

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87505

District IV

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

State of New Mexico

Energy Minerals and Natural Resources

Form C-101

June 16, 2008

Submit to appropriate District Office

☐ AMENDED REPORT

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

**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 73154-0496		² OGRID Number 147179
		³ API Number 30 - 025-37041
³ Property Code 34086	⁵ Property Name TCB 36 State	⁶ Well No. 4
⁹ Proposed Pool 1 Bluebry; Oil & Gas (Oil)		¹⁰ Proposed Pool 2 Undes. Warren; Tubb, East

⁷ Surface Location

UL or lot no. L	Section 36	Township 20S	Range 38E	Lot Idn	Feet from the 1980'	North/South South	Feet from the 660'	East/West West	County Lea
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⁸ Proposed 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
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Additional Well Information

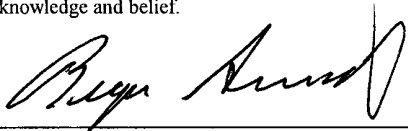
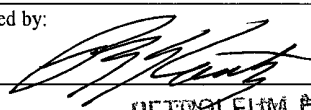
¹¹ Work Type Code P	¹² Well Type Code O	¹³ Cable/Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3569' GR
¹⁶ Multiple No	¹⁷ Proposed Depth	¹⁸ Formation	¹⁹ Contractor TBD	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program Current casing & cement of well-bore

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#	1747'	800 sxs	0'
7 7/8"	5 1/2"	17#	7405'	1285 sxs	1081'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary. Please find our intent to add perfs in the Tubb & Bluebry formations. Attached is the current well-bore information w/work procedure, NMCOD's C-102s, and C-144(CLEZ) pit permit. These are pre-approved pools per NMOCD's 19.15.12.11. A C-103 is attached for DHC application.

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway
Plugback**

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: 		Approved by: 	
Printed name: Bryan Arrant		Title: PETROLEUM ENGINEER	
Title: Senior Regulatory Compliance Specialist		Approval Date: MAR 16 2010	Expiration Date:
E-mail Address: bryan.arrant@chk.com			

Date: 2/22/2010	Phone: 405-935-3782	Conditions of Approval Attached <input type="checkbox"/>
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1625 N. French Dr., Hobbs, NM 88240
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1000 Rio Brazos Rd., Aztec, NM 87410
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State of New Mexico

Energy, Minerals & Natural Resources Department

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FEB 23 2010
HOBBS

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form O-102

Revised October 15, 2009

Submit one copy to appropriate

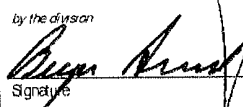
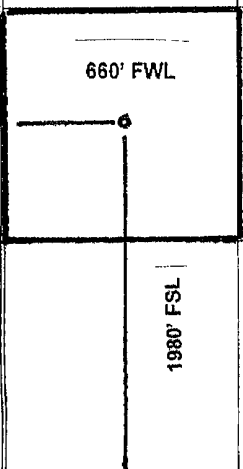
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-37041		² Pool Code 6660		³ Pool Name Blinbry; Oil & Gas (Oil)					
⁴ Property Code 34086		⁵ Property Name TCB 36 State			⁹ Well Number 4				
⁷ OGRID No. 147179		⁸ Operator Name Chesapeake Operating, Inc.			⁶ Elevation 3569' GR				
¹⁰ Surface Location									
UL or lot no. L	Section 36	Township 20S	Range 38E	Lot Idn 	Feet from the 1980'	North/South line South	Feet from the 660'	East/West line West	County Lea
¹¹ 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
¹² Dedicated Acres 40		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.

