

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 Resources

Form C-103
May 27, 2004

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

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.)		WELL API NO.
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Chesapeake Operating Inc.		6. State Oil & Gas Lease No.
3. Address of Operator P. O. Box 11050 Midland, TX 79702-8050		7. Lease Name or Unit Agreement Name Henshaw 23 Federal
4. Well Location Unit Letter <u>B</u> : <u>660</u> feet from the <u>North</u> line and <u>1980</u> feet from the <u>East</u> line Section <u>23</u> Township <u>16S</u> Range <u>30E</u> NMPM County <u>Eddy</u>		8. Well Number <u>1</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3828' GR		9. OGRID Number <u>147179</u>
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type <u>Drilling</u> Depth to Groundwater <u>150</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>12129</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 Approval



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.

Pit Diagram Attached.

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

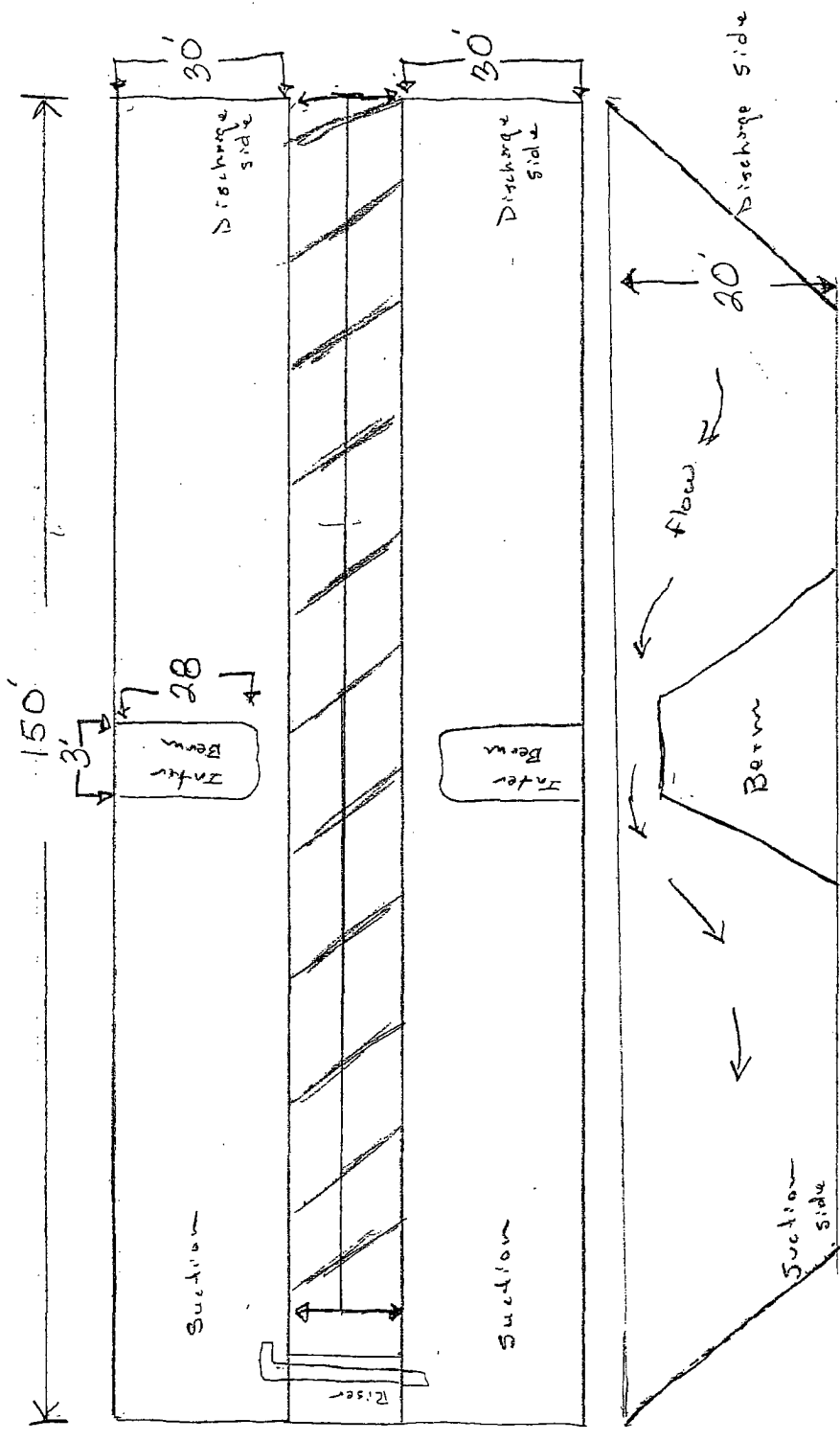
SIGNATURE Brenda Coffman TITLE Regulatory Analyst DATE 06/21/2006

Type or print name Brenda Coffman
For State Use Only

E-mail address: bcoffman@chkenergy.com Telephone No. (432)687-2992

APPROVED BY: Gerry Guye TITLE Deputy Field Inspector DATE JUN 28 2006
Conditions of Approval (if any): District II - Artesia

Chesapeake Energy Double Pit Guideline 3A



$18' \times 30' \times 140' = 75600 \text{ ft}^3 \div 5.6146 = 13464.8 \text{ bbls} \times 2 = 26929.7 \text{ bbls}$, with 18' of fluid & cuttings in pits.
 $20' \times 30' \times 140' = 90000 \text{ ft}^3 \div 5.6146 = 16029.6 \text{ bbls} \times 2 = 32059.2 \text{ bbls}$ with 20'

