215	6215
Bone Spring	-4575	7940	7940
Pilot TD	-6235	9600	9600
Lateral TD	-5871	9236	14108

2. ESTIMATED DEPTH OF WATER, OIL, GAS & OTHER MINERAL BEARING FORMATIONS

The estimated depths at which the top and bottom of the anticipated water, oil, gas, or other mineral bearing formations are expected to be encountered are as follows:

Substance	Formation	Depth
Water	Rustler	1181
Oil/Gas	Brushy Canyon	6215
Oil/Gas	Bone Spring	7940

All shows of fresh water and minerals will be reported and protected.

Eddy NM

DRILLING PLAN
PAGE 2

3 BOP EQUIPMENT

Will have a 5000 psi rig stack (see proposed schematic) for drill out below surface casing. Stack will be tested as specified below. Surface casing and Intermediate Casing shoes will be tested to 10.5 ppg equivalent after drilling out 10' of new formation.

Chesapeake Operating Inc.'s minimum specifications for pressure control equipment are as follows:

I. BOP, Annular, Choke Manifold Pressure Test - See Exhibit F-1 and F-2

A. Equipment

1. The equipment to be tested includes all of the following that is installed on the well:
 - (a) Ram-type and annular preventers
 - (b) Choke manifolds and valves
 - (c) Kill lines and valves
 - (d) Upper and lower Kelly cock valves, inside BOP's and safety valves

B. Frequency

1. All tests shall be performed with clear water:
 - (a) when installed
 - (b) before drilling out each casing string
 - (c) at any time that there is a repair requiring a pressure seal to be broken in the assembly
 - (d) at least once every 30 days while drilling

C. Frequency

1. In some drilling operations, the pressures to be used for low and high pressure testing of preventers and casing may be different from those given below due to governmental regulations or approved local practices.
2. If an individual component does not test at the low pressure, do not test to the high pressure and then drop back down to the low pressure.
3. All valves located downstream of a valve being tested must be placed in the open position.
4. All equipment will be tested with an initial "low pressure" test at 250 psi.
5. The subsequent "high pressure" test will be conducted at the rated working pressure of the equipment for all equipment except the annular preventer.
6. The "high pressure" test for the annular preventer will be conducted at 70% of the rated working pressure.
7. A record of all pressures will be made on a pressure-recording chart.

II. Accumulator Performance Test

A. Scope

1. The purpose of this test is to check the capabilities of the BOP control systems and to detect deficiencies in the hydraulic oil volume and recharge time.

B. Test Frequency

1. The accumulator is to be tested each time the BOP's are tested, or any time a major repair is performed.

Eddy, NM

DRILLING PLAN
PAGE 3

C Minimum Requirements

1. The accumulator should be of sufficient volume to supply 1 5 times the volume to close and hold all BOP equipment in sequence, without recharging and the pump turned off and have remaining pressures of 200 psi above the precharge pressure
2. Minimum precharge pressures for the various accumulator systems per manufacturers recommended specifications are as follows

System Operating Pressure	Precharge Pressure
1500 psi	750 psi
2000 psi	1000 psi
3000 psi	1000 psi

3. Closing times for the annular preventer should be less than 20 seconds and for the ram-type preventers less than 10 seconds
4. System recharge time should not exceed 10 minutes

D Test Procedure

1. Shut accumulator pumps off and record accumulator pressure
2. In sequence, close the annular and one set of properly sized pipe rams, and open the HCR valve
3. Record time to close or open each element and the remaining accumulator pressure after each operation
4. Record the remaining accumulator pressure at the end of the test sequence. Per the previous requirement, this pressure should not be less than the following pressures

System Operating Pressure	Remaining Pressure After Test
1500 psi	950 psi
2000 psi	1200 psi
3000 psi	1200 psi

5. Turn the accumulator pumps on and record the recharge time. This time should not exceed 10 minutes
6. Open annular and ram-type preventers. Close HCR valve
7. Place all 4-way control valves in full open or full closed position. Do not leave in neutral position

3 CASING PROGRAM

- a. The proposed casing program will be as follows

Purpose	From	To	Hole Size	Csg Size	Weight	Grade	Thread	Condition
Surface	0'	1,300'	17-1/2"	13-3/8"	48 #	H-40	STC	New
Shallow Intermediate	0'	3,900'	11"	8-5/8"	32 #	J-55	LTC	New
		4015						
Production	0'	14,108'	7-7/8"	5-1/2"	170 #	P-110	BTC	New

- b. Casing design subject to revision based on geologic conditions encountered.

Eddy, NM

DRILLING PLAN
 PAGE 4

c. Casing Safety Factors

Casing String	Min SF Burst	Min SF Collapse	Min SF Tension
Surface	1.31	1.21	2.09
Shallow Intermediate	1.48	1.5	2.03
Production	1.4	1.78	2.33

Min SF is the smallest of a group of safety factors that include the following considerations

	Surf	Int	Prod
Burst Design			
Pressure Test- Surface, Int, Prod Csg P external: Water P internal: Test psi + next section heaviest mud in csg	X	X	X
Displace to Gas- Surf Csg P external: Water P internal: Dry Gas from Next Csg Point	X		
Frac at Shoe- Gas to Surf- Int Csg P external: Water P internal: Dry Gas, 15 ppg Frac Gradient		X	
Stimulation (Frac) Pressures- Prod Csg P external: Water P internal: Max inj pressure w/ heaviest injected fluid			X
Tubing leak- Prod Csg (packer at KOP) P external: Water P internal: Leak just below surf, 8.7 ppg packer fluid			X
Collapse Design			
Full Evacuation P external: Water gradient in cement, mud above TOC P internal: none	X	X	X
Cementing- Surf, Int, Prod Csg P external: Wet cement P internal: water	X	X	X
Tension Design			
100k lb overpull	X	X	X

Eddy, NM

DRILLING PLAN
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5 CEMENTING PROGRAM

Slurry	Type	Top	Btm	Wt	Yld	%Exc	Sx
<u>Surface</u>				(ppg)	(sx/cu ft)	Open Hole	
Lead	C + 3% Gel	0'	1,200'	13.7	1.65	250	1667
Tail	Class C	1,200'	1,300'	14.8	1.33	250	213
<u>Shallow Int</u>							
Lead	TXI + 5% Salt	0'	3,400'	12	1.95	250	1272
Tail	50C/50Poz +5% Salt	3,400'	3,900'	14.2	1.36	250	338
<u>Production</u>							
Lead	35/65Poz H +8% Gel	3,400'	8,759'	12.4	2.22	75	704
Tail	50/50Poz H +2% Gel	8,759'	14,108'	14.5	1.27	75	1286

- 1 Final cement volumes will be determined by caliper
- 2 Surface casing shall have at least one centralizer installed on each of the bottom three joints starting with the shoe joint.
- 3 The production casing will be cemented in a single stage
- 4 Production casing will have one centralizer on every other joint from TD to KOP (horizontal type) and from KOP to intermediate casing (bowspring type)