¹⁶				¹⁷ 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 undivided mineral interest in the land including the proposed bottom hole location 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 hereinafter approved by the division.  Signature 02/22/2010 Date Bryan Arrant Printed Name	
 660' FWL 1980' FSL				¹⁸ 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. Date of Survey Signature and Seal of Professional Surveyor Please Refer to Original Plat Certificate Number	

1625 N. French Dr., Hobbs, NM 88241
District II

1301 W. Grand Avenue, Artesia, NM 88210
District III

1000 Rio Brazos Rd., Aztec, NM 86411
District IV

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

Geology, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Revised October 15, 2009
Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-37041		² Pool Code 87085	³ Pool Name Undes. Warren; Tubb, East
⁴ Property Code 34086	⁶ Property Name TCB 36 State		⁵ Well Number 4
⁷ OGRID No 147179	⁸ Operator Name Chesapeake Operating, Inc.		⁹ Elevation 3569' GR

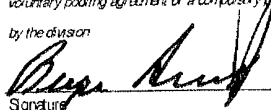

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	36	20S	38E		1980'	South	660'	West	Lea

¹¹ Bottom Hole Location If Different From Surface[illegible]

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
40			

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.

16			<p style="text-align: center;">17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and correct 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 oil or bottom hole location 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.</p> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;">  Signature </div> <div style="text-align: center;"> 02/22, 2010 Date </div> </div> <p style="text-align: center;">Bryan Arrant Printed Name</p>
<div style="border: 2px solid black; padding: 10px; margin-bottom: 10px;"> <p style="text-align: center;">660' FWL</p>  </div> <p style="text-align: center;">1980' FSL</p>			<p style="text-align: center;">18 SURVEYOR CERTIFICATION</p> <p>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.</p> <hr/> <p>Date of Survey</p> <hr/> <p>Signature and Seal of Professional Surveyor</p> <hr/> <p style="text-align: center; font-weight: bold; font-size: 1.2em;">Please Refer to Original Plat</p> <hr/> <p>Certificate Number</p>



**TCB 36 State #4
Tubb Recompletion
Lea County, NM**

Current Wellbore Information

TD: 7,405' PBD: 7,212'

Casing	OD	Weight	Grade	Depth Set	TOC
Surface	8-5/8"	24#	J-55	1,747'	Surface
Production	5-1/2"	17#	J-55	7,405'	1,081'

Perfs	Top Perf	Bottom Perf	Status	SPF
Drinkard	6,851'	6,868'	Producing	4
Drinkard	7,029'	7,068'	Producing	2
Abo	7,264'	7,316'	Abandoned	4
Abo	7,329'	7,331'	Abandoned	4
Abo	7,341'	7,356'	Abandoned	4

OIH	Size	Location
DV Tool	5-1/2"	5,802'
CIBP	5-1/2"	7,224'

GL: 3,569' KB: 15' KB Height: 3,584'

Procedure

Hold PJSA prior to beginning work each morning and as required for specific operations.

1. Prep location. Check anchors and clean area for workover.
2. Rack and tally work string consisting of 241 joints of 2-7/8, 6.5#, J-55 tubing.
3. MIRU workover rig. ND WH. POH w/ pump and rods.
4. NU BOP. POH w/ production tubing.
5. RU wireline unit. RIH w/ bit and scraper to PBD @ 7,212'. POH.
6. RIH w/ CBP and set @ +/- 6,800' and test casing to 4,500# for 15 minutes to test casing integrity.
7. Install Frac Valve and lubricator. MU Select Fire Perforating Guns loaded w/ 36 shots @ 4 spf w/ 60 degree phasing (23 g minimum charges) and RIH. Correlate to the attached log and perforate the Tubb as follows:

Formation	Location	SPF	Total Shots
Tubb	6,774'	4 spf	4
Tubb	6,772'	4 spf	4
Tubb	6,767'	4 spf	4
Tubb	6,764'	4 spf	4
Tubb	6,761'	4 spf	4
Tubb	6,756'	4 spf	4
Tubb	6,754'	4 spf	4
Tubb	6,746'	4 spf	4
Tubb	6,742'	4 spf	4
Total	32'		36

POOH w/ tubing and perforating guns and verify all shots fired. RDMO Wireline.

