

Submit 3 Copies To Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources

Form C-103 May 27, 2004

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

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

WELL API NO. 30-015-34534
5. Indicate Type of Lease STATE [] FEE []
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Clark 7 Federal
8. Well Number 1
9. OGRID Number 147179
10. Pool name or Wildcat Undesignated Indian Draw, Delaware
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3110' GR
Fit or Below-grade Tank Application [X] or Closure []
Pit type Drilling Depth to Groundwater 65' Distance from nearest fresh water well 1000+ Distance from nearest surface water 1000+
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume 12,129 bbls; Construction Material Synthetic

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 []

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []

OTHER: Pit [X]

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Chesapeake, respectfully, request that the drilling pit for this well be approved, per the attached diagram. Chesapeake agrees to close this pit according to NMOCD Guidelines #B3b7

THE CLOSURE PART CANNOT BE APPROVED -

PLEASE SEE BELOW

ONLY CONSTRUCTION APPROVED

USGS information shows this area to be water sensitive.

Please submit a plan that can be approved for a sensitive area or schedule a meeting where other water data can be reviewed.

As a condition of approval, if during pit construction water is encountered or if water seeps in pits after construction the OCD MUST BE CONTACTED IMMEDIATELY!

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines [X], a general permit [] or an (attached) alternative OCD-approved plan [].

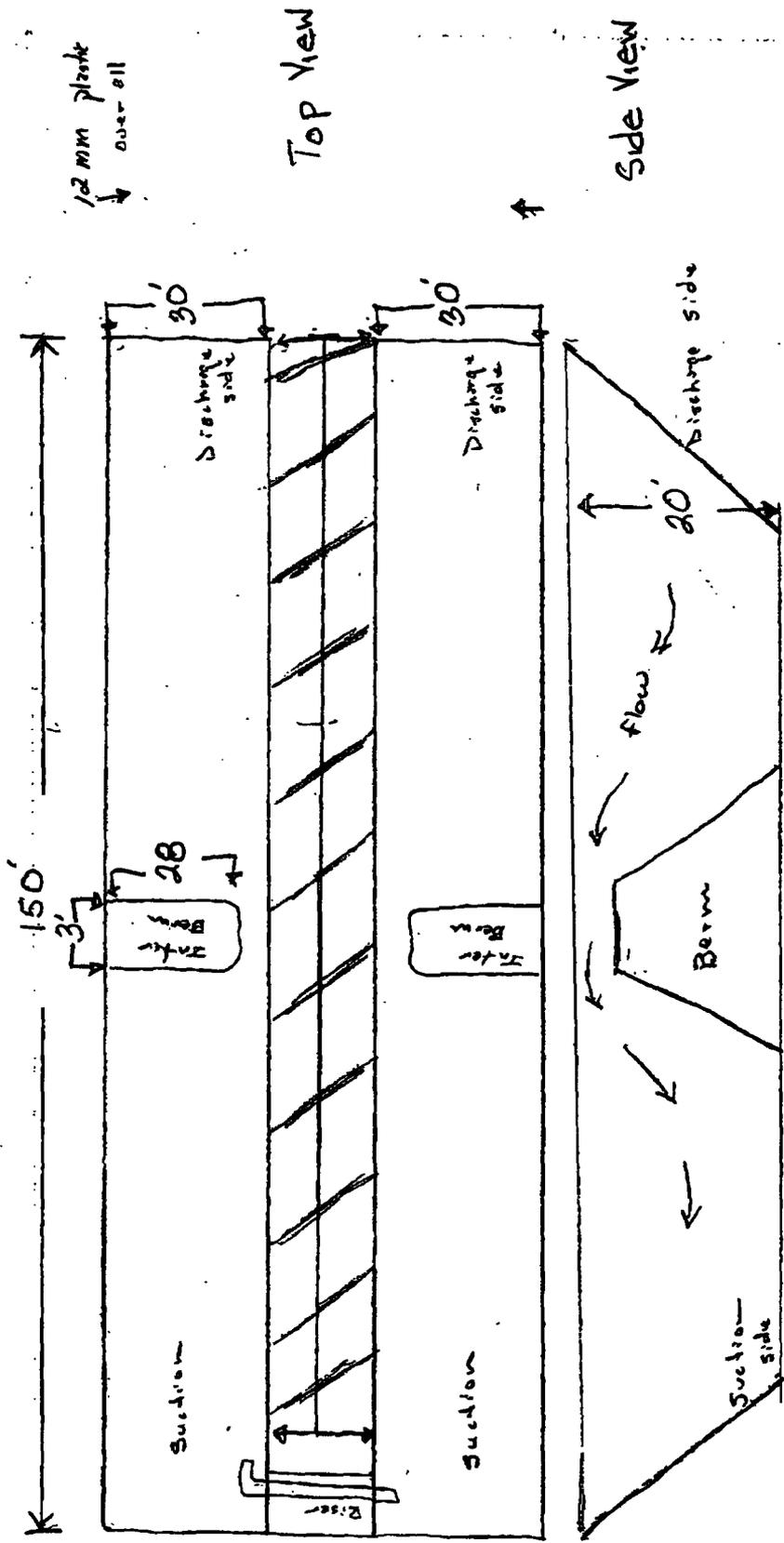
SIGNATURE Brenda Coffman TITLE Regulatory Analyst DATE 11/08/2005

Type or print name Brenda Coffman E-mail address: bcoffman@chkenergy.com Telephone No. (432)687-2992 For State Use Only

APPROVED BY: [Signature] TITLE Field Supervisor DATE NOV 8 2005

Conditions of Approval (if any):

chesapeake Energy Double Pit Guideline 3A



$5 \times 30' \times 140' = 75000 \text{ ft}^3 \div 5.6146 = 13446.48 \text{ bbls} \times 2 = 26892.97 \text{ bbls}$, with 18' of fluid fittings in pits.
 $0' \times 30' \times 140' = 90000 \text{ ft}^3 \div 5.6146 = 16029.6 \text{ bbls} \times 2 = 32059.2 \text{ bbls}$ with 20'