Pilot Hole Plugging Plan

Pilot Hole will be plugged off from Pilot Hole TD of 9600' to KOP at 8759' with a single balanced plug using tubing that will be cemented in place on the bottom of the Smith Trackmaster OH- Openhole whipstock cementing system (previously approved by BLM) This will be accomplished using 400 sx (40% excess) of 17.0 ppg, 0.99 cuft/sk yield Class H cement

Eddy, NM

DRILLING PLAN
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6 MUD PROGRAM

From	To	Type	Weight	F. Vis	Filtrate
0'	1,300'	Fresh Water	8.4 - 8.7	32 - 34	NC - NC
1,300'	3,900'	1015 Brine	9.5 - 10.1	28 - 29	NC - NC
3,900'	8,759'	FW/Cut Brine	8.3 - 9	28 - 29	NC - NC
8,759'	9,600'	Cut Brine	8.3 - 9	28 - 29	NC - NC
8,759'	9,509'	FW/Cut Brine	8.3 - 9	28 - 29	NC - NC
9,509'	14,108'	FW/Cut Brine	8.3 - 9	28 - 29	NC - NC

A closed system will be utilized consisting of above ground steel tanks. All wastes accumulated during drilling operations will be contained in a portable trash cage and removed from location and deposited

All fluids and cuttings will be disposed of in accordance with New Mexico Oil Conservation Division rules and regulations.

A mud test shall be performed every 24 hours after mudding up to determine as applicable density, viscosity, gel strength, filtration, and pH.

7 TESTING, LOGGING, AND CORING

The anticipated type and amount of testing, logging, and coring are as follows:

- a. Drill stem tests are not planned.
- b. The logging program will be as follows:

See attachment near front

TYPE	Logs	Interval	Timing	Vendor
	Wireline logs TBD			
	Mudlogging TBD			
LWD	MWD Gamma	Curve and Lateral	While Drilling	

- c. Core samples are not planned.
- d. A Directional Survey will be run.

"Attachment to APD"

8 ABNORMAL PRESSURES AND HYDROGEN SULFIDE

- a. No abnormal pressures or temperatures are expected. Estimated BHP is. 4082 psi.
- b. Hydrogen sulfide gas is not anticipated.

Permian District

Poker Lake

PLU Phantom Banks 25-25-30 USA 1H

Well #1

Wellbore #1

Plan: Plat

Standard Planning Report

15 June, 2012

EXHIBIT 6

Chesapeake Operating

Planning Report

Database: Drilling Database
Company: Permian District
Project: Poker Lake
Site: PLU Phantom Banks 25-25-30 USA 1H
Well: Well #1
Wellbore: Wellbore #1
Design: Plat

Local Co-ordinate Reference: Well Well #1
TVD Reference: WELL @ 0.00ft (Original Well Elev)
MD Reference: WELL @ 0.00ft (Original Well Elev)
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Project Poker Lake, Eddy County, NM

Map System: US State Plane 1983
Geo Datum: North American Datum 1983
Map Zone: New Mexico Eastern Zone

System Datum: Ground Level

Site PLU Phantom Banks 25-25-30 USA 1H

Site Position: Northing: 398,399 00 usft Latitude: 32.094302
From: Map Easting: 695,352 00 usft Longitude: -103.835987
Position Uncertainty: 0 00 ft Slot Radius: 13 200 in Grid Convergence: 0.26 °

Well: Well #1
Well Position: +N/-S 0 00 ft Northing: 398,399 00 usft Latitude: 32.094302
 +E/-W 0 00 ft Easting: 695,352 00 usft Longitude: -103.835987
Position Uncertainty: 0 00 ft Wellhead Elevation: Ground Level 0 00 ft

Wellbore Wellbore #1

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (mT)
	IGRF200510	6/15/2012	7.57	60.02	48,452

Design: Plat

Audit Notes:

Version: Phase: PROTOTYPE Tie On Depth: 0 00

Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0 00	0 00	0 00	356.76

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
8,758.53	0 00	0 00	8,758.53	0 00	0 00	0 00	0 00	0 00	0 00	
9,508.54	90 00	356.76	9,236.00	476.70	-26.99	12 00	12 00	0 00	356.76	
14,108.20	90 00	356.76	9,236.00	5,069.01	-287.00	0 00	0 00	0 00	0 00	PB 25-25-30 1H- BI

Chesapeake Operating

Planning Report

Database:	Drilling Database	Local Co-ordinate Reference:	Well Well #1
Company:	Permian District	TVD Reference:	WELL @ 0.00ft (Original Well Elev)
Project:	Poker Lake	MD Reference:	WELL @ 0.00ft (Original Well Elev)
Site:	PLU Phantom Banks 25-25-30 USA 1H	North Reference:	Grid
Well:	Well #1	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plat		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Bulld Rate (°/100usft)	Turn Rate (°/100usft)
0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
100 00	0 00	0 00	100 00	0 00	0 00	0 00	0 00	0 00	0 00
200 00	0 00	0 00	200 00	0 00	0 00	0 00	0 00	0 00	0 00
300 00	0 00	0 00	300 00	0 00	0 00	0 00	0 00	0 00	0 00
400 00	0 00	0 00	400 00	0 00	0 00	0 00	0 00	0 00	0 00
500 00	0 00	0 00	500 00	0 00	0 00	0 00	0 00	0 00	0 00
600 00	0 00	0 00	600 00	0 00	0 00	0 00	0 00	0 00	0 00
700 00	0 00	0 00	700 00	0 00	0 00	0 00	0 00	0 00	0 00
800 00	0 00	0 00	800 00	0 00	0 00	0 00	0 00	0 00	0 00
900 00	0 00	0 00	900 00	0 00	0 00	0 00	0 00	0 00	0 00
1,000 00	0 00	0 00	1,000 00	0 00	0 00	0 00	0 00	0 00	0 00
1,100 00	0 00	0 00	1,100 00	0 00	0 00	0 00	0 00	0 00	0 00
1,200 00	0 00	0 00	1,200 00	0 00	0 00	0 00	0 00	0 00	0 00
1,300 00	0 00	0 00	1,300 00	0 00	0 00	0 00	0 00	0 00	0 00
1,400 00	0 00	0 00	1,400 00	0 00	0 00	0 00	0 00	0 00	0 00
1,500 00	0 00	0 00	1,500 00	0 00	0 00	0 00	0 00	0 00	0 00
1,600 00	0 00	0 00	1,600 00	0 00	0 00	0 00	0 00	0 00	0 00
1,700 00	0 00	0 00	1,700 00	0 00	0 00	0 00	0 00	0 00	0 00
1,800 00	0 00	0 00	1,800 00	0 00	0 00	0 00	0 00	0 00	0 00
1,900 00	0 00	0 00	1,900 00	0 00	0 00	0 00	0 00	0 00	0 00
2,000 00	0 00	0 00	2,000 00	0 00	0 00	0 00	0 00	0 00	0 00
2,100 00	0 00	0 00	2,100 00	0 00	0 00	0 00	0 00	0 00	0 00
2,200 00	0 00	0 00	2,200 00	0 00	0 00	0 00	0 00	0 00	0 00
2,300 00	0 00	0 00	2,300 00	0 00	0 00	0 00	0 00	0 00	0 00
2,400 00	0 00	0 00	2,400 00	0 00	0 00	0 00	0 00	0 00	0 00
2,500 00	0 00	0 00	2,500 00	0 00	0 00	0 00	0 00	0 00	0 00
2,600 00	0 00	0 00	2,600 00	0 00	0 00	0 00	0 00	0 00	0 00
2,700 00	0 00	0 00	2,700 00	0 00	0 00	0 00	0 00	0 00	0 00
2,800 00	0 00	0 00	2,800 00	0 00	0 00	0 00	0 00	0 00	0 00
2,900 00	0 00	0 00	2,900 00	0 00	0 00	0 00	0 00	0 00	0 00
3,000 00	0 00	0 00	3,000 00	0 00	0 00	0 00	0 00	0 00	0 00
3,100 00	0 00	0 00	3,100 00	0 00	0 00	0 00	0 00	0 00	0 00
3,200 00	0 00	0 00	3,200 00	0 00	0 00	0 00	0 00	0 00	0 00
3,300 00	0 00	0 00	3,300 00	0 00	0 00	0 00	0 00	0 00	0 00
3,400 00	0 00	0 00	3,400 00	0 00	0 00	0 00	0 00	0 00	0 00
3,500 00	0 00	0 00	3,500 00	0 00	0 00	0 00	0 00	0 00	0 00
3,600 00	0 00	0 00	3,600 00	0 00	0 00	0 00	0 00	0 00	0 00
3,700 00	0 00	0 00	3,700 00	0 00	0 00	0 00	0 00	0 00	0 00
3,800 00	0 00	0 00	3,800 00	0 00	0 00	0 00	0 00	0 00	0 00
3,900 00	0 00	0 00	3,900 00	0 00	0 00	0 00	0 00	0 00	0 00
4,000 00	0 00	0 00	4,000 00	0 00	0 00	0 00	0 00	0 00	0 00
4,100 00	0 00	0 00	4,100 00	0 00	0 00	0 00	0 00	0 00	0 00
4,200 00	0 00	0 00	4,200 00	0 00	0 00	0 00	0 00	0 00	0 00
4,300 00	0 00	0 00	4,300 00	0 00	0 00	0 00	0 00	0 00	0 00
4,400 00	0 00	0 00	4,400 00	0 00	0 00	0 00	0 00	0 00	0 00
4,500 00	0 00	0 00	4,500 00	0 00	0 00	0 00	0 00	0 00	0 00
4,600 00	0 00	0 00	4,600 00	0 00	0 00	0 00	0 00	0 00	0 00
4,700 00	0 00	0 00	4,700 00	0 00	0 00	0 00	0 00	0 00	0 00
4,800 00	0 00	0 00	4,800 00	0 00	0 00	0 00	0 00	0 00	0 00
4,900 00	0 00	0 00	4,900 00	0 00	0 00	0 00	0 00	0 00	0 00
5,000 00	0 00	0 00	5,000 00	0 00	0 00	0 00	0 00	0 00	0 00
5,100 00	0 00	0 00	5,100 00	0 00	0 00	0 00	0 00	0 00	0 00
5,200 00	0 00	0 00	5,200 00	0 00	0 00	0 00	0 00	0 00	0 00
5,300 00	0 00	0 00	5,300 00	0 00	0 00	0 00	0 00	0 00	0 00

Chesapeake Operating

Planning Report

Database:	Drilling Database	Local Co-ordinate Reference:	Well Well #1
Company:	Permian District	TVD Reference:	WELL @ 0.00ft (Original Well Elev)
Project:	Poker Lake	MD Reference:	WELL @ 0.00ft (Original Well Elev)
Site:	PLU Phantom Banks 25-25-30 USA 1H	North Reference:	Grid
Well:	Well #1	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plat		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
5,400.00	0.00	0.00	5,400.00	0.00	0.00	0.00	0.00	0.00	0.00	
5,500.00	0.00	0.00	5,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
5,600.00	0.00	0.00	5,600.00	0.00	0.00	0.00	0.00	0.00	0.00	
5,700.00	0.00	0.00	5,700.00	0.00	0.00	0.00	0.00	0.00	0.00	
5,800.00	0.00	0.00	5,800.00	0.00	0.00	0.00	0.00	0.00	0.00	
5,900.00	0.00	0.00	5,900.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,000.00	0.00	0.00	6,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,100.00	0.00	0.00	6,100.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,200.00	0.00	0.00	6,200.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,300.00	0.00	0.00	6,300.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,400.00	0.00	0.00	6,400.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,500.00	0.00	0.00	6,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,600.00	0.00	0.00	6,600.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,700.00	0.00	0.00	6,700.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,800.00	0.00	0.00	6,800.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,900.00	0.00	0.00	6,900.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,000.00	0.00	0.00	7,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,100.00	0.00	0.00	7,100.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,200.00	0.00	0.00	7,200.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,300.00	0.00	0.00	7,300.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,400.00	0.00	0.00	7,400.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,500.00	0.00	0.00	7,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,600.00	0.00	0.00	7,600.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,700.00	0.00	0.00	7,700.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,800.00	0.00	0.00	7,800.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,900.00	0.00	0.00	7,900.00	0.00	0.00	0.00	0.00	0.00	0.00	
8,000.00	0.00	0.00	8,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
8,100.00	0.00	0.00	8,100.00	0.00	0.00	0.00	0.00	0.00	0.00	
8,200.00	0.00	0.00	8,200.00	0.00	0.00	0.00	0.00	0.00	0.00	
8,300.00	0.00	0.00	8,300.00	0.00	0.00	0.00	0.00	0.00	0.00	
8,400.00	0.00	0.00	8,400.00	0.00	0.00	0.00	0.00	0.00	0.00	
8,500.00	0.00	0.00	8,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
8,600.00	0.00	0.00	8,600.00	0.00	0.00	0.00	0.00	0.00	0.00	
8,700.00	0.00	0.00	8,700.00	0.00	0.00	0.00	0.00	0.00	0.00	
8,758.53	0.00	0.00	8,758.53	0.00	0.00	0.00	0.00	0.00	0.00	
8,800.00	4.98	356.76	8,799.95	1.80	-0.10	1.80	12.00	12.00	0.00	
8,900.00	16.98	356.76	8,897.94	20.77	-1.18	20.80	12.00	12.00	0.00	
9,000.00	28.98	356.76	8,989.84	59.67	-3.38	59.77	12.00	12.00	0.00	
9,100.00	40.98	356.76	9,071.63	116.80	-6.61	116.99	12.00	12.00	0.00	
9,200.00	52.98	356.76	9,139.73	189.65	-10.74	189.96	12.00	12.00	0.00	
9,300.00	64.98	356.76	9,191.18	275.06	-15.57	275.50	12.00	12.00	0.00	
9,400.00	76.98	356.76	9,223.72	369.27	-20.91	369.86	12.00	12.00	0.00	
9,500.00	88.98	356.76	9,235.92	468.18	-26.51	468.93	12.00	12.00	0.00	
9,508.54	90.00	356.76	9,236.00	476.70	-26.99	477.47	12.00	12.00	0.00	
9,600.00	90.00	356.76	9,236.00	568.02	-32.16	568.93	0.00	0.00	0.00	
9,700.00	90.00	356.76	9,236.00	667.86	-37.81	668.93	0.00	0.00	0.00	
9,800.00	90.00	356.76	9,236.00	767.70	-43.47	768.93	0.00	0.00	0.00	
9,900.00	90.00	356.76	9,236.00	867.54	-49.12	868.93	0.00	0.00	0.00	
10,000.00	90.00	356.76	9,236.00	967.38	-54.77	968.93	0.00	0.00	0.00	
10,100.00	90.00	356.76	9,236.00	1,067.22	-60.42	1,068.93	0.00	0.00	0.00	
10,200.00	90.00	356.76	9,236.00	1,167.06	-66.08	1,168.93	0.00	0.00	0.00	
10,300.00	90.00	356.76	9,236.00	1,266.90	-71.73	1,268.93	0.00	0.00	0.00	
10,400.00	90.00	356.76	9,236.00	1,366.74	-77.38	1,368.93	0.00	0.00	0.00	
10,500.00	90.00	356.76	9,236.00	1,466.58	-83.04	1,468.93	0.00	0.00	0.00	

