

District I  
1625 N French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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 & Natural Resources

Form C-104  
Revised Feb. 26, 2007

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to Appropriate District Office  
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

|                                                                                                             |                                                    |                          |                                                 |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------|--------------------------|-------------------------------------------------|
| 1 Operator name and Address<br>Chesapeake Operating, Inc.<br>P.O. Box 18496<br>Oklahoma City, OK 73154-0496 |                                                    | 2 OGRID Number<br>147179 | <b>RECEIVED</b><br>FEB 18 2010<br>NMOCD ARTESIA |
| 3 Reason for Filing Code/ Effective Date<br>RC DHC                                                          |                                                    |                          |                                                 |
| 4 API Number<br>30 -015-20937                                                                               | 5 Pool Name<br>Red Lake; Queen-Grayburg-San Andres | 6 Pool Code<br>51300     |                                                 |
| 7 Property Code<br>300040                                                                                   | 8 Property Name<br>Hondo Federal Gas Com.          | 9 Well Number<br>1       |                                                 |

II. 10 Surface Location

|                    |               |                      |                  |         |                        |                           |                        |                        |                |
|--------------------|---------------|----------------------|------------------|---------|------------------------|---------------------------|------------------------|------------------------|----------------|
| UL or lot no.<br>J | Section<br>27 | Township<br>17 South | Range<br>27 East | Lot Idn | Feet from the<br>1650' | North/South Line<br>South | Feet from the<br>2310' | East/West line<br>East | County<br>Eddy |
|--------------------|---------------|----------------------|------------------|---------|------------------------|---------------------------|------------------------|------------------------|----------------|

11 Bottom Hole Location

|                  |                                  |                           |                        |                         |                          |                  |               |                |        |
|------------------|----------------------------------|---------------------------|------------------------|-------------------------|--------------------------|------------------|---------------|----------------|--------|
| UL or lot no.    | Section                          | Township                  | Range                  | Lot Idn                 | Feet from the            | North/South line | Feet from the | East/West line | County |
| 12 Lsc Code<br>F | 13 Producing Method<br>Code<br>P | 14 Gas Connection<br>Date | 15 C-129 Permit Number | 16 C-129 Effective Date | 17 C-129 Expiration Date |                  |               |                |        |

III. Oil and Gas Transporters

|                         |                                                                                |          |
|-------------------------|--------------------------------------------------------------------------------|----------|
| 18 Transporter<br>OGRID | 19 Transporter Name<br>and Address                                             | 20 O/G/W |
| 21924                   | Sunoco Inc.<br>P.O. Box 2039<br>Sugarland, TX                                  | O        |
| 221115                  | Frontier Field Services, LLC<br>4200 East Skelly Drive, Suite 700<br>Tulsa, OK | G        |
|                         |                                                                                |          |
|                         |                                                                                |          |
|                         |                                                                                |          |
|                         |                                                                                |          |

IV. Well Completion Data

|                            |                             |                |                  |                                      |                       |
|----------------------------|-----------------------------|----------------|------------------|--------------------------------------|-----------------------|
| 21 Spud Date<br>10/15/2009 | 22 Ready Date<br>11/03/2009 | 23 TD<br>9778' | 24 PBTD<br>3000' | 25 Perforations<br>'1874'-2237' (OA) | 26 DHC, MC<br>R-11363 |
| 27 Hole Size               | 28 Casing & Tubing Size     | 29 Depth Set   | 30 Sacks Cement  |                                      |                       |
| 11"                        | 8 5/8"                      | 1792'          | 835 sxs.         |                                      |                       |
| 7 7/8"                     | 5 1/2"                      | 9778'          | 375 sxs          |                                      |                       |
|                            | 2 7/8" tbg set @ 1885'      |                |                  |                                      |                       |
|                            |                             |                |                  |                                      |                       |

V. Well Test Data

|                               |                                    |                            |                            |                           |                            |
|-------------------------------|------------------------------------|----------------------------|----------------------------|---------------------------|----------------------------|
| 31 Date New Oil<br>11/14/2009 | 32 Gas Delivery Date<br>11/14/2009 | 33 Test Date<br>11/17/2009 | 34 Test Length<br>24 Hours | 35 Tbg Pressure<br>50 psi | 36 Csg. Pressure<br>25 psi |
| 37 Choke Size<br>64/64        | 38 Oil<br>2 BOPD                   | 39 Water<br>59 BWPD        | 40 Gas<br>16 MCFG          | 41 Test Method            |                            |

|                                                                                                                                                                                                                                 |                      |                                                                                                                                          |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------|--|
| 42 I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.<br>Signature: <i>Bryan Arrant</i> |                      | OIL CONSERVATION DIVISION<br>Approved by: <i>Jacqueline R. [Signature]</i><br>Title: <i>Geologist</i><br>Approval Date: <i>2/26/2010</i> |  |
| Printed name:<br>Bryan Arrant                                                                                                                                                                                                   |                      |                                                                                                                                          |  |
| Title:<br>Senior Regulatory Compl. Sp.                                                                                                                                                                                          |                      |                                                                                                                                          |  |
| E-mail Address:<br>bryan.arrant@ohk.com                                                                                                                                                                                         |                      |                                                                                                                                          |  |
| Date: 11/20/2009                                                                                                                                                                                                                | Phone: (405)935-3782 |                                                                                                                                          |  |