

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
4. Property Code 36609		3. API Number 30-015-35708
5. Property Name BEGGS 21 STATE COM #1		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	21	25S	27E	A	760	N	760	E	EDDY

8. Pool Information

wildcat; mississippian	0
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3112
14. Multiple N	15. Proposed Depth 13200	16. Formation Mississippi Limestone	17. Contractor	18. Spud Date 5/27/2007
Depth to Ground water 19		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 12129 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	26	20	94	450	885	0
Surf	17.5	13.375	54.5	2100	1495	450
Int1	12.25	9.625	40	8950	770	2100
Liner1	9.75	7	26	11150	400	8950
Prod	7.125	4.5	13.5	13200	350	11150

Casing/Cement Program: Additional Comments

20" 94# H-40 STC String csg @ 0-450 w/375 sx 35:65 Poz Cl C + additives, tail in w/510 sx Cl C + additives, 1.35 yld. 13 3/8" 54.5# J-55 STC surface csg @ 450-2100 w/1155 sx 35:65 sx Poz Cl C + additives, tail in w/340 sx CL C + additives, 1.35 yld. 9 5/8" 40# HCL-80 LTC inter csg @ 2100-8950 w/770 sx 50:50 Poz Cl C + additives, 1.29 yld. 7" 26# L-80 LTC hr @ 8950-11150 w/400 sx CL H + additives, 1.18 yld. 4 1/2 13.5# P-110 LTC prod csg @ 11150-13200 w/350 sx CL H + additives, 1.18 yld.

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.

I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed Name: Electronically filed by Brenda Coffman

Title: RegulatoryComp. Spec.

Email Address: bcoffman@chkenenergy.com

Date: 7/9/2007

Phone: 817-556-5825

OIL CONSERVATION DIVISION

Approved By: Bryan Arrant

Title: Geologist

Approved Date: 7/17/2007

Expiration Date: 7/17/2008

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 52438

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-35708	2. Pool Code	3. Pool Name wildcat; mississippian
4. Property Code 36609	5. Property Name BEGGS 21 STATE COM #1	6. Well No. 001
7. OGRID No. 147179	8. Operator Name CHESAPEAKE OPERATING, INC.	9. Elevation 3112

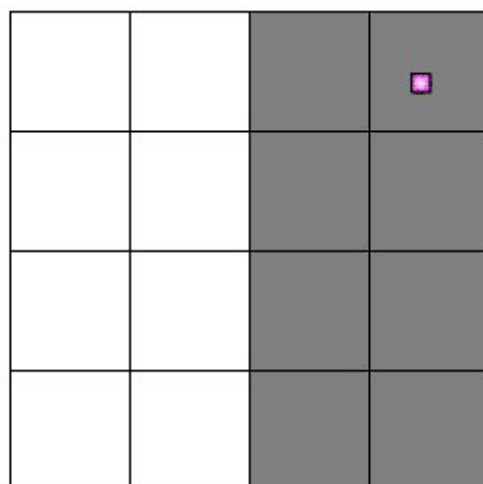
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	21	25S	27E		760	N	760	E	EDDY

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 0	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: RegulatoryComp. Spec.
 Date: 7/9/2007

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: 4/2/2007
 Certificate Number: 12641

Permit Comments

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: BEGGS 21 STATE COM #1 #001

API: 30-015-35708

Created By	Comment	Comment Date
BArrant	Please see e mail dated 7/6/2007 .	7/6/2007
shay2162	Our drilling engineer in OKC is working the H2s contingency plan. Our landman in OKC is working on the NSL.	7/9/2007

Permit Conditions of Approval

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: BEGGS 21 STATE COM #1 #001

API: 30-015-35708

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	As noted, operator to drill surface hole with fresh water mud.
BArrant	Operator to set surface casing above the Salado. Please refer to offset geology for more information.