Chesapeake Operating Planning Report

Database:	Drilling Database	Local Co-ordinate Reference:	Well Well #1
Company:	Permian District	TVD Reference:	WELL @ 0 00ft (Original Well Elev)
Project:	Poker Lake	MD Reference:	WELL @ 0 00ft (Original Well Elev)
Site:	PLU Phantom Banks 25-25-30 USA 1H	North Reference:	Grid.
Well:	Well #1	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plat		

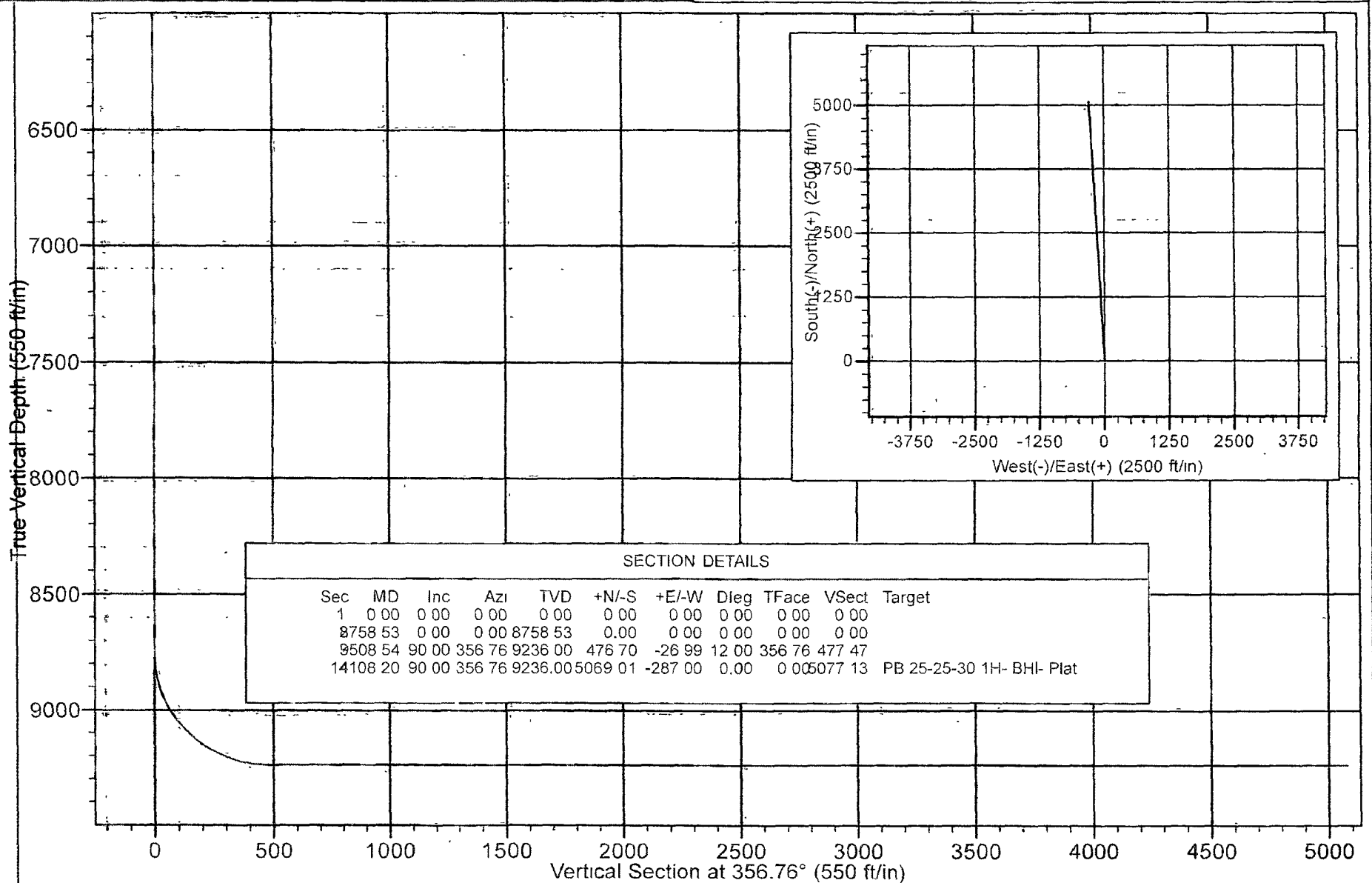
Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
10,600 00	90 00	356.76	9,236 00	1,566 42	-88 69	1,568 93	0 00	0 00	0 00	
10,700 00	90 00	356 76	9,236 00	1,666 26	-94 34	1,668 93	0 00	0 00	0 00	
10,800 00	90 00	356 76	9,236 00	1,766 10	-99 99	1,768 93	0 00	0 00	0 00	
10,900 00	90 00	356.76	9,236 00	1,865 94	-105 65	1,868 93	0 00	0 00	0 00	
11,000 00	90 00	356 76	9,236 00	1,965 78	-111 30	1,968 93	0 00	0 00	0 00	
11,100 00	90 00	356 76	9,236 00	2,065 62	-116 95	2,068 93	0 00	0 00	0 00	
11,200 00	90 00	356 76	9,236 00	2,165 46	-122 61	2,168 93	0 00	0 00	0 00	
11,300 00	90 00	356 76	9,236 00	2,265 30	-128 26	2,268 93	0 00	0 00	0 00	
11,400 00	90 00	356 76	9,236 00	2,365 14	-133 91	2,368 93	0 00	0 00	0 00	
11,500 00	90 00	356 76	9,236 00	2,464 98	-139 56	2,468 93	0 00	0 00	0 00	
11,600 00	90 00	356 76	9,236 00	2,564 82	-145 22	2,568 93	0 00	0 00	0 00	
11,700 00	90 00	356 76	9,236 00	2,664 66	-150 87	2,668 93	0 00	0 00	0 00	
11,800 00	90 00	356 76	9,236 00	2,764 50	-156 52	2,768 93	0 00	0 00	0 00	
11,900 00	90 00	356 76	9,236 00	2,864 34	-162 18	2,868 93	0 00	0 00	0 00	
12,000 00	90 00	356 76	9,236 00	2,964 18	-167 83	2,968 93	0 00	0 00	0 00	
12,100 00	90 00	356 76	9,236 00	3,064 02	-173 48	3,068 93	0 00	0 00	0 00	
12,200 00	90 00	356 76	9,236 00	3,163 86	-179 13	3,168 93	0 00	0 00	0 00	
12,300 00	90 00	356 76	9,236 00	3,263 70	-184 79	3,268 93	0 00	0 00	0 00	
12,400 00	90 00	356 76	9,236 00	3,363 54	-190 44	3,368 93	0 00	0 00	0 00	
12,500 00	90 00	356 76	9,236 00	3,463 38	-196 09	3,468 93	0 00	0 00	0 00	
12,600 00	90 00	356 76	9,236 00	3,563 22	-201 74	3,568 93	0 00	0 00	0 00	
12,700 00	90 00	356.76	9,236 00	3,663 06	-207 40	3,668 93	0 00	0 00	0 00	
12,800 00	90 00	356 76	9,236 00	3,762 90	-213 05	3,768 93	0 00	0 00	0 00	
12,900 00	90 00	356.76	9,236 00	3,862 74	-218 70	3,868 93	0 00	0 00	0 00	
13,000 00	90 00	356 76	9,236 00	3,962 58	-224 36	3,968 93	0 00	0 00	0 00	
13,100 00	90 00	356 76	9,236 00	4,062 42	-230 01	4,068 93	0 00	0 00	0 00	
13,200 00	90 00	356 76	9,236 00	4,162 26	-235 66	4,168 93	0 00	0 00	0 00	
13,300 00	90 00	356 76	9,236 00	4,262 10	-241 31	4,268 93	0 00	0 00	0 00	
13,400 00	90 00	356 76	9,236 00	4,361 94	-246 97	4,368 93	0 00	0 00	0 00	
13,500 00	90 00	356 76	9,236 00	4,461 78	-252 62	4,468 93	0 00	0 00	0 00	
13,600 00	90 00	356 76	9,236 00	4,561 62	-258 27	4,568 93	0 00	0 00	0 00	
13,700 00	90 00	356 76	9,236 00	4,661 46	-263 93	4,668 93	0 00	0 00	0 00	
13,800 00	90 00	356 76	9,236 00	4,761 30	-269 58	4,768 93	0 00	0 00	0 00	
13,900 00	90 00	356 76	9,236 00	4,861 14	-275 23	4,868 93	0 00	0 00	0 00	
14,000 00	90 00	356 76	9,236 00	4,960 98	-280 88	4,968 93	0 00	0 00	0 00	
14,100 00	90 00	356 76	9,236 00	5,060 82	-286 54	5,068 93	0 00	0 00	0 00	
14,108 20	90 00	356 76	9,236 00	5,069 01	-287 00	5,077 13	0 00	0 00	0 00	