8. RD Lubricator. RU Treating Company and pump a total of 3,000 gallons of 15% NEFE acid dropping 54 perf balls throughout the job. Flush acid to bottom perf w/ 2% KCL. SI and wait 1 hour. See attached acid procedure.
9. RIH w/ bit and scraper to CBP @ 6,800' to clear perfs.
10. RU frac service and frac Tubb perfs 6,742' – 6,774' (36 holes). Frac per attached procedure. (5-1/2" 17# J55 Internal Yield = 5,320 psi) Record ISIP-5-10-15 min pressures.
11. RU lubricator. RU wireline and RIH and set CBP @ +/-6,715'. POH.
12. MU Select Fire Perforating Guns loaded w/ 48 shots @ 4 spf w/ 60 degree phasing (23 g minimum charges) and RIH. Correlate to the attached log and perforate the Tubb as follows:

Formation	Location	SPF	Total Shots
Tubb	6,688'	4 spf	4
Tubb	6,684'	4 spf	4
Tubb	6,680'	4 spf	4
Tubb	6,677'	4 spf	4
Tubb	6,675'	4 spf	4
Tubb	6,672'	4 spf	4
Tubb	6,636'	4 spf	4
Tubb	6,634'	4 spf	4
Tubb	6,632'	4 spf	4
Tubb	6,628'	4 spf	4
Tubb	6,622'	4 spf	4
Tubb	6,620'	4 spf	4
Total	68'		48

POOH w/ tubing and perforating guns and verify all shots fired. RDMO Wireline.

13. RD Lubricator. RU Treating Company and pump a total of 4,000 gallons of 15% NEFE acid dropping 72 perf balls throughout the job. Flush acid to bottom perf w/ 2% KCL. SI and wait 1 hour. See attached acid procedure.
14. RIH w/ bit and scraper to CBP @ 6,715' to clear perfs.
15. RU frac service and frac Tubb perfs 6,620' – 6,688' (48 holes). Frac per attached procedure. (5-1/2" 17# J55 Internal Yield = 5,320 psi) Record ISIP-5-10-15 min pressures.
16. RU lubricator. RU wireline and RIH and set CBP @ +/-6,585'. POH.
17. MU Select Fire Perforating Guns loaded w/ 54 shots @ 4 spf w/ 60 degree phasing (23 g minimum charges) and RIH. Correlate to the attached log and perforate the Tubb as follows:

Formation	Location	SPF	Total Shots
Tubb	6,558'	4 spf	4
Tubb	6,553'	4 spf	4
Tubb	6,551'	4 spf	4
Tubb	6,538'	4 spf	4
Tubb	6,535'	4 spf	4
Tubb	6,532'	4 spf	4
Tubb	6,528'	4 spf	4
Tubb	6,525'	4 spf	4
Tubb	6,522'	4 spf	4
Total	36'		36

POOH w/ tubing and perforating guns and verify all shots fired. RDMO Wireline.

18. RD Lubricator. RU Treating Company and pump a total of 3,000 gallons of 15% NEFE acid dropping 54 perf balls throughout the job. Flush acid to bottom perf w/ 2% KCL. SI and wait 1 hour. See attached acid procedure.
19. RIH w/ bit and scraper to CBP @ 6,585' to clear perfs.
20. RU frac service and frac Tubb perfs 6,558' – 6,522' (36 holes). Frac per attached procedure. (5-1/2" 17# J55 Internal Yield = 5,320 psi) Record ISIP-5-10-15 min pressures.
21. PU bit and work string and TIH to DO CBPs set @ 6,585', 6,715' and 6,800' and clean out to PBTD @ 7,212'. Circulate hole clean. TOH.
22. Swab well to determine productivity.
23. TIH with production tubing and SN. Set seat nipple at 7,118' (below perfs).
24. ND BOP. NU WH. TIH with pump and rods. Fill tubing and space out pump accordingly. Verify pump action. Place well on test.
25. RDMO workover rig. Clean location.

Contacts

Production Foreman
Greg Skiles
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Cell: 575-631-1663

Asset Manager
Kim Henderson
Office: 405-935-8583
Cell: 405-312-1840