State of New Mexico

Form C-101 Permit 31019

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

		, I De obliett, offil Db II Doile		
	Operator Name and Address PEAKE OPERATING, INC.	2. OGRID Number 147179		
X000-9850-00	P.O. BOX 18496 OMA CITY, OK 731540496	3. API Number		
OKEMI	OMITOTIT, OK 7515-40-0	30-015-34939		
4. Property Code	5. Property Name	6. Well No.		
33998	ESPERANZA 4	006		

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	4	22S	27E	P	330	S	660	E	EDDY

8. Pool Information

ESPERANZA: DELAWARE

Additional Well Information

9. Work Type New Well	10. We	ll Type IL	11. Cable/Rotary	ž.	12. Lease Type Private	13. Ground Level Elevation 3104
14. Montriple N	15. Prop	osed Depth	16. Formation Delaware		17. Contractor	18. Spud Date 6/25/2006
Depth to Ground 100	water		Distance from nearest:	Distance to nearest surface water		
Pit: Liner: Synthetic Closed Loop System	<u> </u>	mils thick	Clay Pit Volume:		lling Method: sh Water Brine	Diesel/Oil-based Gas/Air

19. Proposed Casing and Cement Program

Туре	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	11	8.625	24	400	285	0
Prod	7.875	5.5	15.5	5325	1070	0

Casing/Cement Program: Additional Comments

8 5/8" csg. 285 sx + 1% bwoc CaCl2+0.25 lbs/sx Cello Flake; 5 1/2" cmt w/765 sx (35:65) Poz C + 5% bwow NaCl2 + 0.25 lbs/sk Cello Flake + 6% bwoc Bentonite + 0.2% bwoc CD-32; Tail 400 sx C + 2% bwow NaCl2 + 0.8% bwoc BA-10 + 0.3% bwoc CD-32

Proposed Blowout Prevention Program

Γ	Туре	Working Pressure	Test Pressure	Manufacturer
T	Annular	3000	3000	
Γ	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	OIL CONSERVATION DIVISION				
NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .	Approved By: Bryan Arrant				
Printed Name: Electronically filed by Brenda Coffman	Title: Geologist				
Title: Regulatory Analyst	Approved Date: 6/14/2006 Expiration Date: 6/14/2007				
Email Address: bcoffman@chkenergy.com					
Date: 6/14/2006 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

<u>District III</u>

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

Form C-102 Permit 31019

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

V.557.	and no citizen, the british				
1. API Number	2. Pool Code	Pool Name			
30-015-34939	22640 ESPERANZA;DELAWARE				
4. Property Code	5. Property	6. Well No.			
33998	ESPERAN	006			
7. OGRID No.	8. Operator	9. Elevation			
147179	CHESAPEAKE OPERATING, INC. 3104				

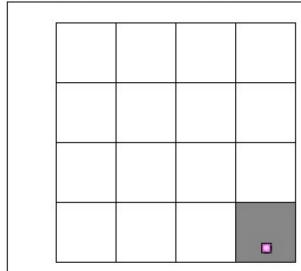
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	4	22S	27E		330	S	660	E	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Т	ownship	Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
1075170	cated Acres		13. 1	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: 6/14/2006

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: Ronald Eidson Date of Survey: 5/15/2006 Certificate Number: 12641

Permit Comments

Operator: CHESAPEAKE OPERATING, INC., 147179
Well: ESPERANZA 4 #006

API: 30-015-34939

Created By	Comment	Comment Date
BSCOFFMAN	Due to the size, H2S Contingency Plan being mailed.	5/30/2006
BArrant	Please have your engineering staff review more carefully where there are fresh water wells as there is a fresh water well much closer than 1000' as indicated from the state engineer's web-site. Bryan Arrant	6/12/2006
BSCOFFMAN	Mud Program: 0-400' Mud Type: New Gel/Lime/Fresh Water. Properties: Wt: 8.6 - 9.0 ppg; Viscosity: 35 = 45 sed/1000cc; Filtrate: N/C; pH: N/C. 400' to 5300' Mud Type: Brine/Native; Properties Wt: 9.9 - 10.0 ppg; Viscosity: 28 - 29 sed/1000cc; Filtrate: N/C pH: 9 - 10	6/14/2006
BSCOFFMAN	Mud Program: 0-400' Mud Type: New Gel/Lime/Fresh water; Properties: Weight: 8.6 - 9.0 ppg, Viscosity: 35-45 sec/1000cc; Filtrate: N/C; pH: N/C, 400'-5300': Mud Type: Brine/Native; Properties: Wt: 9.9-10.0 ppg; Viscosity: 28-29 sec/1000cc; Filtrate: N/C; pH: 9-10	6/14/2006

Permit Conditions of Approval Operator: CHESAPEAKE OPERATING, INC., 147179 Well: ESPERANZA 4 #006

API: 30-015-34939

OCD Reviewer	Condition
BArrant	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
BArrant	Operator to set surface casing above the Salado formation. Please refer to offset geology for more information.
BArrant	Please submit a detailed mud program from your drilling mud contractor or have an employee from your company prepare one.
BArrant	As noted by Brenda Coffman on 6/14/2006, the drilling of this well will be a closed loop system.