State of New Mexico

Form C-101 Permit 61396

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

ATTRICATIONTOR	TEIGHT TO DIGIBE, IG-EITER, DELI EIT,	I HOODACK, OK ADD A ZONE		
1.	Operator Name and Address	2. OGRID Number		
CHESA	147179			
OKIAH	P. O. BOX 18496 IOMA CITY , OK 731540496	3. API Number		
ORLIN	comitoni, on 1515-1640	30-05-27965		
4. Property Code	5. Property Name	6. Well No.		
36753 MESCALERO POINT 16 STATE 001				

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	16	115	31E	N	840	S	1980	W	CHAVES

8. Pool Information

TV:PENN (GAS)	86560

Additional Well Information

								101	
9. Work Type New Well	10. Well Type GAS		11	l. Cable/Rotary		12. Lease State	557.00	13. Ground Level Elevation 4452	
14. Montriple N	15. Propose	d Depth	Mississ	16. Formatio		17. Contra	ictor	18. Spud Date 9/27/2007	
Depth to Ground water 75			D	istance from neares	t fresh water w	rell	Dis	stance to nearest surface water	
it: Liner: Synthetic Closed Loop Sys		mils thick	Clay	Pit Volume:		Drilling Method: Fresh Water Brine	Diesel	/Oil-based Gas/Air	

19. Proposed Casing and Cement Program

Тур	e Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Sur	f 17.5	13.375	48	375	460	0
Int	1 11	8.625	32	3550	800	375
Pro	d 7.875	5.5	17	11150	950	9000

Casing/Cement Program: Additional Comments

13 3/8 csg @ 375 w/300 sx CL C+2% CaCl, tail in w/160 sx Cl C, 1.74 yld. 8 5/8 csg @ 3550 w/650 sx 50:50 Poz C, tail in w/150 sx CL C, 2.00 yld, 5 1/2 csg @ 11150 w/700 sx LW Cl H, tail in w/250 sx LW Prem H, 2.45 yld.

Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Manufacturer
Annular	3000	3000	
DoubleRam	5000	5000	

of my knowledge and belief. I further certify that the drilling	given above is true and complete to the best pit will be constructed according to	OIL CONSERVATION DIVISION				
NMOCD guidelines a general OCD-approved plan	permit , or an (attached) alternative	Approved By: Paul Kautz				
Printed Name: Electronically	filed by Brenda Coffman	Title: Geologist				
Title: RegulatoryComp. Spec		Approved Date: 10/12/2007	Expiration Date: 10/12/2008			
Email Address: bcoffman@c	hkenergy.com					
Date: 9/24/2007	Phone: 817-556-5825	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 <u>District IV</u>

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 61396

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

**	ELL LOCATION AND A	REAGE DEDICATION	TLAI			
1. API Number	2. Pool Code	3. Pool Name				
30-05-27965	86560 TV;PENN (GAS)					
4. Property Code	5. Prop	6. Well No.				
36753	MESCALERO I	001				
7. OGRID No.	8. Oper	8. Operator Name				
147179	CHESAPEAKE (OPERATING, INC.	4452			

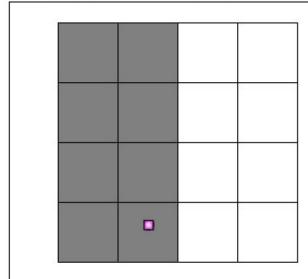
10. Surface Location

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	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
1	N	16	11S	31E		840	S	1980	w	CHAVES

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township		Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
0.7550.75	ated 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: RegulatoryComp. Spec.

Date: 9/24/2007

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: 9/24/2007 Certificate Number: 12641

Permit Conditions of Approval

Operator: CHESAPEAKE OPERATING, INC., 147179
Well: MESCALERO POINT 16 STATE #001

API: 30-05-27965

OCD Reviewer	Condition
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	Will require administrative order for non-standard location
DMULL	Approval of intent to drill. Cannot produce until Case #14023 has been approved and the TV;Penn(Gas) pool rules have been changed.