

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 1168

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address CHESAPEAKE OPERATING, INC. PO Box 18496 Oklahoma City, OK 73154-0496		OGRID Number 147179
		API Number 30-025-36751
Property Code 300227	Property Name DUNCAN 19	Well No. 002

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	19	20S	39E	B	1050	N	1650	E	Lea

Proposed Pools

D-K;ABO 15200

Work Type New Well	Well Type OIL	Cable/Rotary	Lease Type Private	Ground Level Elevation 3535
Multiple N	Proposed Depth 8000	Formation Abo	Contractor	Spud Date 08/15/2004

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	1633	850	0
Prod	7.875	5.5	17	8000	1700	

Casing/Cement Program: Additional Comments

8 5/8 csg. cmt'd lead w/35:65 Poz C1. C + 5% bwow sodium Chloride Tail w/C1. C; 5 1/2 csg. cmt'd 1st stage 50/50 Poz C1. C + 5% Sodium Chl; 2nd stage lead 35:65 Poz C1. C tail C1. C

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	3000	
Double Ram	3000	3000	

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

Electronically Signed By: Mark Mabe

Title: Manager

Date: 07/01/2004

Phone: 432-685-4339

OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 07/09/2004

Expiration Date: 07/09/2005

Conditions of Approval:

There are conditions. See Attached.