

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. 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 731540496		2. OGRID Number 147179
		3. API Number 30-025-37748
4. Property Code 32560	5. Property Name BERRY 1	6. Well No. 002

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	1	17S	37E	F	1451	N	1614	W	LEA

8. Pool Information

SHIP:STRAWN	55695
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Additional Well Information

Additional Well Information				
9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3746
14. Multiple N	15. Proposed Depth	16. Formation Strawn	17. Contractor	18. Spud Date 3/14/2006
Depth to Ground water 40		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> miles thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method:				
Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	370	0
Int1	11	8.625	32	4500	1025	0
Prod	7.875	5.5	17	11950	805	4000

Casing/Cement Program: Additional Comments

Surface: 13 3/8" cmt w/170 sx Hall Lite+ Flocele Tail/200 sx PremPlus 2% bwoc CaCl2 1.35 yield. Inter: 8 5/8" cmt'd w/825 sx Inter C + Flocele 2.45 yield; Tail 200 sx Prem Plus + 2% bwoc CaCl2 1.35 yield; 5 1/2" csg. cmt'd w/660 sx Inter H + .25 pps Flocele 2.45 yield; Tail 145 sx Super H + 0.5% LAP-1 + 0.4% CFR 3 + 1 pps Salt + 0.25 pps D-AIR 3000 + 0.1% HR-7 13.2 ppq 1.60 yield TOC 4000' est.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	3000	
DoubleRam	3000	3000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Brenda Coffman		Approved By: Paul Kautz	
Title: Regulatory Analyst		Title: Geologist	
Email Address: bcoffman@chkenegy.com		Approved Date: 3/13/2006 Expiration Date: 3/13/2007	
Date: 3/10/2006	Phone: 432-685-4310	Conditions of Approval Attached	

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 Permit 25148

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-37748	2. Pool Code 55695	3. Pool Name SHIPP,STRAWN
4. Property Code 32560	5. Property Name BERRY 1	6. Well No. 002
7. OGRID No. 147179	8. Operator Name CHESAPEAKE OPERATING, INC.	9. Elevation 3746

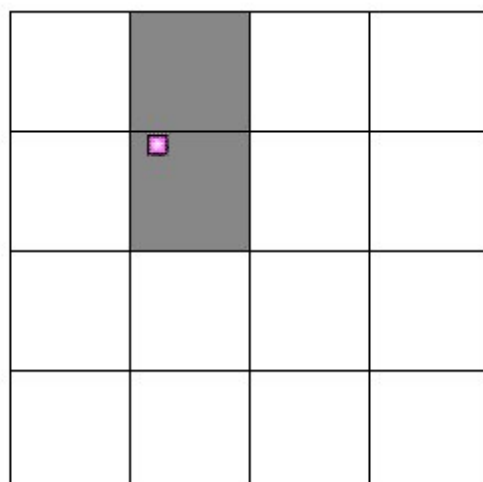
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	1	17S	37E		1451	N	1614	W	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 81.17		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



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 unleased mineral interest in the land including the proposed bottom hole location(s) 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.

E-Signed By: Brenda Coffman
 Title: Regulatory Analyst
 Date: 3/10/2006

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.

Surveyed By: Gary Eidson
 Date of Survey: 2/22/2006
 Certificate Number: 12641

Permit Conditions of Approval

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: BERRY 1 #002

API: 30-025-37748

OCD Reviewer	Condition
DMULL	Will require administrative order for non-standard location
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
DMULL	Approval for Drilling only - Cannot produce until the Non-Standard Location is approved by the OCD in Santa Fe.