

UNITED STATES **OCD-HOBBS**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NNMM110843

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
YOUNG 11 FEDERAL 1

9. API Well No.

10. Field and Pool, or Exploratory
BRONCO

Wildcat Wolfcamp

11. Sec., T., R., M., or Blk. and Survey or Area

Sec 2 T13S R38E Mer NMP
SME: BLM12. County or Parish
LEA13. State
NM

17. Spacing Unit dedicated to this well

40.00

20. BLM/BIA Bond No. on file

23. Estimated duration

1a. Type of Work: ☒ DRILL ☐ REENTER

CONFIDENTIAL

1b. Type of Well: ☒ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone2. Name of Operator
CHESAPEAKE OPERATING INC

Contact:

3a. Address
P O BOX 18496
OKLAHOMA CITY, OK 731543b. Phone No. (include area code)
Ph: 405.767.4275

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface SESW 76FSL 2568FWL Sec. 2

At proposed prod. zone NENW 396FNL 2146FWL Sec. 11

14. Distance in miles and direction from nearest town or post office
BRONCO, TX IS APPROX 3.5 MI NE OF WELL15. Distance from proposed location to nearest property or
lease line, ft. (Also to nearest drig. unit line, if any)16. No. of Acres in Lease
266.6118. Distance from proposed location to nearest well, drilling,
completed, applied for, on this lease, ft.19. Proposed Depth
9840 MD
9800 TVD21. Elevations (Show whether DF, KB, RT, GL, etc.)
3802 GL

22. Approximate date work will start

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature
(Electronic Submission)

Name (Printed/Typed)

Date
12/06/2004Title
AUTHORIZED REPRESENTATIVE

Approved by (Signature)

/s/ Joe G. Lara

Name (Printed/Typed)

/s/ Joe G. Lara

Date
JAN 13 2005Title
FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OPER. OGRID NO. 147179
PROPERTY NO. 34549
POOL CODE _____
EFF. DATE 1-19-05
API NO. 30-025-37056by the BLM Well Information System
ING INC, sent to the Hobbs
NDA ASKWIG on 12/06/2004 (05LA0058AE)APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional Operator Remarks:

Chesapeake Operating, Inc. proposed to drill a well to 9840' to test the Harris formation. If productive, casing will be run and the well will be completed. If dry, the well will be plugged and abandoned as per BLM and New Mexico Oil Conservation Division requirements.

Attached please find the Surface Use Plan, Drilling Plan, and attachments as required by Onshore Order No. 1. A general rig plat is attached as Exhibit D. A final rig plat will be submitted prior to spud once a rig is assigned.

Please be advised that Chesapeake Operating, Inc. is considered to be the operator of the above mentioned well. Chesapeake Operating, Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM110843
2. Name of Operator CHESAPEAKE OPERATING INC		6. If Indian, Allottee or Tribe Name
Contact: LINDA GOOD E-Mail: lgood@chkenergy.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address P O BOX 18496 OKLAHOMA CTIY, OK 73154	3b. Phone No. (include area code) Ph: 405.767.4275 Fx: 405.879.9583	8. Well Name and No. YOUNG 11 FEDERAL 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 2 T13S R38E SESW 76FSL 2568FWL		9. API Well No.
		10. Field and Pool, or Exploratory BRONCO
		11. County or Parish, and State LEA COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Attached is the revised Exhibit D Drilling Rig and the revised Wxhibit F-1 & F-2 BOP Schematic for the Young 11 Federal 1 APD.

BLM Nationwide Bond NM 2634

14. I hereby certify that the foregoing is true and correct. Electronic Submission #52519 verified by the BLM Well Information System For CHESAPEAKE OPERATING INC, sent to the Hobbs Committed to AFMSS for processing by ARMANDO LOPEZ on 01/03/2005 (05AL0030SE)	
Name (Printed/Typed) LINDA GOOD	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 01/03/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>/s/ Joe G. Lara</u>	Acting Title <u>FIELD MANAGER</u>	Date <u>JAN 13 2005</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office <u>CARLSBAD FIELD OFFICE</u>

