

**State of New Mexico**  
**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 30-025-38334
4. Property Code 36376	5. Property Name GOOD 13 STATE	6. Well No. 001

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	13	13S	32E	A	660	N	660	E	LEA

**8. Pool Information**

BAUM;UPPER PENN	4940
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**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 4296
14. Multiple N	15. Proposed Depth 10000	16. Formation Pennsylvanian	17. Contractor	18. Spud Date 3/19/2007
Depth to Ground water 140		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mils thick Clay <input type="checkbox"/> Pit Volume: 12129 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" 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	460	0
Int1	11	8.625	32	4100	900	0
Prod	7.875	5.5	17	10000	750	3600

**Casing/Cement Program: Additional Comments**

13 3/8" Surface csg. Lead: 300 sx Cl. C + 2% CaCl+4%gel; Tail: 160 sx Cl. C + 2% CaCl. 8 5/8" Inter. csg.: Lead: 750 sx (50:50) Poz C + 0.25 pps cello flake + 5% NaCl + 10% gel; Tail 150 sx Cl. C + 1% CaCl. 5 1/2" prod csg. Lead: 500 sx LW Class H + 0.25 cello flake; Tail: 250 sx LW Prem H + 0.5% FLA + 4% dispersant + 1 pps salt + 0.1 retarder + 0.25 pps defoamer.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	5000	
DoubleRam	5000	5000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. <b>I further certify that the drilling pit will be constructed according to NMOCB guidelines <input checked="" type="checkbox"/>, a general permit <input type="checkbox"/>, or an (attached) alternative OCB-approved plan <input type="checkbox"/>.</b>	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Brenda Coffman	Approved By: Paul Kautz
Title: Regulatory Analyst	Title: Geologist
Email Address: bcoffman@chkenergy.com	Approved Date: 3/15/2007   Expiration Date: 3/15/2008
Date: 3/6/2007   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

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Form C-102  
 Permit 47839

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-38334	2. Pool Code 4940	3. Pool Name BAUM,UPPER PENN
4. Property Code 36376	5. Property Name GOOD 13 STATE	6. Well No. 001
7. OGRID No. 147179	8. Operator Name CHESAPEAKE OPERATING, INC.	9. Elevation 4296

**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
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**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 160.00		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: 3/6/2007

**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: 2/20/2007  
 Certificate Number: 12541

## Permit Comments

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: GOOD 13 STATE #001

API: 30-025-38334

Created By	Comment	Comment Date
BSCOFFMAN	Our InActive Well List is showing 2 wells that are now producers and one that has been plugged and abandoned and paperwork has been submitted to the BLM. Sotol Federal #2.	3/6/2007
DMULL	Please note the change in the Pool Name to Baum Upper Penn.	3/12/2007

# Permit Conditions of Approval

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: GOOD 13 STATE #001

API: 30-025-38334

OCD Reviewer	Condition
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, D.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines