

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

Form C-

**APPLICATION FOR PERMIT TO DRILL**

Operator Name and Address <b>CHESAPEAKE OPERATING, INC.</b> PO Box 18496 Oklahoma City, OK 73154-0496		OGRID Number 147179
		API Number 30-015-33323
Property Code 33616	Property Name Teledyne 20	Well No. 004

**Surface Location**

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	20	23S	29E	K	1980	S	1650	W	Eddy

**Proposed Pools**

<b>HARROUN RANCH;DELAWARE, NE 96878</b>
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Work Type New Well	Well Type OIL	Cable/Rotary	Lease Type Private	Ground Level Elevation 2971
Multiple N	Proposed Depth 6800	Formation Delaware	Contractor	Spud Date 03/22/2004

**Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	440	350	0
Int'l	11	8.625	32	2800	600	0
Prod	7.875	5.5	17	6800	900	2700

**Casing/Cement Program: Additional Comments**

Drill 17 1/2 hole to 400 w/fr wtr. NU annular prevento and test to 1000# w/rig pump. Drill 11 hole to 2800 w/cut brine. NU 3000# BOP & test to 3000#. Drill 7 7/8 hole w/cut brine, starch & gel to 6800.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	1000	
Double Ram	3000	3000	

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

Electronically Signed By: Colley Andrews

Title: Manager

Date: 03/19/2004

Phone: 405-848-8000

### OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 03/25/2004 Expiration Date: 03/25/2005

Conditions of Approval:

There are conditions. See Attached.

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Form C-

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-015-33323	Pool Name HARROUN RANCH;DELAWARE, NE	Pool Code 96878
Property Code 33616	Property Name Teledyne 20	Well No. 004
OGRID No. 147179	Operator Name CHESAPEAKE OPERATING, INC.	Elevation 2971

**Surface And Bottom Hole Location**

UL or Lot K	Section 20	Township 23S	Range 29E	Lot Idn K	Feet From 1980	N/S Line S	Feet From 1650	E/W Line W	County Eddy
Dedicated Acres 40		Joint or Infill		Consolidation Code		Order No.			

**OPERATOR CERTIFICATION**

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

Electronically Signed By: Colley Andrews

Title: Manager

Date: 03/19/2004

**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 L. Jones

Date of Survey: 03/15/2004

Certificate Number: 7977

# Permit Conditions Of Approval

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

**Well: Teledyne 20 #004**

OCD Reviewer	Condition
BARRANT	Notify OCD time of spud and time to witness the cementing of the surface casing.
BARRANT	Operator to set surface casing directly above the Salado formation. Refer to offset wells for more information.



March 25, 2004

Oil Conservation Commission  
State of New Mexico  
1301 W. Grand Avenue  
Artesia, New Mexico 88210

Attention: Mr. Brian Aarant

RE: Teledyne 20, Well #4  
1980' FSL & 1650' FWL  
Section 20, T23S, R29E  
Eddy County, New Mexico

Dear Mr. Aarant:

Per your request, this letter is in reference to the OCD's requirements for H2S contingency plan for the above captioned well. No H2S, abnormal pressures or temperatures are expected in the drilling of the above captioned well. H2S detection equipment will be installed prior to the top of the Delaware formation as a precautionary measure.

Yours truly,

A handwritten signature in black ink, appearing to read "Erick W. Nelson".

Erick W. Nelson  
Engineer

bc

## **Hydrogen Sulfide Drilling Operations Plan**

- 1 All Company and Contract personnel admitted on location must be trained by a qualified H2S safety instructor to the following:**

- A. Characteristics of H2S
- B. Physical effects and hazards
- C. Proper use of safety equipment and life support systems.
- D. Principle and operation of H2S detectors, warning system and briefing
- E. Evacuation procedure, routes and first aid.
- F. Proper use of 30 minute pressure demand air pack.

- 2 H2S Detection and Alarm Systems**

- A. H2S detectors and audio alarm system to be located at bell nipple, end of bleed line (mud pit) and on derrick floor or doghouse.

- 3 Windsack and/or wind streamers**

- A. Windsack at mudpit area should be high enough to be visible.
- B. Windsack at briefing area should be high enough to be visible.
- C. There should be a windsack at entrance to location.

- 4 Condition Flags and Signs**

- A. Warning sign on access road to location.
- B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H2S present in dangerous concentration. Only emergency personnel admitted to location.

- 5 Well control equipment**

- A. See exhibit "E"

- 6 Communication**

- A. While working under masks chalkboards will be used for communication.
- B. Hand signals will be used where chalk board is inappropriate.
- C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephones will be available at most drilling foreman's trailer or living quarters.

- 7 Drillstem Testing**

- A. Exhausts will be watered.
- B. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
- C. If location is near any dwelling a closed DST will be performed.

## **Hydrogen Sulfide Drilling Operations Plan**

- 8 Drilling contractor supervisor will be required to be familiar with the effects H<sub>2</sub>S has on tubular goods and other mechanical equipment.
- 9 If H<sub>2</sub>S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H<sub>2</sub>S scavengers if