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

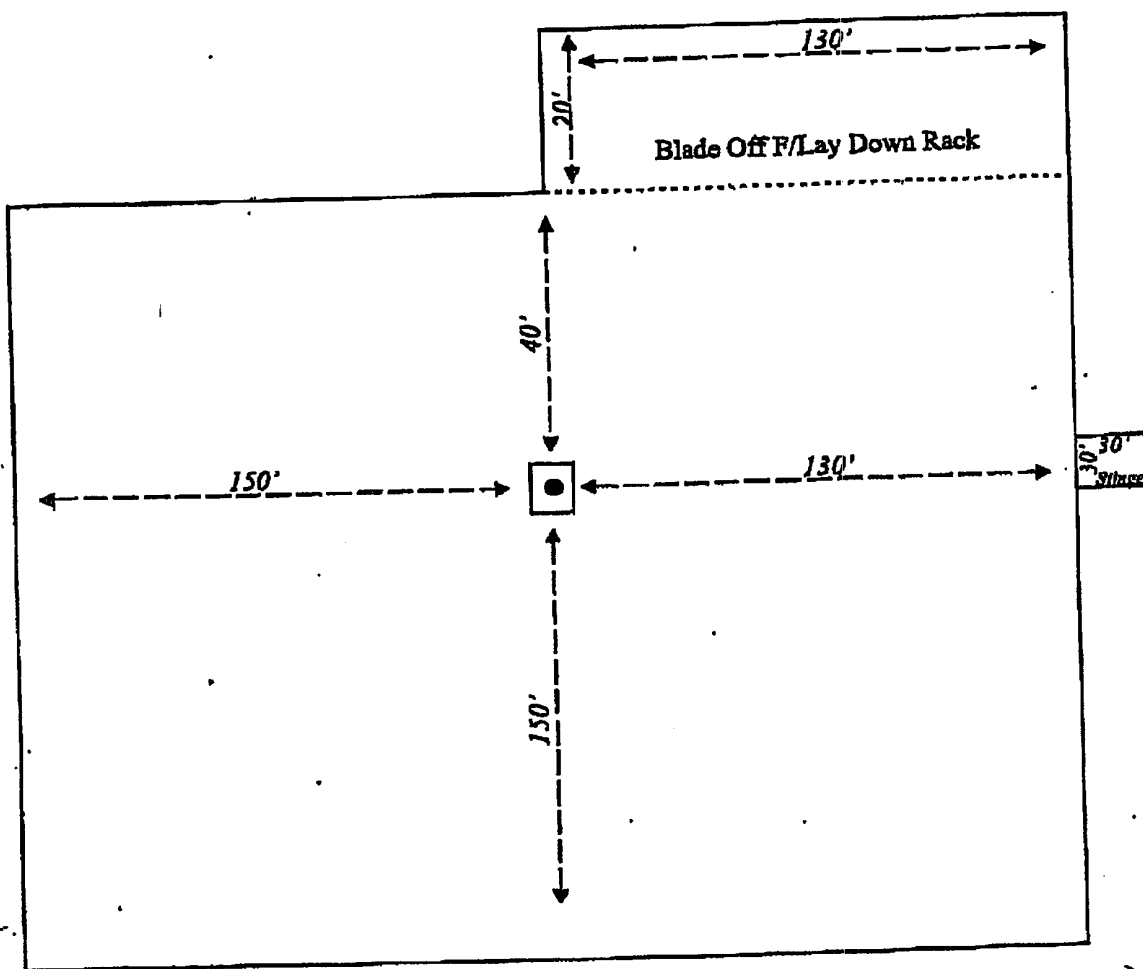
**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

**Big Dog
Drilling**

**Rig #1, #2, #4, #8
#10, #13, #14**

Dave Gardner
Drilling Superintendent
1612 E. County Rd. 115
Midland, TX 79701

home 432.520.0490
cell 432.664.1368
office 432.570.7355
fax 432.570.7734



ATTN
David

BLOWOUT PREVENTOR SCHEMATIC

CHESAPEAKE OPERATING INC

WELL : Young 11 Federal #1

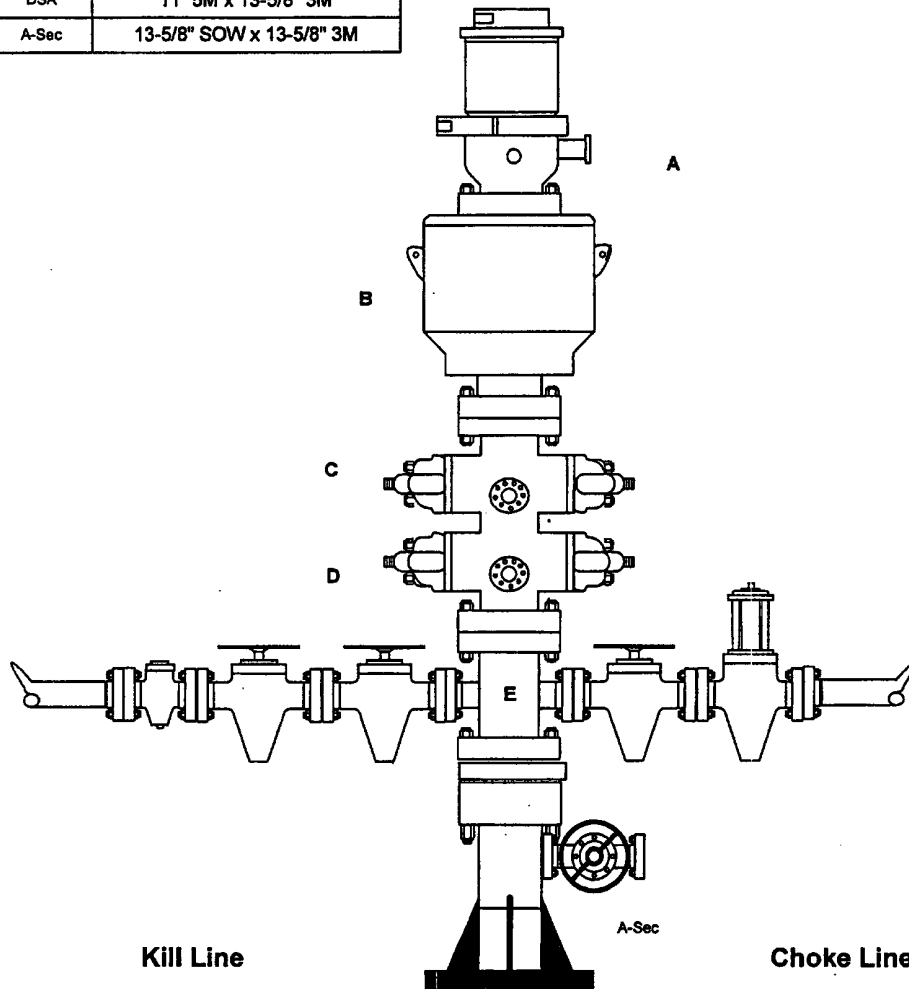
RIG :