Design Targets										
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude	
PB 25-25-30 1H- BHI-	0 00	0 00	9,236 00	5,069 01	-287 00	403,468 00	695,065 00	32 108240	-103 836838	
- plan hits target center										
- Point										
PB 25-25-30 1H- SHL	0 00	0 00	9,236 00	0 00	0 00	398,399 00	695,352 00	32 094302	-103 835987	
- plan misses target center by 197 94ft at 9126 68ft MD (9091 27 TVD, 134 82 N, -7 63 E)										
- Point										

Project: Poker Lake
 Site: PLU Phantom Banks 25-25-30 USA 1H
 Well: Well #1
 Wellbore: Wellbore #1
 Design: Plat

PROJECT DETAILS: Poker Lake

Geodetic System: US State Plane 1983
 Datum: North American Datum 1983
 Ellipsoid: GRS 1980
 Zone: New Mexico Eastern Zone

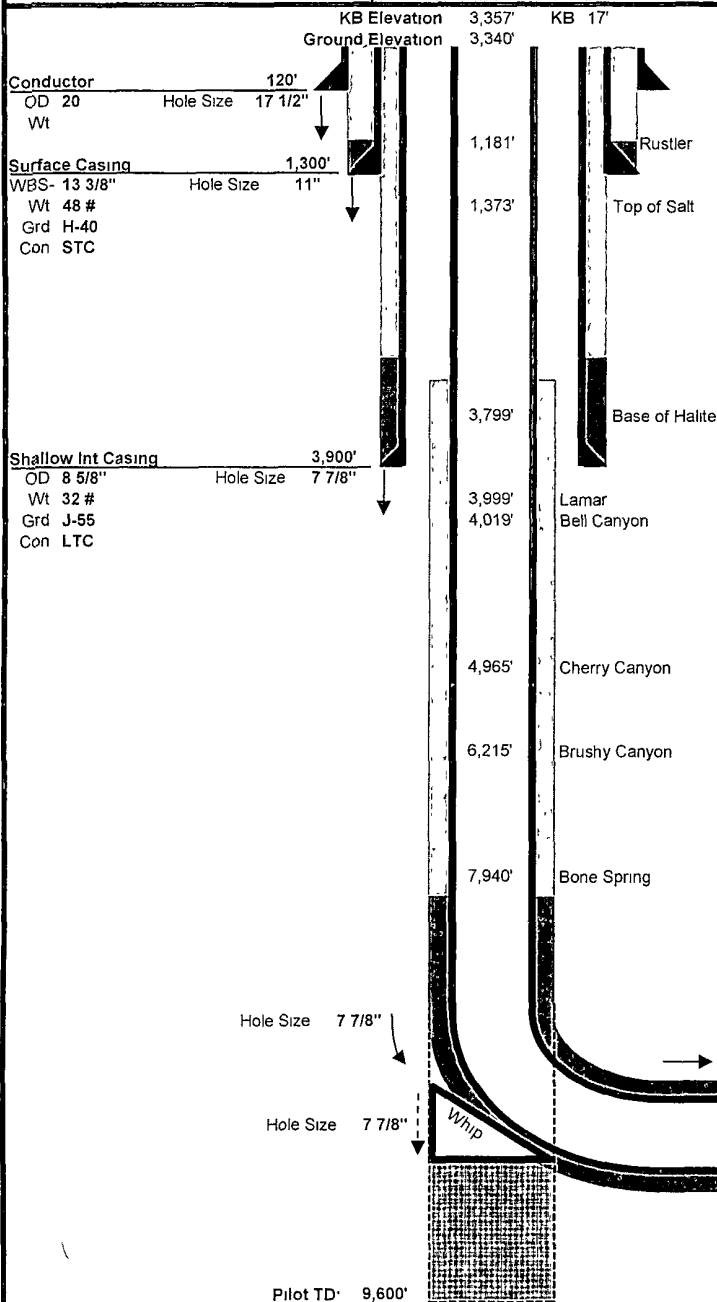




Drilling Engineer Chris Gray
Superintendent Daniel Gipson
Geologist Chris Persellin

Well Name PLU Phantom Banks 25-25-30 USA 1H
Target
County, State: Eddy, NM
Surface Location 150' FSL 2280' FWL, Section 25, Township 25S, Range 30E
BH Location 100' FNL 1980' FWL, Section 25, Township 25S, Range 30E
SHL Latitude 32 094303 SHL North 398399
SHL Longitude -103 835985 SHL East 695352
BHL Latitude 32 108241 BHL North 403410
BHL Longitude -103 836837 BHL East 653880
Coordinates NAD83 NMSPCE

Drilling Rig Trinidad 111
Directional
Drilling Mud
Cement
Wellhead
Property Number
AFE Number



Wellhead Equipment	
A Section	13-3/8" x 13-5/8" 5K SOW (Multibowl)
B Section	N/A (Multibowl)
C Section	11" 5K X 7-1/16" 10K w/10k gate valve
D Section	N/A
Required BOP Stack	13-5/8" 5K- Double, Annular, Rot Head worbit valve

Mud				
Depth	Type	Weight	F Vis	FL
0' - 1,300'	Fresh Water	8.4 - 8.7	32 - 34	NC - NC
1,300' - 3,900'	Brine	9.5 - 10.1	28 - 29	NC - NC
3,900' - 8,759'	FW/Cut Brine	8.3 - 9	28 - 29	NC - NC
8,759' - 9,600'	Cut Brine	8.3 - 9	28 - 29	NC - NC
8,759' - 9,509'	FW/Cut Brine	8.3 - 9	28 - 29	NC - NC
9,509' - 14,108'	FW/Cut Brine	8.3 - 9	28 - 29	NC - NC

Cement						
Slurry	Top	Btm	Wt	Yld	%Exc	Bbl
Surface						
Lead	0'	1,200'	13.7	1.65	250	490
Tail	1,200'	1,300'	14.8	1.33	250	50
Shallow Int						
Lead	0'	3,400'	12.0	1.95	250	442
Tail	3,400'	3,900'	14.2	1.36	250	82
Production						
Lead	3,400'	8,759'	12.4	2.22	75	278
Tail	8,759'	14,108'	14.5	1.27	75	291

14,108'
Production Casing
OD 5 1/2"
Wt 17 #
Grd P-110
Con CDC
(BTC compatible)

Directional Plan						
Target Line	9236' @ 0' VS w/90.0 deg inclination					
Target Window	20' above, 20' below, 50' left, 50' right					
	MD	INC	AZM	TVD	VS	DLS
KOP	8,759'	0.00	0.00	8,759'	0'	0.00
EOB	9,509'	90.00	356.76	9,236'	477'	12.00
TD	14,108'	90.00	356.76	9,236'	5,077'	0.00
Hardlines	Lateral- 330' from parallel lease lines Vertical- Actual Lease Lines					
Notes	Please note SHL and BHL distance from lease lines					

LOGS	Type	Logs	Interval	Vendor
		Wireline logs TBD		
		Mudlogging TBD		
	LWD	MWD Gamma	Curve and Lateral	

Chesapeake Minimum BOPE Requirements

Wellname: PLU Phantom Banks 25-25-30 USA 1H

Operation: Intermediate and Production Hole Sections

BLOWOUT PREVENTOR SCHEMATIC

CHESAPEAKE OPERATING INC

Permian District-Minimum Requirements

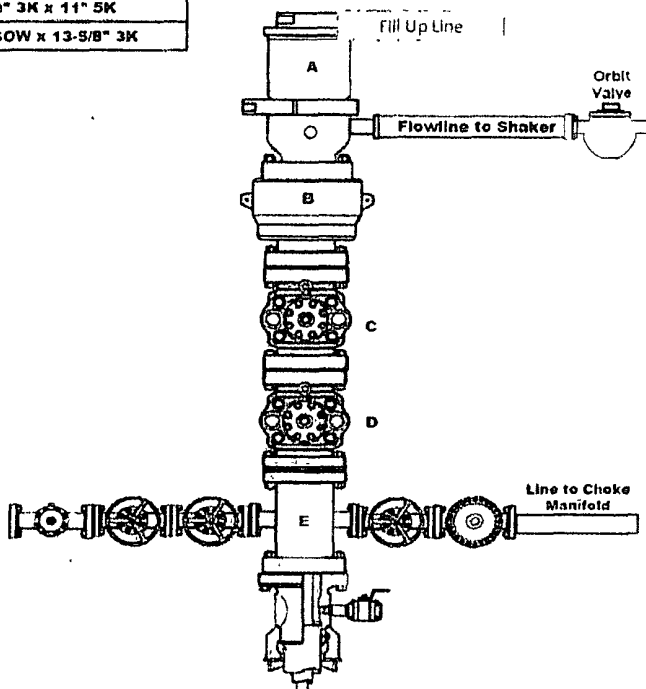
FIELD : Avalon

OPERATION: Intermediate and Production Hole Sections

	SIZE	PRESSURE	DESCRIPTION
A		500	Rotating Head
B	13 5/8"	5,000	Annular
C	13 5/8"	5,000	Pipe Ram
D	13 5/8"	5,000	Blind Ram
E	13 5/8"	5,000	Mud Cross
F			
DSA	As required for each hole size		
C-Sec			
B-Sec	13-5/8" 3K x 11" 5K		
A-Sec	13-3/4" SOW x 13-5/8" 3K		

Test Notes:

