

Submit 3 Copies 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 ResourcesOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103

May 27, 2004

WELL API NO. <u>30-015-34534</u>	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name Clark 7 Federal	
8. Well Number <u>1</u>	
9. OGRID Number <u>147179</u>	
10. Pool name or Wildcat Undesignated Indian Draw, Delaware	

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 type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator Chesapeake Operating Inc.	
3. Address of Operator P. O. Box 11050 Midland, TX 79702-8050	
4. Well Location Unit Letter <u>6</u> : <u>2310</u> feet from the <u>North</u> line and <u>1000</u> feet from the <u>West</u> line Section <u>7</u> Township <u>22S</u> Range <u>28E</u> NMPM County <u>Eddy</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3110' GR	
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type <u>Drilling</u> Depth to Groundwater <u>65'</u> Distance from nearest fresh water well <u>1000+</u> Distance from nearest surface water <u>1000+</u>	
Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume <u>12,129</u> bbls; Construction Material <u>Synthetic</u>	

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:

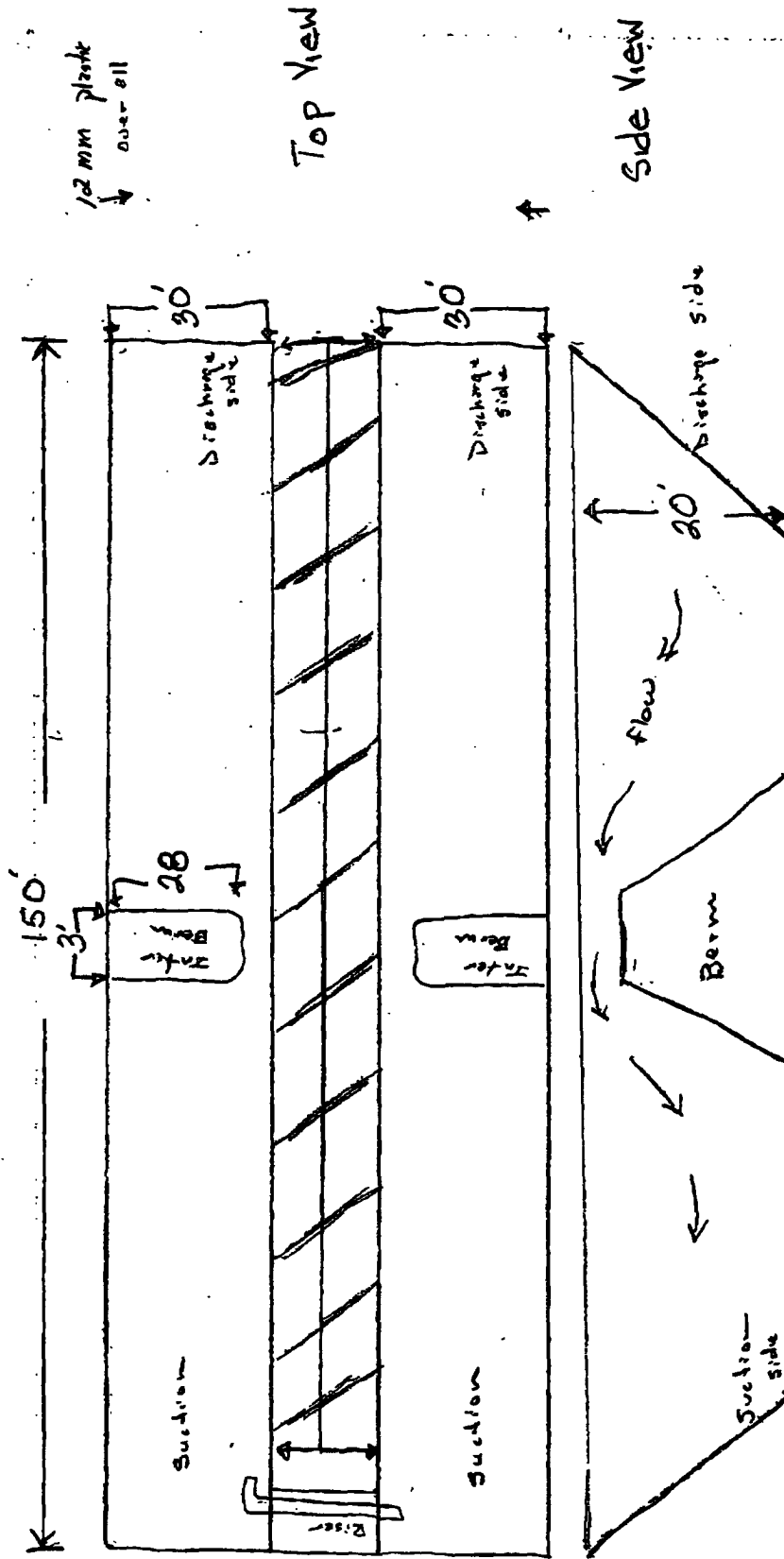
 REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐
OTHER: Pit ☒OTHER: ☐

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 #B3b.

PLEASE SEE BelowTHE closure part CANNOT BE APPROVED -ONLY Construction ApprovedUSGS 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 ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.SIGNATURE Brenda CoffmanTITLE Regulatory AnalystDATE 11/08/2005Type or print name Brenda Coffman
For State Use OnlyE-mail address: bcoffman@chkenergy.comTelephone No. (432)687-2992APPROVED BY: [Signature]
Conditions of Approval (if any):TITLE Field SupervisorDATE NOV 8 2005

chesapeake Energy Double Pit Guideline 3A



3' x 30' x 140' = 75600 ft³ ÷ 5.6146 = 13464.8 bbls x 2 = 26929.7 bbls. with 18' of fluid cuttings in pits.

0' x 30' x 140' = 90000 ft³ ÷ 5.6146 = 16029.6 bbls x 2 = 32059.2 bbls with 20'.

