

Order Number

DHC  
HOB-0378

API Number

30-025-37041

Operator

Chesapeake Operating INC

County

Lea/St

Order Date

05/26/10

Well Name

TCB 36 State

Number

4

Location

L

UL

36

Sec

205

T (+Dir)

38e

R (+Dir)

Oil %

7%

Gas %

7%

WTR

7%

93%

Pool 1

D6660

Blinebry O&amp;G (OIL)

Pool 2

87085

Warren Tubb East

Pool 3

Pool 4

Comments:

DOWNHOLE COMMINGLE CALCULATIONS:

DHC-HOB-0378  
API # 30-025-37041

OPERATOR: Chesapeake Operating INC

PROPERTY NAME: TCB 36 State

WNULSTR: #4-L, 36-20s-38e

SECTION I:

POOL NO. 1 Blinebry B+G <DIL>

ALLOWABLE AMOUNT

107 428 MCF 4000

POOL NO. 2 Warren Tubb East

142 284 MCF 2000

POOL NO. 3 \_\_\_\_\_

\_\_\_\_\_ MCF

POOL NO. 4 \_\_\_\_\_

\_\_\_\_\_ MCF

POOL TOTALS 249 712

SECTION II:

POOL NO. 1 Blinebry B+G <DIL>

Oil

7%

POOL NO. 2 Warren Tubb East

93% x 249 = 231.57  
<232>

POOL NO. 3 \_\_\_\_\_

POOL NO. 4 \_\_\_\_\_

GAS

7%

93%

OIL

GAS

SECTION III:

93% ÷ 142 = 152.68 <153>

SECTION IV:

7% x 153 = 10.71 <11>  
93% x 153 = 142.29 <142>

Submit 1 Copy To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
October 13, 2009

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. 30-025-37041 ✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> ✓
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name TCB 36 State ✓
8. Well Number 4 ✓
9. OGRID Number 147179 ✓
10. Pool name or Wildcat Blinebry; O & G/Warren; Tubb, East

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Chesapeake Operating, Inc. ✓	
3. Address of Operator P.O. Box 18496 Oklahoma City, OK 73154-0496	
4. Well Location Unit Letter L : 1980' feet from the South line and 660' feet from the West line Section 36 Township 20s Range 38E NMPM County Lea	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3569' GR	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:  
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:  
REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: DHC for Pre Approved Pools ☒

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Chesapeake Operating, Inc. request authority to DHC the following pre-approved pools in compliance with NMOCD's:  
19.15.12.11 (C) (2).

- A) Pursuant to Division Order R 11363. DHC-0230 established pre-approved pools in this area.
  - B) Warren; Tubb, East, Pool Code # 87085 & Blinebry Oil & Gas, Pool Code # 6660.
  - C) Tubb perms: 6551'-6774'. Blinebry perms: 6522'-6538'.
  - D) Allocation method will be based on test results.
  - E) Commingling will not reduce the total remaining production's value.
  - F) Ownership is the same for both pools.
  - G) A copy of NMOCD's C-103 has been submitted to the State Land Office.
- See allocation method next page.

DHC-HOB-0378

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Bryan Arrant TITLE Senior Regulatory Compl. Sp. DATE 05/26/2010

Type or print name Bryan Arrant E-mail address bryan.arrant@chk.com PHONE: (405)935-3782

For State Use Only

APPROVED BY Bryan Arrant TITLE PETROLEUM ENGINEER DATE MAY 26 2010

Conditions of Approval (if any):

TCB State # 4  
Unit L, Sec 36, T-29-S R-38-E  
Lea Co , NM  
(API # 30-025-37041)

The allocation method will be as follows:

	Oil	%	Water	%	Gas	%
Tubb	46.5 BO	93%	126 BW	93%	45.6 MCF	93%
Bluebry	3.5 BO	7%	9 BW	7%	3.4 MCF	7%
	50 BO	100%	135 BW	100%	49 MCF	100%

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED  
FEB 23 2010  
HOBBSOCD

State of New Mexico  
Geology, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C 102  
Revised October 15, 2009  
Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-37041	<sup>2</sup> Pool Code 87085	<sup>3</sup> Pool Name Undes. Warren; Tubb, East
<sup>4</sup> Property Code 34086	<sup>5</sup> Property Name TCB 36 State	<sup>6</sup> Well Number 4
<sup>7</sup> OGRID No 147179	<sup>8</sup> Operator Name Chesapeake Operating, Inc.	<sup>9</sup> Elevation 3569' GR