COUNTY : Lea

STATE: New Mexico

OPERATION: Drill out below 13-3/8" Casing

	SIZE	PRESSURE	DESCRIPTION
A	13-5/8"	500#	Rot Head
B	13-5/8"	3,000#	Annular
C	13-5/8"	3,000#	Pipe Rams
D	13-5/8"	3,000#	Blind Rams
E	13-5/8"	3,000#	Mud Cross
DSA	11" 5M x 13-5/8" 3M		
A-Sec	13-5/8" SOW x 13-5/8" 3M		



SIZE	PRESSURE	DESCRIPTION
2"	5,000#	Check Valve
2"	5,000#	Gate Valve
2"	5,000#	Gate Valve

SIZE	PRESSURE	DESCRIPTION
4"	5,000#	Gate Valve
4"	5,000#	HCR Valve

Revised Exhibit F-1

BLOWOUT PREVENTOR SCHEMATIC

CHESAPEAKE OPERATING INC

WELL : Young 11 Federal #1

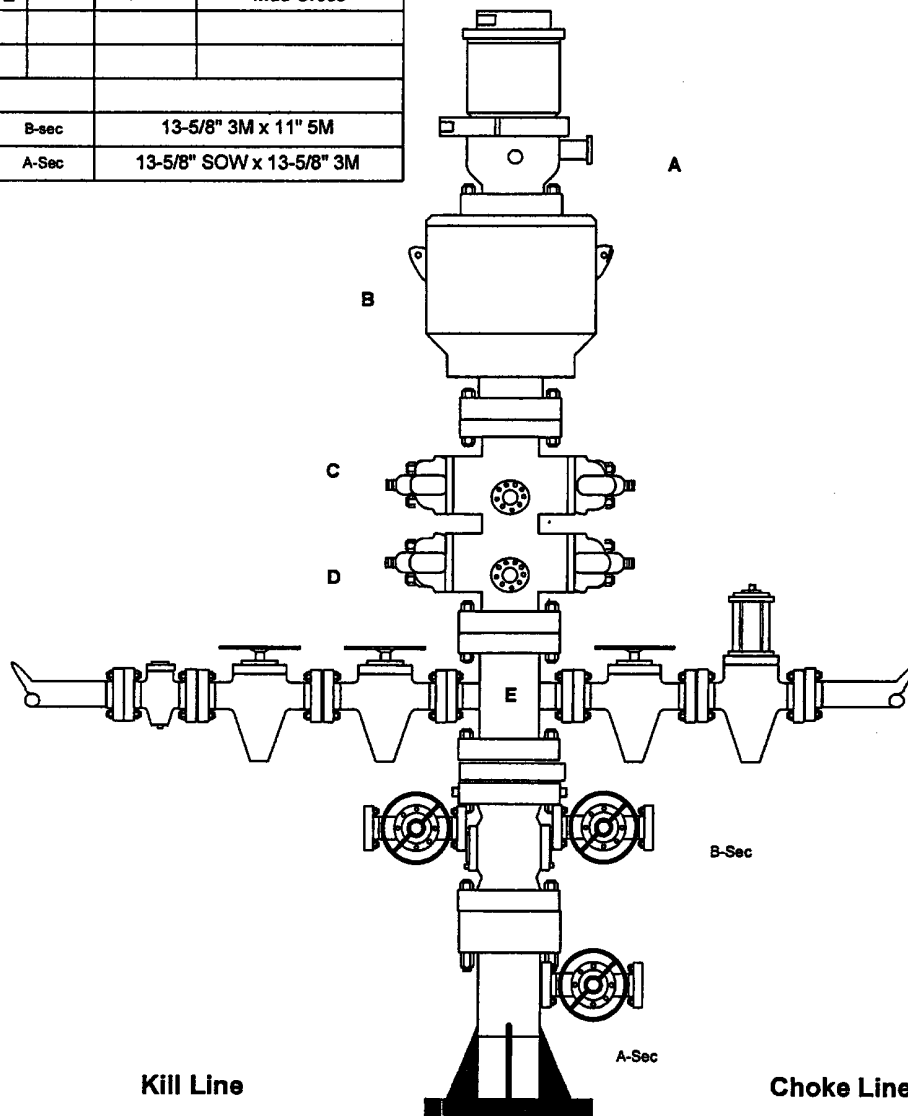
RIG :

COUNTY : Lea

STATE: New Mexico

OPERATION: Drill out below 8-5/8" Casing

	SIZE	PRESSURE	DESCRIPTION
A	13-5/8"	500#	Rot Head
B	13-5/8"	3,000#	Annular
C	13-5/8"	3,000#	Pipe Rams
D	13-5/8"	3,000#	Blind Rams
E	13-5/8"	3,000#	Mud Cross
B-sec	13-5/8" 3M x 11" 5M		
A-Sec	13-5/8" SOW x 13-5/8" 3M		



SIZE	PRESSURE	DESCRIPTION
2"	5,000#	Check Valve
2"	5,000#	Gate Valve
2"	5,000#	Gate Valve

