

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 30-015-37938
4. Property Code 38213	5. Property Name PLU ROSS RANCH 32 STATE	6. Well No. 001H

7. Surface Location

UL - Lot P	Section 32	Township 25S	Range 30E	Lot Idn P	Feet From 175	N/S Line S	Feet From 400	E/W Line E	County EDDY
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8. Pool Information

CORRAL CANYON:BONE SPRING, SOUTH	13354
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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 3172
14. Multiple N	15. Proposed Depth 13498	16. Formation Bone Spring	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: 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	425	0
Int1	11	8.625	32	3650	1376	0
Prod	7.875	5.5	20	13498	1548	3150

Casing/Cement Program: Additional Comments

NMOCD's forms C-102 & C-144(CLEZ) pit permit, proposed drilling program, directional planning report, and BOP schematics will be submitted by UPS. There are no known high levels of H2S in this area. However, monitoring of H2S & and readiness will be utilized in the drilling of this well. Will require a NSL. Application is for "drill only".

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Blind	5000	3000	
Blind	5000	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 NMOC 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 Bryan Arrant	Approved By: Randy Dade	
Title: Sr. Regulatory Compliance Specialist	Title: District Supervisor	
Email Address: bryan.arrant@chk.com	Approved Date: 6/22/2010 Expiration Date: 6/22/2012	
Date: 6/16/2010 Phone: 405-935-3782	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 115735

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-37938	2. Pool Code 13354	3. Pool Name CORRAL CANYON;BONE SPRING, SOUTH
4. Property Code 38213	5. Property Name PLU ROSS RANCH 32 STATE	6. Well No. 001H
7. OGRID No. 147179	8. Operator Name CHESAPEAKE OPERATING, INC.	9. Elevation 3172

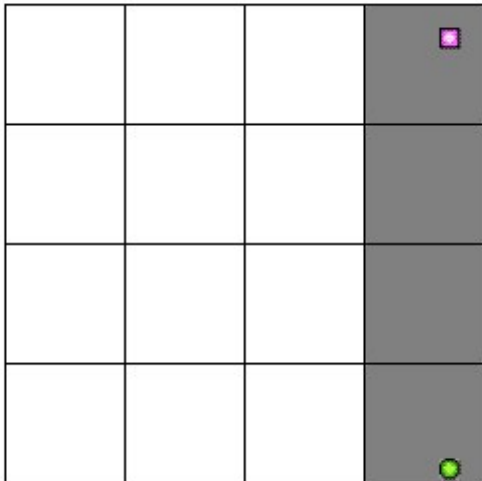
10. Surface Location

UL - Lot P	Section 32	Township 25S	Range 30E	Lot Idn	Feet From 175	N/S Line S	Feet From 400	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot A	Section 32	Township 25S	Range 30E	Lot Idn A	Feet From 350	N/S Line N	Feet From 400	E/W Line E	County EDDY
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>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.</i>	
	E-Signed By: Bryan Arrant Title: Sr. Regulatory Compliance Specialist Date: 6/16/2010	
	SURVEYOR CERTIFICATION	
<i>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.</i>		
Surveyed By: Gary Jones Date of Survey: 5/24/2010 Certificate Number: 7977		

Permit Comments

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: PLU ROSS RANCH 32 STATE #001H

API: 30-015-37938

Created By	Comment	Comment Date
Bryan Arrant	BOP test to be performed by 3rd party.	6/15/2010
Bryan Arrant	BOP and Formation Integrity Test (FIT): 13-5/8" x 5M BOP would be installed after setting the 13-3/8" surface casing. The BOP would be pressure tested as a 3M stack at the 13-3/8" and 9-5/8" casing shoes. In this case, no formation integrity test would be done below the 13-3/8" and 9-5/8" casing shoes.	6/15/2010

Permit Conditions of Approval

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: PLU ROSS RANCH 32 STATE #001H

API: 30-015-37938

OCD Reviewer	Condition
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string