

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(505) 393-6161 Fax:(505) 393-0720

**District II**  
811 S. First St., 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-101  
June 16, 2008  
Permit 134755

**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 73154		2. OGRID Number 147179
		3. API Number 30-015-39246
4. Property Code 38712	5. Property Name BIG SINKS 2 24 30 STATE	6. Well No. 001H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	2	24S	30E	E	1980	N	200	W	EDDY

**8. Pool Information**

WILDCAT;BONE SPRING	96403
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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 3465
14. Multiple N	15. Proposed Depth 14197	16. Formation Bone Spring	17. Contractor	18. Spud Date 7/31/2011
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

**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	620	610	0
Int1	11	8.625	32	4130	1463	0
Prod	7.875	5.5	20	14197	2151	3900

**Casing/Cement Program: Additional Comments**

NMOCD'S forms C-102, C-144(CLEZ) pit permit, proposed drilling program and directional planning report will be submitted by UPS. There are no known high levels of H2S in this area. However, monitoring of H2S and well 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
Annular	5000	3500	Hydrill
DoubleRam	5000	5000	Shaffer

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 <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Bryan Arrant Title: Sr. Regulatory Compliance Specialist Email Address: bryan.arrant@chk.com Date: 7/19/2011   Phone: 405-935-3782	<b>OIL CONSERVATION DIVISION</b>	
	Approved By: Randy Dade	
	Title: District Supervisor	
	Approved Date: 7/27/2011	Expiration Date: 7/27/2013
	Conditions of Approval Attached	

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**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
Permit 134755

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-39246	2. Pool Code 96403	3. Pool Name WILDCAT;BONE SPRING
4. Property Code 38712	5. Property Name BIG SINKS 2 24 30 STATE	6. Well No. 001H
7. OGRID No. 147179	8. Operator Name CHESAPEAKE OPERATING, INC.	9. Elevation 3465

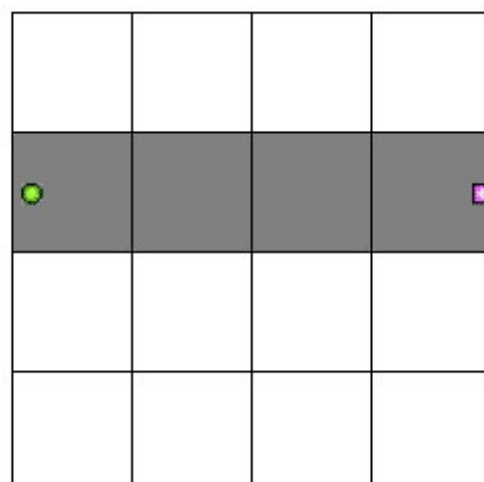
**10. Surface Location**

UL - Lot E	Section 2	Township 24S	Range 30E	Lot Idn	Feet From 1980	N/S Line N	Feet From 200	E/W Line W	County EDDY
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**11. Bottom Hole Location If Different From Surface**

UL - Lot H	Section 2	Township 24S	Range 30E	Lot Idn H	Feet From 1980	N/S Line N	Feet From 100	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 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: Bryan Arrant  
Title: Sr. Regulatory Compliance Specialist  
Date: 7/19/2011

**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 Jones  
Date of Survey: 6/28/2011  
Certificate Number: 7977

## Permit Comments

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: BIG SINKS 2 24 30 STATE #001H

API: 30-015-39246

Created By	Comment	Comment Date
Bryan Arrant	BOP test to be performed by 3rd party.	7/19/2011
Bryan Arrant	BOP Program: 13-5/8" Shaffer Double (Blind and Pipe rams) rated to 5000 psi (5000 psi working and test pressures) 13-5/8" Hydrill Annular Rated to 5000 psi (5000 psi working pressure, 3500 psi test pressure)	7/19/2011
Artesia	POTASH area. 07/20/2011 letters sent to BLM & SLO for LMR review	7/21/2011



# Permit Conditions of Approval

Operator: CHESAPEAKE OPERATING, INC. , 147179

Well: BIG SINKS 2 24 30 STATE #001H

API: 30-015-39246

OCD Reviewer	Condition
Artesia	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
Artesia	Will require administrative order for non-standard location