

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 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  
August 1, 2011  
Permit 149675

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address <b>CHESAPEAKE OPERATING, INC.</b> P.O. Box 18496 Oklahoma City, OK 73154		2. OGRID Number 147179
		3. API Number 30-015-40371
4. Property Code 39262	5. Property Name LOS MEDANOS 36 23 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
D	36	23S	30E	D	150	N	660	W	EDDY

**8. Pool Information**

WC-015 G-06 S233036D; BONE SPRING	97944
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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 3350
14. Multiple N	15. Proposed Depth 14068	16. Formation Bone Spring	17. Contractor	18. Spud Date
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	13.375	48	475	590	0
Int1	11	8.625	32	3900	1752	0
Prod	7.875	5.5	17	14068	2017	3400

**Casing/Cement Program: Additional Comments**

NMOCD's forms C-102, C-144(CLEZ) pit permit, well bore diagram, directional planning report, will be submitted separately. 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. Requires NSL. Application for NSL will be filed with Santa Fe and copied for the Artesia District office. Application is for "drill only". R-111-P. See Comments.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	3500	Hydril
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"/> .	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Bryan Arrant	Approved By: Randy Dade
Title: Regulatory Specialist II	Title: District Supervisor
Email Address: bryan.arrant@chk.com	Approved Date: 6/5/2012   Expiration Date: 6/5/2014
Date: 6/4/2012   Phone: 405-935-3782	Conditions of Approval Attached

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**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
August 1, 2011  
Permit 149675

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-40371	2. Pool Code 97944	3. Pool Name WC-015 G-06 S233036D; BONE SPRING
4. Property Code 39262	5. Property Name LOS MEDANOS 36 23 30 STATE	6. Well No. 001H
7. OGRID No. 147179	8. Operator Name CHESAPEAKE OPERATING, INC.	9. Elevation 3350

**10. Surface Location**

UL - Lot D	Section 36	Township 23S	Range 30E	Lot Idn	Feet From 150	N/S Line N	Feet From 660	E/W Line W	County EDDY
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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**

<table border="1" style="width: 100%; border-collapse: collapse; height: 150px;"> <tr><td style="width: 25%; height: 40px; background-color: #cccccc; text-align: center; vertical-align: middle;">■</td><td style="width: 25%;"></td><td style="width: 25%;"></td><td style="width: 25%;"></td></tr> <tr><td style="height: 40px; background-color: #cccccc;"></td><td></td><td></td><td></td></tr> <tr><td style="height: 40px; background-color: #cccccc;"></td><td></td><td></td><td></td></tr> <tr><td style="height: 40px; background-color: #cccccc;"></td><td></td><td></td><td></td></tr> </table>	■																<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><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></p> <p>E-Signed By: Bryan Arrant Title: Regulatory Specialist II Date: 6/4/2012</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p><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></p> <p>Surveyed By: W.M. Daniel III Date of Survey: 5/16/2012 Certificate Number: 15078</p>
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## Permit Comments

**Operator:** CHESAPEAKE OPERATING, INC. , 147179

**Well:** LOS MEDANOS 36 23 30 STATE #001H

**API:** 30-015-40371

Created By	Comment	Comment Date
Bryan Arrant	Mosaic is the Potash lease holder within one mile of well location. A copy of the APD has been submitted by certified mail.	6/4/2012
Bryan Arrant	BOP test to be performed by 3rd party.	6/4/2012
Bryan Arrant	Will require administrative order for non-standard location. Well will not produce until NSL is approved.	6/4/2012
Bryan Arrant	Mosaic Potash lease maps are provided	6/4/2012
CSHAPARD	Land s/S	6/5/2012



# Permit Conditions of Approval

**Operator:** CHESAPEAKE OPERATING, INC. , 147179

**Well:** LOS MEDANOS 36 23 30 STATE #001H

**API:** 30-015-40371

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