



OCD-ARTESIA

ATS-07-10

CONFIDENTIAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 20075. Lease Serial No.
NMNM-63757

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
LOTOS C FEDERAL 9119. API Well No.
30-015-3535710. Field and Pool, or Exploratory
COTTON DRAW; Bone Spring11. Sec., T. R. M. or Blk. and Survey or Area
9-24S-31E12. County or Parish
EDDY13. State
NM1a. Type of work: ☒ DRILL☐ REENTER

R-111-POTASH

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other☐ Single Zone ☐ Multiple Zone

2. Name of Operator

CHESAPEAKE OPERATING, INC.

ATTN: LINDA GOOD

3a. Address P.O. BOX 18496, OKLAHOMA CITY, OK
73154-04963b. Phone No. (include area code)
405-767-4275

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface

1980 FNL & 1651 FEL, SWNE

At proposed prod. zone SAME

14. Distance in miles and direction from nearest town or post office*
26 MILES EAST OF LOVING, NEW MEXICO.15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)

16. No. of acres in lease

360

17. Spacing Unit dedicated to this well

40

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

19. Proposed Depth

8300

20. BLM/BIA Bond No. on file

NM2634

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
EST. 3444 GR / 3462 KB

22. Approximate date work will start*

23. Estimated duration

24. Attachments

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

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest System Lands, the
SUPO shall be filed with the appropriate Forest Service Office).4. Bond to cover the operations unless covered by an existing bond on file (see
Item 20 above).

5. Operator certification

6. Such other site specific information and/or plans as may be required by the
authorized officer.

25. Signature

Name (Printed/Typed)

Henry Hood

Date

11/10/06

Title

Sr. Vice President - Land & Legal & General Counsel

Approved by (Signature)

Name (Printed/Typed)

Date

JAN -7 2007

Title

STATE DIRECTOR

Office

NM STATE 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 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. 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.

*(Instructions on page 2)

CARLSBAD CONTROLLED WATER BASIN

If earthen pits are used in
association with the drilling of this
well, an OCD pit permit must be
obtained prior to pit construction.SEE ATTACHED FOR
CONDITIONS OF APPROVALAPPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED