

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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S St Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED		Form C-101 Revised August 1, 2011
APR 6 2012		Permit
NMOCD ARTESIA		

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 30-015-27008
⁴ Property Code 300049	⁵ Property Name CACTUS 16 STATE	
		⁶ Well No. 1

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
C	16	24S	31E		330'	NORTH	2310'	WEST	EDDY

⁸ Pool Information

SWD; DELAWARE	
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Additional Well Information

⁹ Work Type E	¹⁰ Well Type S	¹¹ Cable/Rotary R	¹² Lease Type S	¹³ Ground Level Elevation 3492'
¹⁴ Multiple No	¹⁵ Proposed Depth 5910'-PB	¹⁶ Formation DELAWARE	¹⁷ Contractor TBD	¹⁸ Spud Date
Depth to Ground water No Record		Distance from nearest fresh water well >2 Miles		Distance to nearest surface water 10.9 miles

¹⁹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
	17 1/2"	13 3/8"	54#	626'	470 sxs	0'
	12 1/4"	8 5/8"	24# & 32#	4250'	1450 sxs	0'
	7 7/8"	5 1/2"	17#	8354'	250 sxs	6820'

Casing/Cement Program: Additional Comments

Please find our intent to convert to this well to SWD. Attached is procedure to convert, actual and proposed well bore diagram, NMOCD's C-102, maps, and (CLEZ) C-144 pit permit. SWD order is required to inject any fluids.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer

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 ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Printed name: Bryan Arrant *Bryan Arrant*
Title: Regulatory Specialist II

E-mail Address: bryan.arrant@chk.com

Date: 04/06/2012

Phone: (405)935-3782

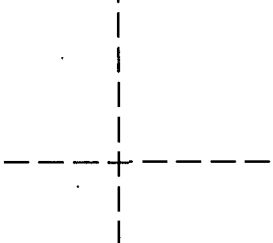
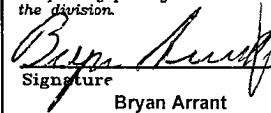
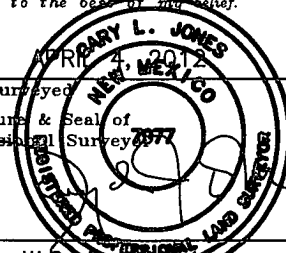
OIL CONSERVATION DIVISION

Approved By: *T.C. Shepard*
Title: *Geologist*

Approved Date: *4/17/2012* Expiration Date: *4/17/2014*

Conditions of Approval Attached

CANNOT INJECT UNTIL SWD ORDER APPROVED. ALSO SEE PAGE-3-

	<u>SURFACE LOCATION</u> Lat - N 32°13'25.37" Long - W 103°47'01.68" NMSPCE- N 445555.829 E 711272.843 (NAD-83) Lat - N 32°13'24.93" Long - W 103°46'59.94" NMSPCE- N 445496.927 E 670088.727 (NAD-27)	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 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>  04/06/2012 Signature _____ Date _____ Bryan Arrant Printed Name _____ bryan.arrant@chk.com Email Address _____
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>  Date Surveyed _____ Signature & Seal of Professional Surveyor _____ W.O. No. 26444		
Certificate No. Gary L. Jones 7977 BASIN SURVEYS 26444		

CACTUS 16 STATE 1

Unit C of Section 16, T-24-S R-31-E
330' FNL & 2310' FWL, NMPM
Eddy County, NM
API# 30-015-27008

Cactus R/C Procedure - Convert to SWD

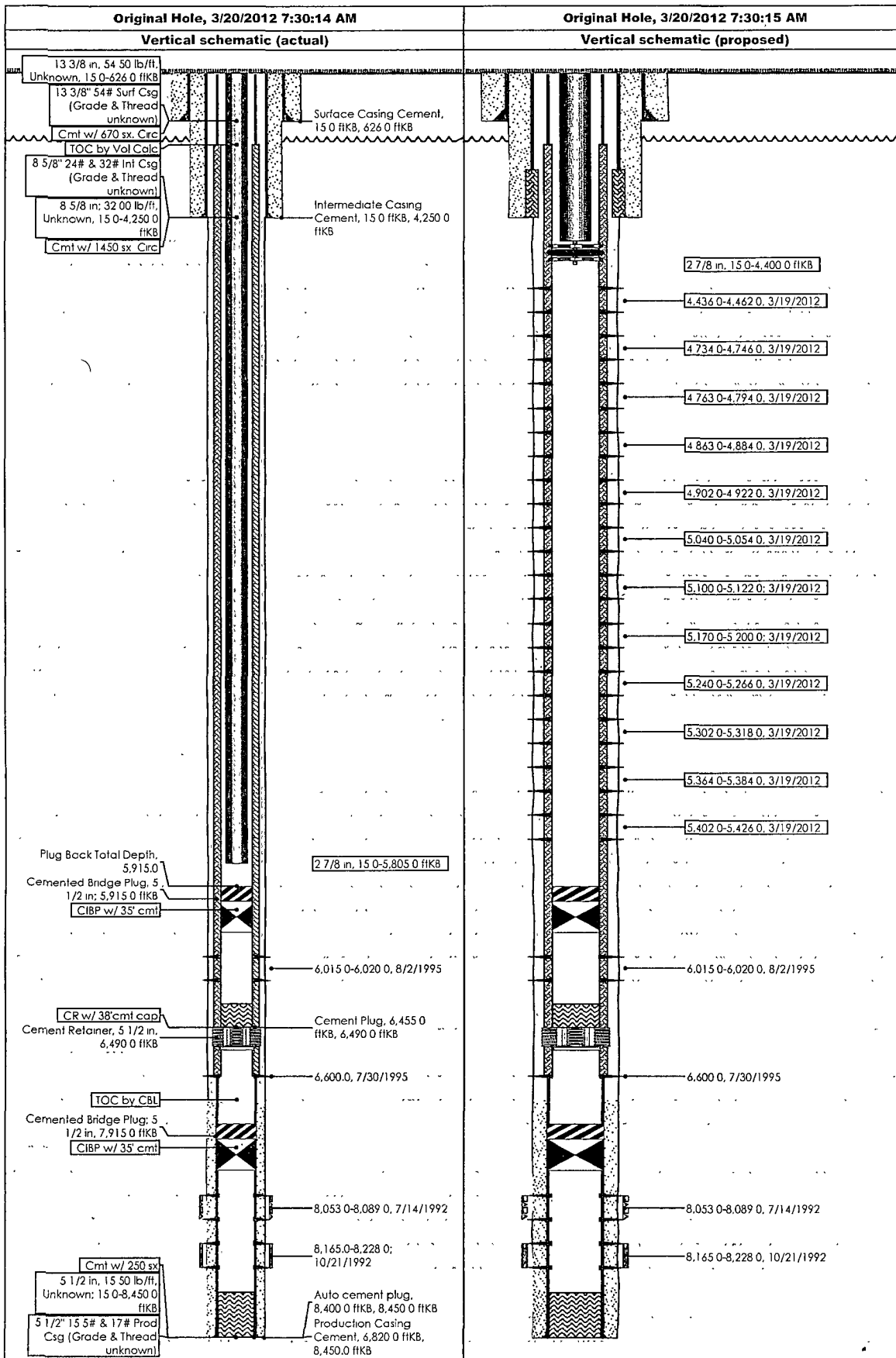
1. RU pump truck. Load hole and pressure up to test casing integrity.
2. RU WL. Run CBL from 5950' (CIBP) to 4150' or the TOC. RD WL.
3. RU PU. Squeeze to ensure cement is a minimum of 100' into the 8-5/8" casing at 4250'.
4. TIH w/ bit to drill out cement and clean-up wellbore down to 5950' (CIBP). TOH.
5. Perforate and acidize Bell/Cherry Canyon. Proposed perforation intervals are below.
 - 4436'-62'
 - 4734'-46'
 - 4763'-94'
 - 4863'-84'
 - 4902'-22'
 - 5040'-54'
 - 5100'-22'
 - 5170'-200'
 - 5240'-66'
 - 5302'-18'
 - 5364'-84'
 - 5402'-26'
6. TIH w/ injection tubing and packer. Set packer within 100' of top perforation.
7. Load backside and run MIT. Begin injection.

COA: Need to Leave 35' of Cement on
Top of CIBP. CIBP set at 5950 - Bottom
Perfs at 5426. Clean out to TD of 5900.'

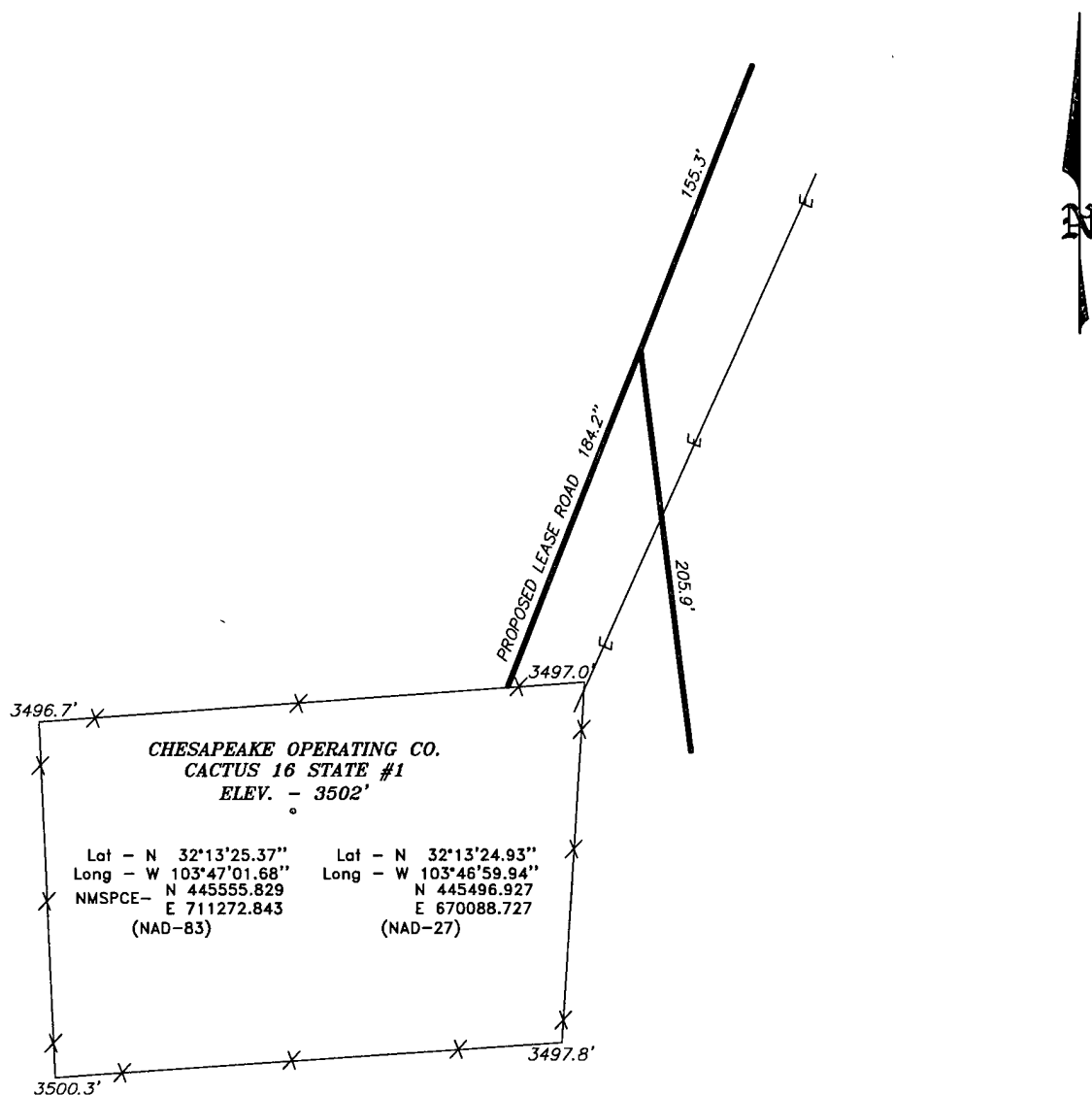
Current Wellbore Schematic

WELL (PN): CACTUS 16 STATE 1 (890839)
 FIELD OFFICE: HOBBS
 FIELD: WILDCAT BRUSHY CANYON
 STATE / COUNTY: NEW MEXICO / EDDY
 LOCATION: SEC 16-24S-31E, 330 FNL & 2310 FWL
 ROUTE: HOB-NM-ROUTE 19- KENNY HUGHES
 ELEVATION: GL: 3,492.0 KB: 3,507.0 KB Height: 15.0
 DEPTHS: TD: 8,450.0

Chesapeake
 API #: 3001527008
 Serial #:
 SPUD DATE: 6/17/1992
 RIG RELEASE:
 FIRST SALES:
 Current Status: T/A



SECTION 16, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



CHESAPEAKE OPERATING CO.
CACTUS 16 STATE #1
ELEV. - 3502'

Lot - N 32°13'25.37" Lot - N 32°13'24.93"
Long - W 103°47'01.68" Long - W 103°46'59.94"
NMSPCE- N 445555.829 N 445496.927
 E 711272.843 E 670088.727
(NAD-83) (NAD-27)

200 0 200 400 FEET
SCALE: 1" = 200'

Directions to Location:

FROM THE JUNCTION OF BUCK JACKSON AND LEASE ROAD, GO NORTHWEST ON LEASE ROAD FOR 0.6 MILES THEN GO SOUTH 0.3 MILES THEN NORTHWEST 0.2 MILES THEN GO SOUTHERLY 2.6 MILES TO WELL PAD AND PROPOSED LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 26444 Drawn By: J. GOAD

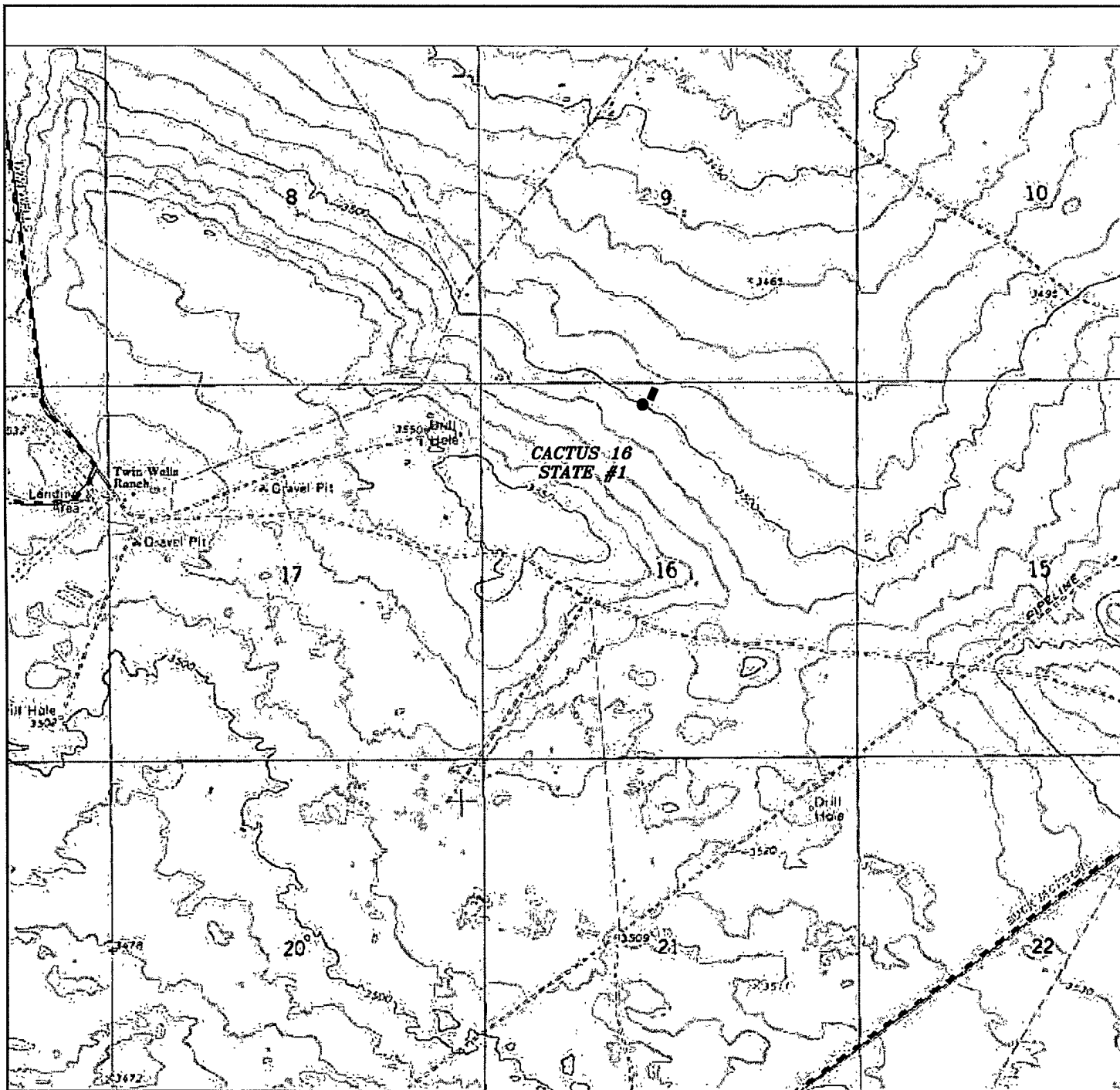
Date: 4-4-2012 Disk: JG - 26444WELL

CHESAPEAKE OPERATING CO.

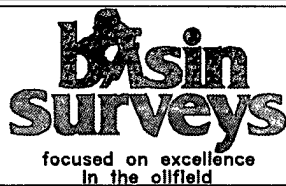
REF: CACTUS 16 STATE #1/ WELL PAD TOPO

THE CACTUS 16 STATE #1 LOCATED 330'
FROM THE NORTH LINE AND 2310' FROM THE WEST LINE OF
SECTION 16, TOWNSHIP 24 SOUTH, RANGE 31 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 3-26-12 Sheet 1 of 1 Sheets



CACTUS 16 STATE #1
 Located 330' FNL and 2310' FWL
 Section 16, Township 24 South, Range 31 East,
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

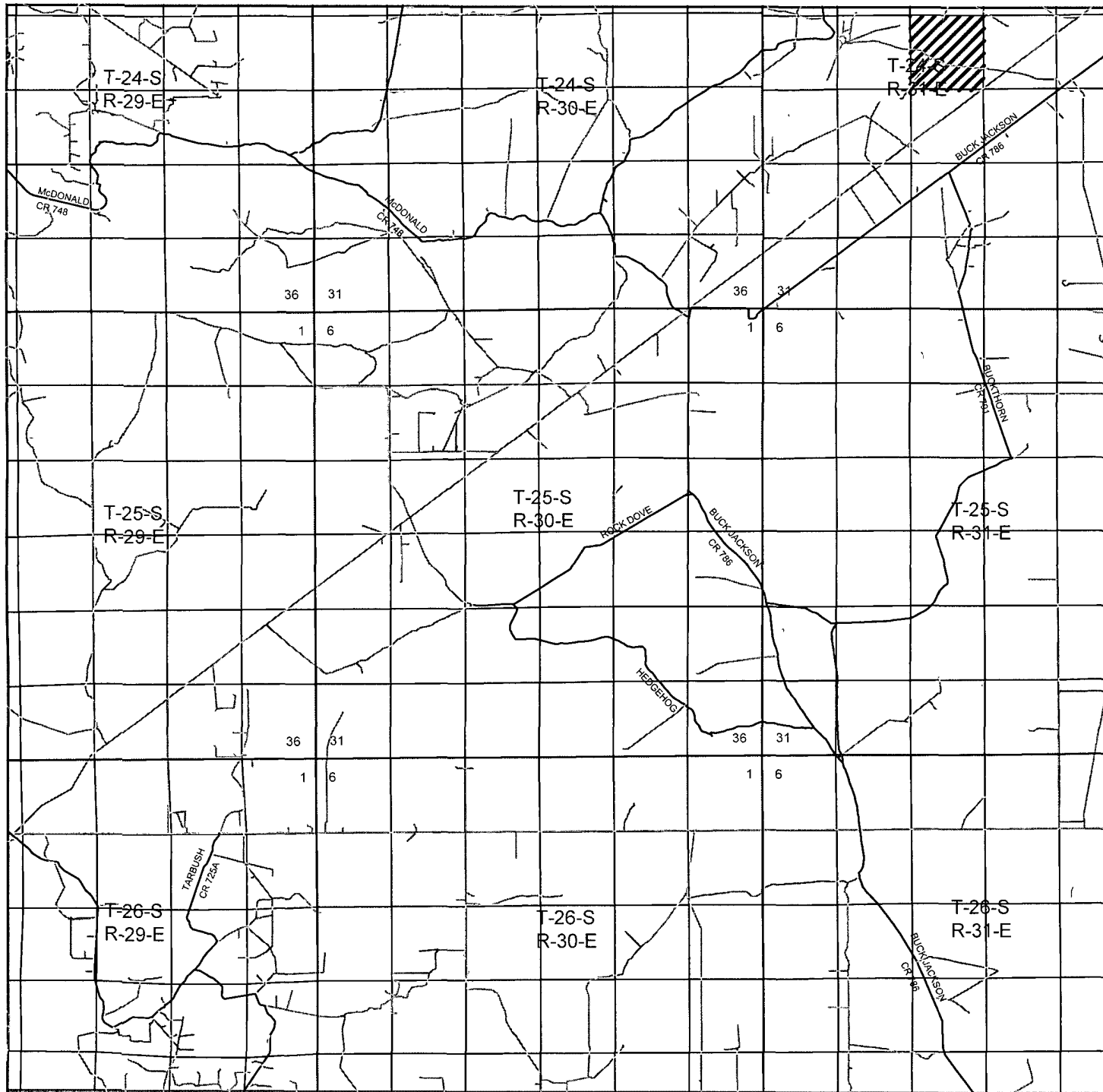
W.O. Number: JG - 26444

Survey Date: 3-26-2012

Scale: 1" = 2000'

Date: 4-4-2012

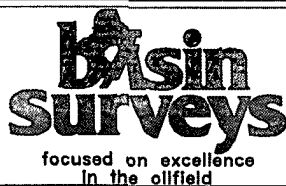
**CHESAPEAKE
 OPERATING CO.**



CACTUS 16 STATE #1

Located 330' FNL and 2310' FWL

Section 16, Township 24 South, Range 31 East,
N.M.P.M., Eddy County, New Mexico.



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basinsurveys.com

W.O. Number: JG - 26444

Survey Date: 3-26-2012

Scale: 1" = 2 Miles

Date: 4-4-2012

**CHESAPEAKE
OPERATING CO.**