SIZE	PRESSURE	DESCRIPTION
4"	5,000#	Gate Valve
4"	5,000#	HCR Valve

Revised Exhibit E-2

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, 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 Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-37056	² Pool Code	³ Pool Name Wildcat Wolfcamp
⁴ Property Code 34549	⁵ Property Name YOUNG "11" FEDERAL	⁶ Well Number 1
⁷ OGRID No. 147179	⁸ Operator Name CHESAPEAKE OPERATING	⁹ Elevation 3802'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	2	13 SOUTH	38 EAST, N.M.P.M.		76'	SOUTH	2568'	WEST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div><p>16</p></div>	<div><p>17 OPERATOR CERTIFICATION</p><p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p><p><i>Linda F. Townsend</i> Signature Linda F. Townsend Printed Name Senior Landman Title 10-05-04 Date</p></div> <div><p>18 SURVEYOR CERTIFICATION</p><p>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.</p><p>SEPTEMBER 17, 2004 Date of Survey Signature and Seal of Professional Land Surveyor V. LYNN BEZNER R.P.S. #7920 Certificate Number JOB #97813 / 120 NE / E.U.O.</p></div>
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Exhibit A-1

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, 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 Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

Form C-102

Revised August 15, 2000

Submit to Appropriate District Office

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☐ AMENDED REPORT

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⁷ OGRID No. 147179	⁸ Operator Name CHESAPEAKE OPERATING	⁹ Elevation 3802'

¹⁰ Surface Location

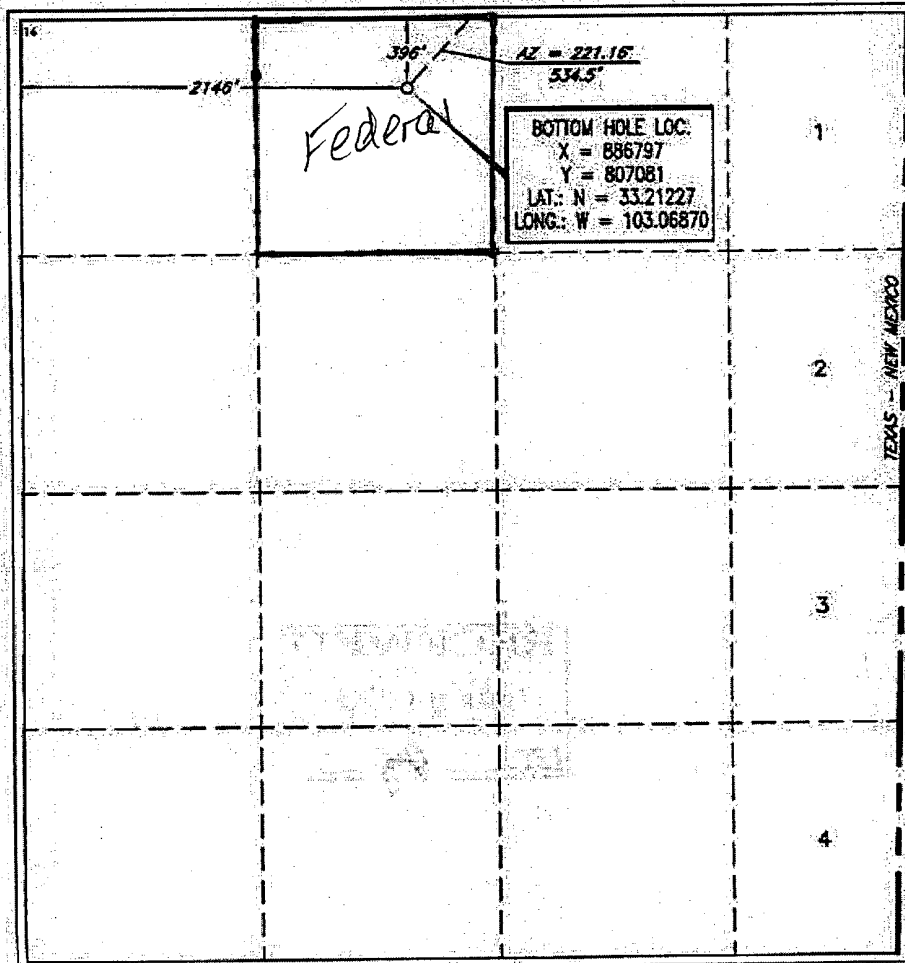
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	11	13 SOUTH	38 EAST, N.M.P.M.		398'	NORTH	2146'	WEST	LEA

¹² Dedicated Acres 4.0	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁷ OPERATOR CERTIFICATION

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

Lynda F. Townsend
Lynda F. Townsend
Senior Landman
Date 10-05-04

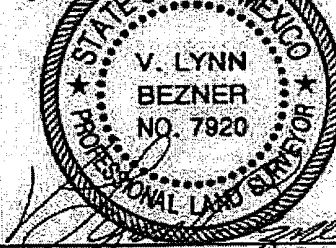
¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my belief.

SEPTEMBER 17, 2004

Date of Survey

Signature of Surveyor



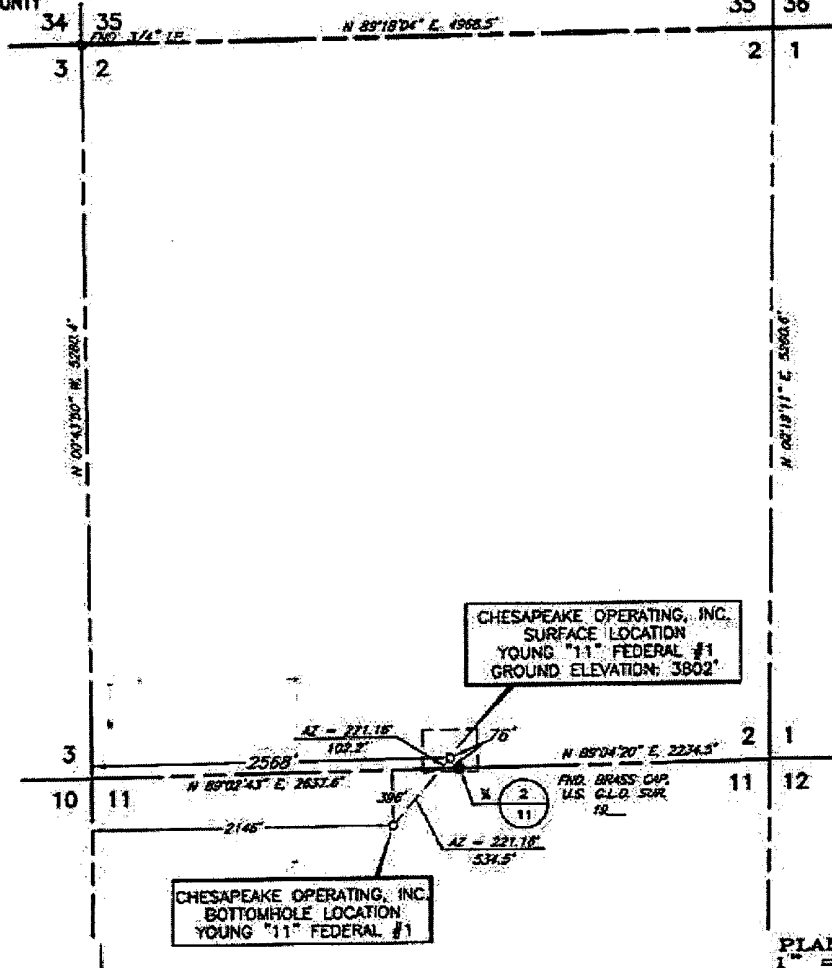
Certificate Number

V. L. BEZNER R.P.S. #7920

JOB #97813-BHL / 120 NE / E.U.O.

Exhibit A2

SECTION 11, TOWNSHIP 13 SOUTH, RANGE 38 EAST, N.M.P.M.,
LEA COUNTY NEW MEXICO



PLAN VIEW
1" = 1000'

BEARINGS AND COORDINATES
BASED ON NEW MEXICO STATE
STATE PLANE GRID - EAST
ZONE 140 21

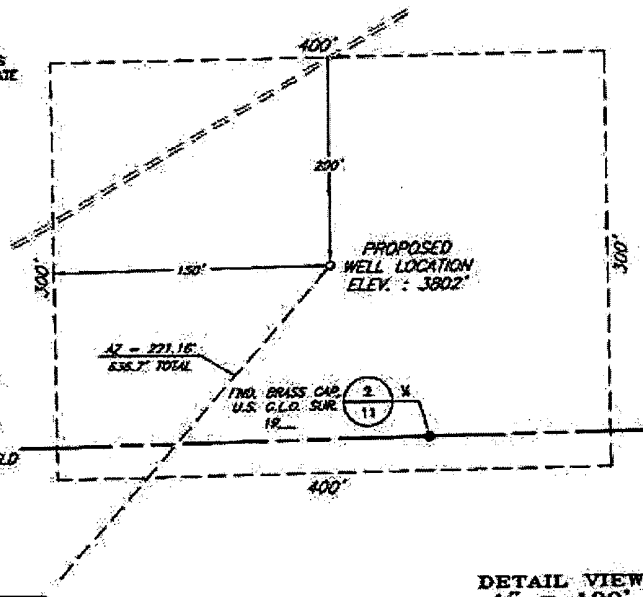


DATE OF FIELD WORK: SEPTEMBER 17, 2004

I, V. L. BEZNER, A PROFESSIONAL SURVEYOR IN THE
STATE OF NEW MEXICO AND A MEMBER OF THE
TOPOGRAPHIC LAND SURVEYORS, HEREBY CERTIFY THIS
PLAN TO BE A TRUE REPRESENTATION OF THE SURVEY
PERFORMED IN THE FIELD UNDER MY SUPERVISION.
THAT I AM RESPONSIBLE FOR THIS SURVEY, AND THAT THIS
SURVEY IS TRUE AND CORRECT TO THE BEST OF MY
KNOWLEDGE AND BELIEF AND THAT THIS PLAN AND FIELD
SURVEY UPON WHICH IT IS BASED MEET THE SURVEYING
STANDARDS FOR SURVEYING IN NEW MEXICO.
(RULE 500.6 EASEMENT SURVEYING)



V. L. BEZNER, P.S. NO. 7828

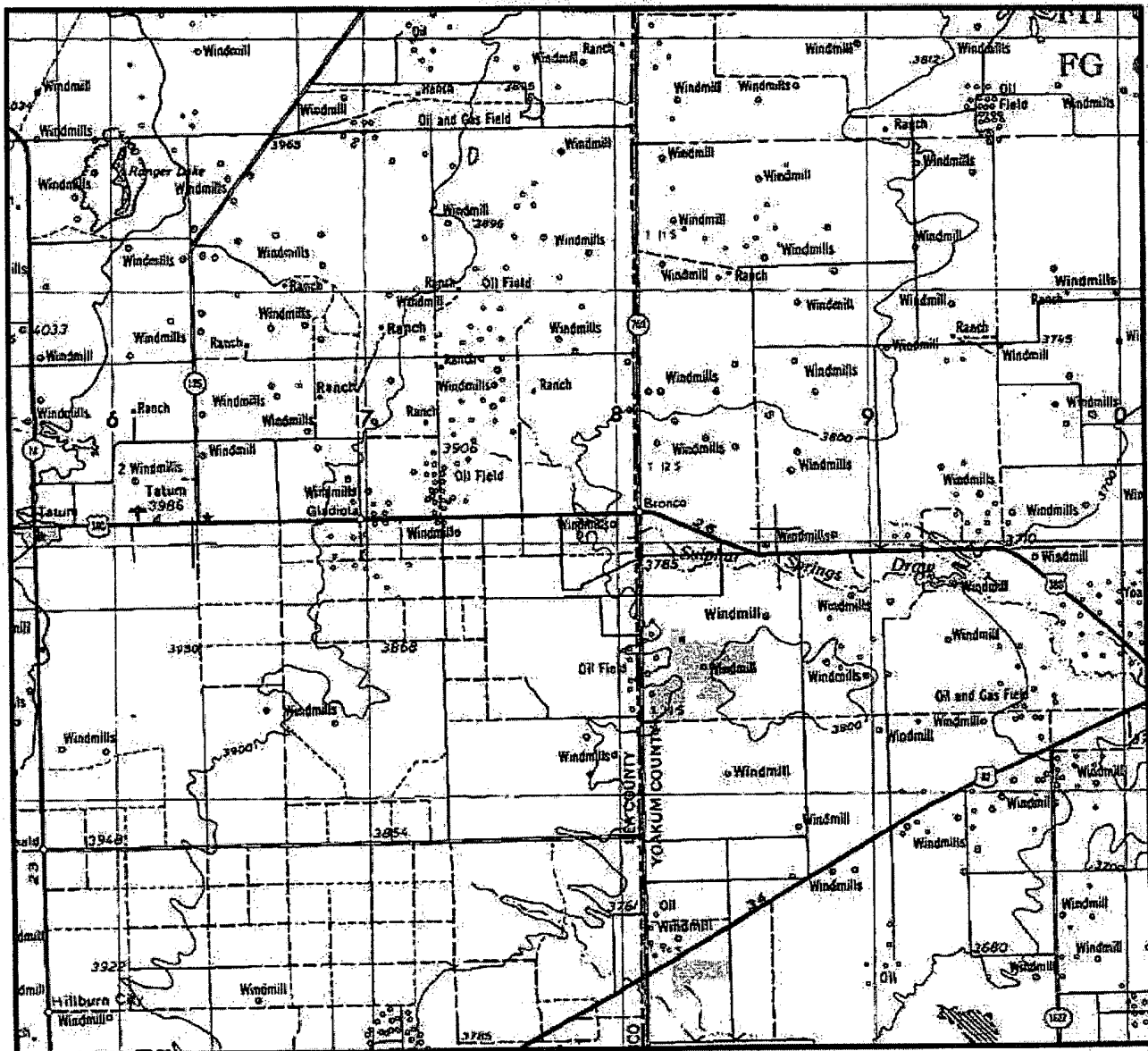


DETAIL VIEW
1" = 100'

CHESAPEAKE OPERATING, INC.				SCALE: 1" = 1000'
SURVEYING AND MAPPING BY				DATE: SEPTEMBER 17, 2004
TOPOGRAPHIC LAND SURVEYORS				JOB NO.: 87813-F
MIDLAND, TEXAS				QUAD NO.: 145 SE
SHEET: 1 OF 1				
NO.	REVISION	DATE	BY	
SURVEYED BY:	R.M.			
DRAWN BY:	E.U.O.			
APPROVED BY:	V.L.B.			

Exhibit A-3

VICINITY MAP



SECTION 2 TWP 13-S RGE 38-E
 SURVEY NEW MEXICO PRINCIPAL MERIDIAN
 COUNTY LEA STATE NM
 DESCRIPTION 76' FSL & 2568' FWL

OPERATOR CHESAPEAKE OPERATING
 LEASE YOUNG "11" FEDERAL #1

DISTANCE & DIRECTION FROM INT. OF HWY. 380 & F.M. 769
GO SOUTH OF F.M. 769 2.9 MILES. THENCE WEST ON LEASE
ROAD 0.6 MILES TO A POINT ±200' NORTH OF THE LOCATION.

TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.

Review this plat and notify us immediately of any possible discrepancy.

1307 N. HOBART
 PAMPA, TX. 79065
 (800) 658-6382

6709 N. CLASSEN BLVD.
 OKLAHOMA CITY, OK. 73116
 (800) 654-3219

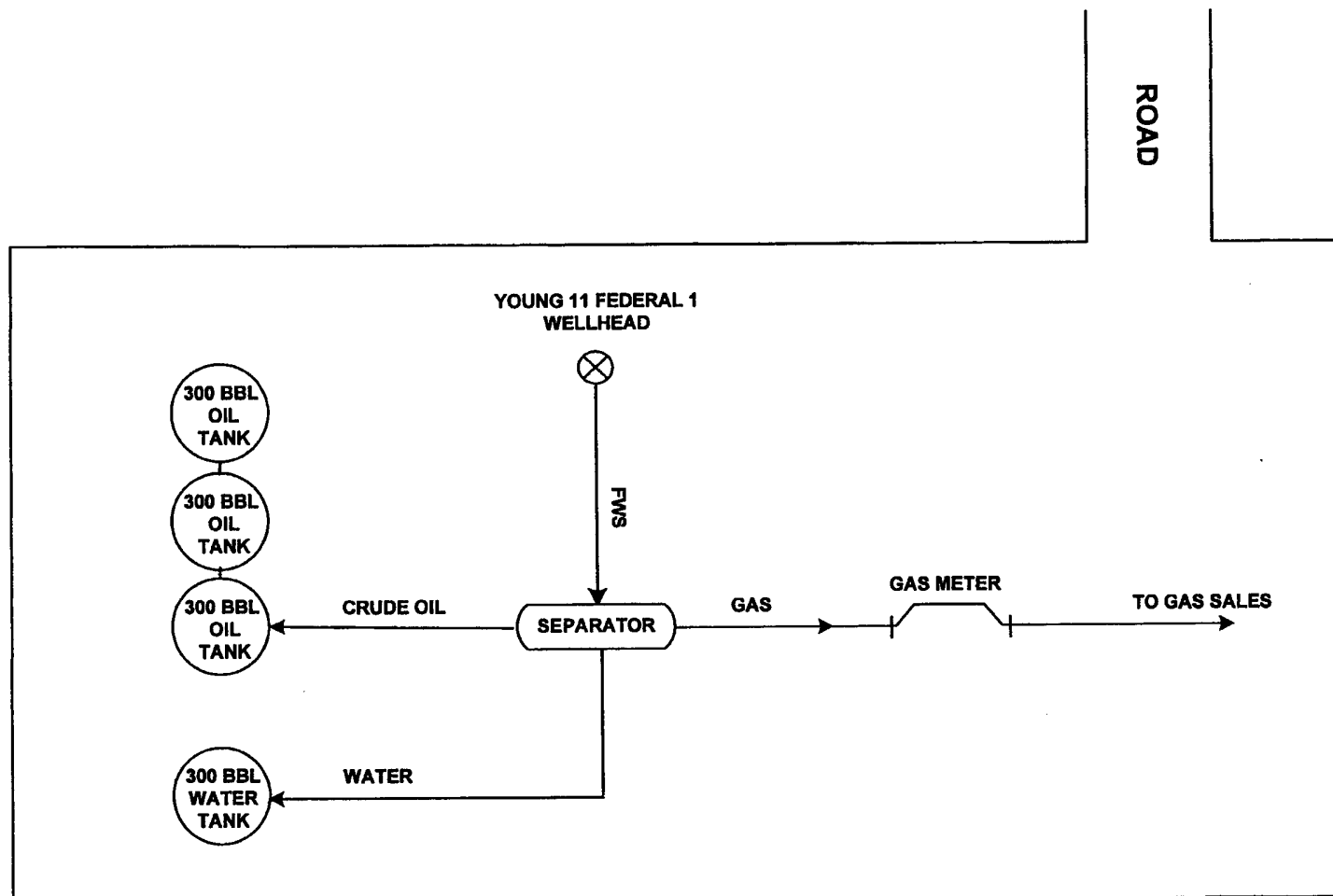
2903 N. BIG SPRING
 MIDLAND, TX. 79705
 (800) 767-1653

Exhibit A-4

This topographic map shows the area around East Windmill. Key features include:

- East Windmill**: Located near the center, with an elevation of 3793.
- Gravel Pit**: Several locations are marked, including one near East Windmill (3793) and another near the bottom center (3808).
- Wells**: Multiple wells are indicated, including one near the top right (3782) and another near the bottom right (3809).
- Contour Lines**: Elevation contours are shown at 3780, 3800, and 3820.
- Roads**: A road labeled 'LEA' runs vertically through the center, and another road labeled 'YOKKUM' runs horizontally across the middle.
- Other Features**: A 'Windmill' is located on the left side, and a 'Gravel Pit' is marked near the top right.