- Pressure test to rating of BOP or wellhead every 21 days.
- Function test on trips
- H2S service trim required



Kill Line

SIZE	PRESSURE	DESCRIPTION
2"	5,000	Check Valve
2"	5,000	Gate Valve
2"	5,000	Gate Valve

Choke Line

SIZE	PRESSURE	DESCRIPTION
3"	5,000	Gate Valve
3"	5,000	HCR Valve
3"	5,000	Steel Line Only

EXHIBIT F1

Chesapeake Minimum BOPE Requirements

Wellname: PLU Phantom Banks 25-25-30 USA 1H

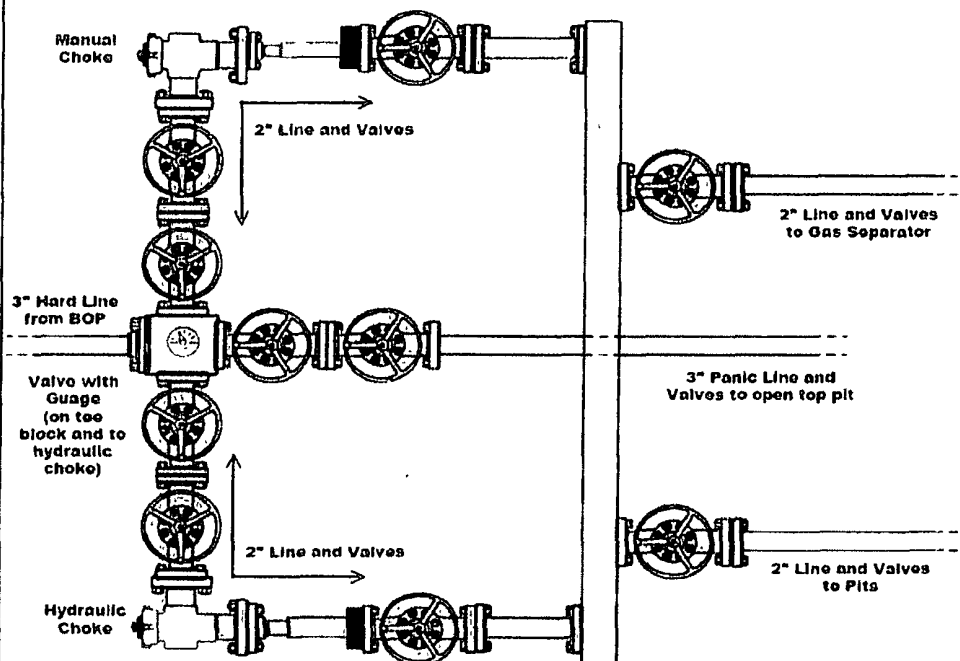
Operation: Intermediate and Production Hole Sections

CHOKE MANIFOLD SCHEMATIC

CHESAPEAKE OPERATING INC

Permian District

Avalon Minimum Requirements



Choke Manifold

SIZE	PRESSURE	DESCRIPTION
2" or 3"	5,000	Gate Valves
3'x15'		Gas Separator
8"		Gas Separator vent line (anchored)

EXHIBIT F2

**Chesapeake Operating, Inc.'s Closed Loop System
PLU PHANTOM BANKS 25 25 30 USA 1H
Unit N, Sec. 25, T-25-S R-30-E
Eddy Co., NM
API # TBD**

Equipment & Design:

Chesapeake Operating, Inc. is to use a closed loop system with roll-off steel pits. Trinidad Drilling Company has the following equipment for maintenance of their drilling mud:

Mud System:

(2) EA MI Swaco Mongoose 4 Panel Linear Motion Shale Shakers
A desilter, desander, and degaser described in detail in the attached rig inventory.

Fresh and brine water tanks with the capacity to efficiently drill well

Operations & Maintenance:

During each tour, the rig's drilling crew will inspect and monitor the drilling fluids contained within the steel pits and visually monitor any spill which may occur. Should a spill, release, or leak occur; the NMOCD District II office in Artesia (575-748-1283) will be notified. Please note that notifications may be made earlier to the district office should a greater release occur per NMOCD's rules.

Closure:

During and after drilling operations, drilling fluids and cuttings will be hauled to Controlled Recovery, Inc. Permit # NM-01-0006.

The alternative disposal facility will be Sundance Disposal. Permit # NM-01-000



Rig # 110 or
Trinidad Rig # 111 - AC 1200 HP Triple PAD

SUBSTRUCTURE:	-Substructure Type: 1 piece, step down -Manufacturer: Mastco -Floor Height: 16'-6" -Clear Working Height: 13'-6" -Rotary Capacity: 500,000 lbs -Maximum Rated Pipe Setback: 400,000 lbs -Intergraded Skidding System
MAST:	-Mast Type: 142" cantilever -Manufacturer: Mastco -Static Hook Load: 500,000 lbs -Number of Lines: 10 Lines -Drill Line Size: 1- 1/4" -Racking Capacity: 15,000' of 4- 1/2" DP & 450' of 8" DC
DRAWWORKS:	-Manufacture/Model: TSM 1200 AC -Capacity: 500,000 lbs w/ 10 Lines -Rated Power: 1500 hp -Drive: 1 EA GEB 28 AC traction motor rated @ 1,500 hp -Auxiliary/Parking Brake: Eaton 336 WCSB Brake -Main Brake: GEB 28 AC traction motor
MUD PUMPS:	Mud Pump #1 -Manufacturer & Model: Gardner Denver PZ-10 -Rated Power: 1300 hp -Stroke: 10" -Mud Pump Drive: GEB 28 rated @ 1,500hp Mud Pump #2 -Manufacturer & Model: Gardner Denver PZ-10 -Rated Power: 1300 hp -Stroke: 10" -Mud Pump Drive: GEB 28 rated @ 1,500hp
MUD SYSTEM:	-Total Capacity: 1000bbls (Two Tank System) -Shakers: 2 EA MI Swaco Mongoose 4 panel linear motion shakers -Desilter: 1 EA NOV-Brandt CTX w/20EA 4" cones with grooved end inlet and overflow, desilting capacity of 1300 gpm. -Desander: 1 EA NOV CTX w/3EA 10" diameter cones with grooved end inlet and overflow, desanding capacity of 1500 gpm. -Vacuum Degaser: 1 EA NOV DG-10, 60" vessel with a capacity of 1000 gpm.
BOP EQUIPMENT:	-1EA 11" Annular; 3,000 psi WP; Nace Trim (API Spec 16A) -1EA 11" Single Ram BOP; 3,000 psi WP; Nace Trim -1EA 11" Single Ram BOP; 3,000 psi WP; Nace Trim
MANIFOLD:	-Nace Trim double gut line, 3" x 5,000psi c/w two 3" electrically actuated (Pason style) chokes
ACCUMULATOR:	-Control Tech 6 station, 120 gallon c/w 2 EA pneumatic pumps and 1 EA electric triplex pump
BLOCK:	-American Block 250 Ton
TOP DRIVE:	-National Oilwell Varco TDS11, AC 500 Ton, 37,500 ft-lbs, 800 HP
ROTARY TABLE:	-Emsco Style SJ-205 (20- 1/2") driven by 1EA Hydraulic motor
CATWALK MACHINE:	-Mastco Hydraulic Catwalk System
POWER SYSTEM:	-ABB VFD System, MCC, Generator Control and three (3) 9506HP, 1200 RPM, 1750 KVA Caterpillar 3508 Engine Generator Sets
DRILL COLLARS:	-21 EA 6-1/2" DC w/ NC46 Connections, 3 EA 8" DC w/ NC46 Connections
DRILL PIPE:	-250 joints of 4- 1/2", 16.60 # ft., grade S135, Range III w/ 6- 5/8" TJ and NC46 connections
WATER TANK:	-500bbls capacity
FUEL TANK:	-10,000 gallon capacity
TOOL/STORAGE:	-Parts storage room and tool house room
CAMP:	-Tool Pusher House: One 12' x 50' skidded -Crew Change House: One 13' X 48' skidded -Crew Galley House: One 12' X 60' skidded -Crew Quarters House: One 12' X 60' skidded