<sup>10</sup> Surface Location

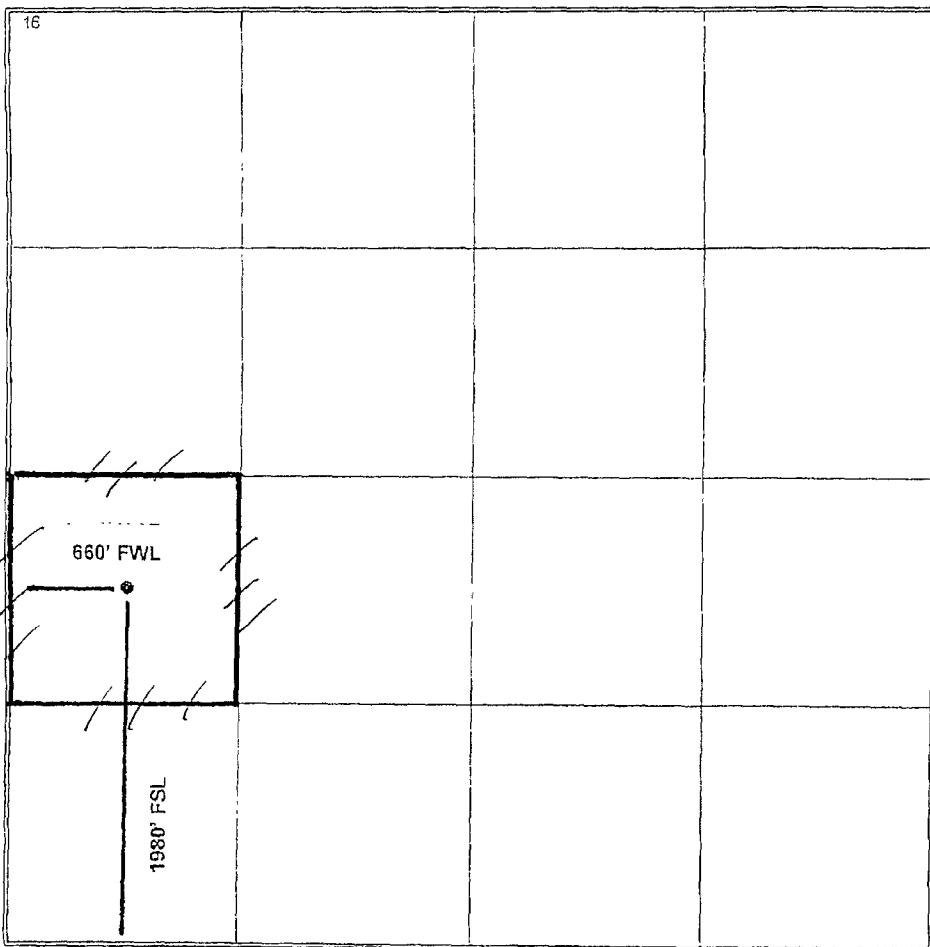
UL or lot no. L	Section 36	Township 20S	Range 38E	Lot 1 dn	Feet from the 1980'	North/South line South	Feet from the 660'	East/West line West	County Lea
--------------------	---------------	-----------------	--------------	----------	------------------------	---------------------------	-----------------------	------------------------	---------------

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1 dn	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	----------	---------------	------------------	---------------	----------------	--------

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief, and that this organization either owns a working interest or a leased mineral interest in the land including the surface bottom hole location or has a right to drill this well at this location, or it is a contract with an owner of such a mineral or working interest, or it is a voluntary pooling agreement or a compulsory pooling order entered into by the division.</p> <p><i>Bryan Arrant</i> 02/22, 2010 Signature Date</p> <p>Bryan Arrant Printed Name</p>
	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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.</p> <p>_____ Date of Survey</p> <p>_____ Signature and Seal of Professional Surveyor</p> <p>Please Refer to Original Plat</p> <p>_____ Certificate Number</p>

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

100 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

## State of New Mexico

Energy, Minerals &amp; Natural Resources Department

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form 10-102

Revised October 15, 2009

Submit one copy to appropriate

District Office

AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-37041	<sup>2</sup> Pool Code 6660	<sup>3</sup> Pool Name Blinebry; Oil & Gas (Oil)
<sup>4</sup> Property Code 34086	<sup>5</sup> Property Name TCB 36 State	<sup>6</sup> Well Number 4
<sup>7</sup> OGRID No 147179	<sup>8</sup> Operator Name Chesapeake Operating, Inc.	<sup>9</sup> Elevation 3569' GR

<sup>10</sup> Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	36	20S	38E		1980'	South	660'	West	Lea

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

	<b><sup>17</sup> OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and correct 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 surface, bottom hole location or has a right to drill this well at this location, or has a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a contractual pooling area, hereinafter referred to as the division.
	Signature: <i>Bryan Arrant</i> Date: 02/22, 2010 Printed Name: Bryan Arrant
	<b><sup>18</sup> SURVEYOR CERTIFICATION</b> 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.
	Date of Survey: _____ Signature and Seal of Professional Surveyor: _____ Please Refer to Original Plat Certificate Number: _____