PLU Phantom Banks 25-25-30 USA 1H

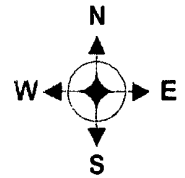
Property # 645561

Pad Site # 919987

NAD 27 Lat.: N 32.0942" – Long.: W 103.8355"

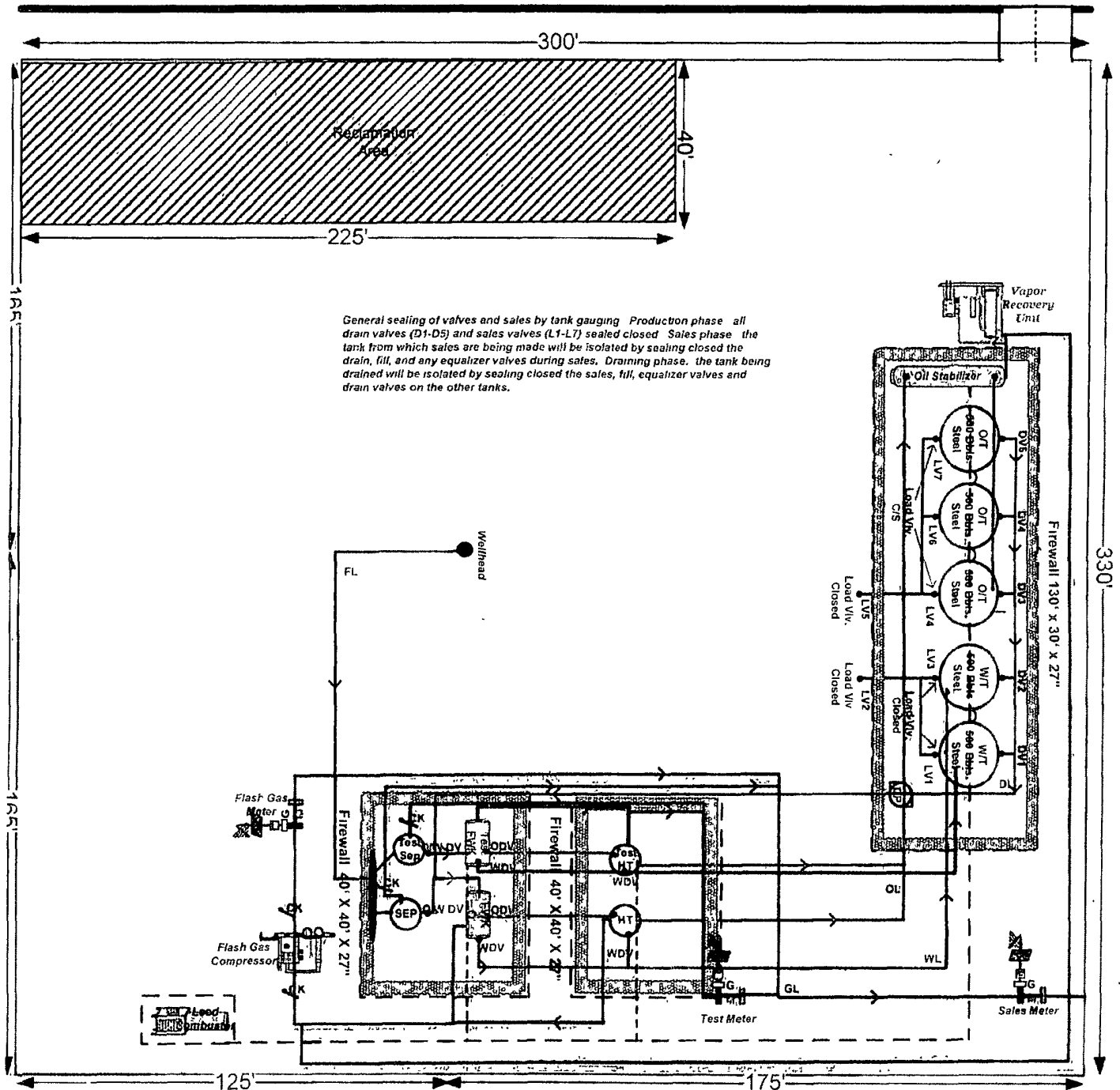
S25/T25S/R30E - 150' FSL & 2280' FWL

Eddy Co., New Mexico



EXHIBIT

C



Prepared by: Donny Lowry
Date: 6/4/2012

This lease is subject to Chesapeake's Site
Security Plan located at 6100 N. Western
Oklahoma City, OK 73118

All equipment shown will be on location,
but subject to changes in positioning

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Chesapeake
LEASE NO.:	LC063079A
WELL NAME & NO.:	1H PLU Phantom Banks 25 25 30 USA
SURFACE HOLE FOOTAGE:	150' FSL & 2280' FWL
BOTTOM HOLE FOOTAGE:	100' FNL & 1980' FWL
LOCATION:	Section 25, T.25 S., R.30 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- ☐ **General Provisions**
- ☐ **Permit Expiration**
- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
- ☒ **Special Requirements**
 - Watershed Resources**
 - Road Construction
 - Pad Construction
 - Tank Battery
- ☐ **Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- ☐ **Road Section Diagram**
- ☒ **Drilling**
 - Medium Cave/Karst
 - Logging requirements
 - Waste Material and Fluids
- ☐ **Production (Post Drilling)**
 - Well Structures & Facilities
 - Pipelines – not applied for in this application
 - Electric Lines – not applied for in this application
- ☐ **Interim Reclamation**
- ☐ **Final Abandonment & Reclamation**