Exhibit A-5



CHESAPEAKE OPERATING, INC.
OKLAHOMA CITY, OK

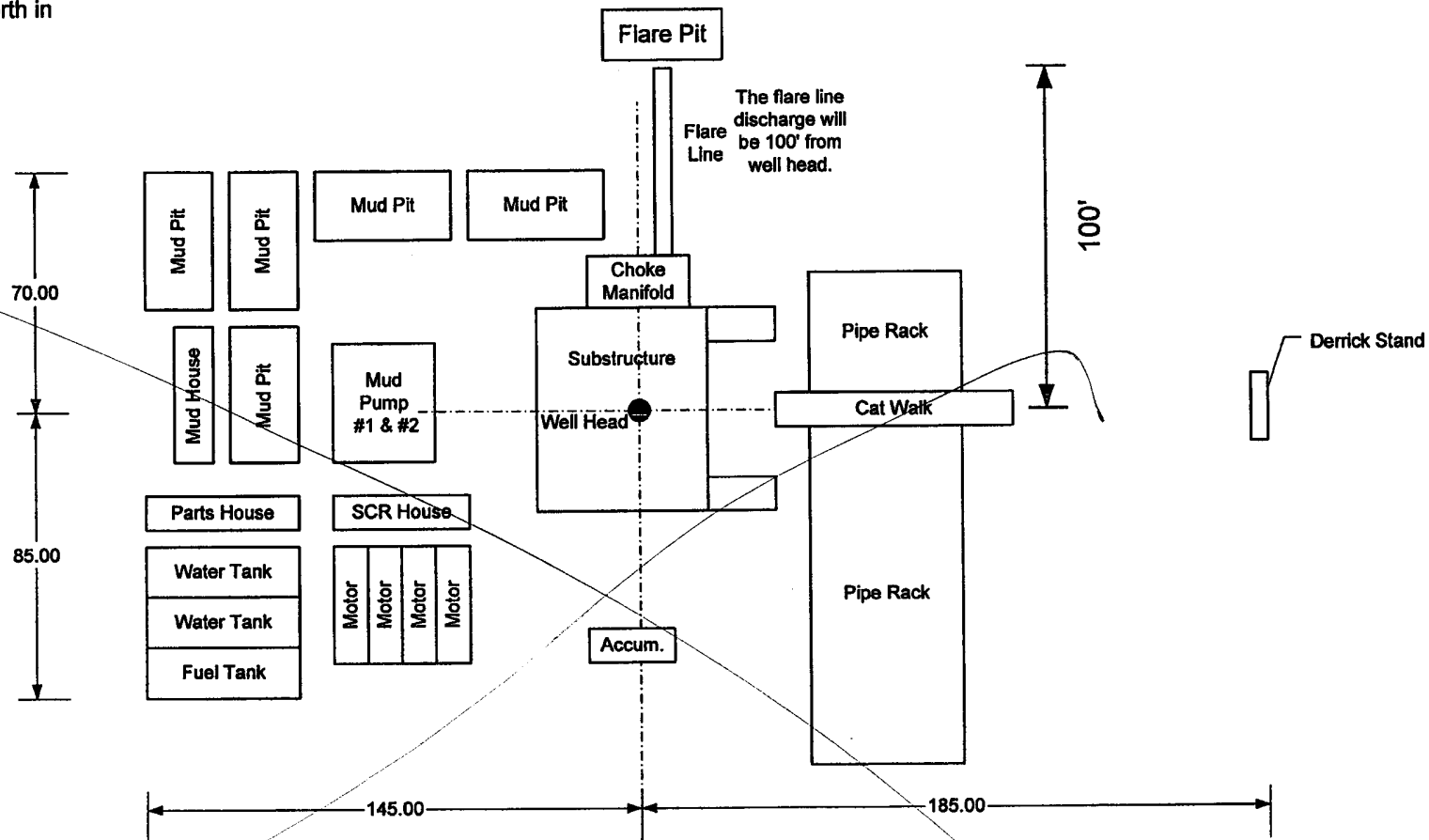


YOUNG 11 FEDERAL 1
SECTION 2-13S-38E
LEA COUNTY, NEW MEXICO

DATE: 11/17/04
DRAWN BY: JGF
Not To Scale

EXHIBIT C

Prevailing Winds from the North in Winter and from the South in Summer.



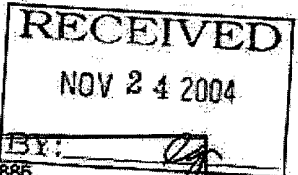
Exhibit

D

Chesapeake Operating, Inc

General Rig Layout

SIZE	FSCM NO	DWG NO	REV
SCALE	Not to Scale	SHEET	1 OF 1



1. (For BLM Use) BLM Report No.		2. (For BLM Use) Reviewer's Initials/Date Accepted () Rejected ()		3. NMCRIS Number: 90886 BY:	
4. Type of Report: Negative (X) Positive ()					
5. Title of Report: A Class III Cultural Resource Survey for the Young 11 Federal No. 1 Well Pad Author(s): Justin Rein				6. Fieldwork Date(s): November 22, 2004	
				7. Report Date: November 23, 2004	
8. Consultant Name/Address: Boone Archaeological Services, LLC Direct Charge: Danny Boone Field Personnel Names: Justin Rein Address: 2030 North Canal Carlsbad, New Mexico 88220 Phone (505) 885-1352				9. Cultural Resource Permit No.: 190-2920-03-E	
				10. Consultant Report No.: BAS-11-04-21	
11. Customer Name: Chesapeake Operating Inc. Responsible Individual: Linda Good Address: PO Box 18496 Oklahoma City, OK 73154-0496 Phone: (405) 767-4275				12. Customer Project No.:	
13. Land Status:	BLM	State	Private	Other	Total
a. Area Surveyed (acres)	8.26				8.26
b. Area of Effect (acres)	3.67				3.67
14. Block Length <u>600 ft</u> Width <u>600 ft</u>					
15. Location (Map[s] Attached): a. State: New Mexico b. County: Lea County c. BLM Office: Carlsbad Field Office d. Nearest City or Town: Tatum, New Mexico e. Legal Description: T 13 S, R 38 E, Section 2: SE¼ SW¼, SW¼ SE¼ Section 11: NE¼ NW¼, NW¼ NE¼ f. Well Pad Footages: The Young 11 Fed No. 1 is centered 76 feet from the south line and 2,568 feet from the west line of Section 2. g. USGS 7.5' Map Name(s), Date(s), and Code(s): Prairieview NE, New Mexico / Texas 1970 Photorevised 1981 (32103-B1)					
16. Project Data: a. Records Search: Date(s) of BLM File Review: November 22, 2004 Name of Reviewer(s): Danny Boone Date(s) of ARMS Data Review: November 22, 2004 Name of Reviewer(s): Danny Boone Findings (see Field Office requirements to determine area to be reviewed during records search): No previously recorded sites were found within one mile of the project area.					

Exhibit E

b. **Description of Undertaking:** Chesapeake Operating Inc. plans to construct the Young 11 Federal No. 1 well pad. Linda Good, with Chesapeake Operating, requested the survey and provided plats. The project can be found in Township 13 South, Range 38 East, Sections 2 and 11. The proposed well is centered 76 feet from the south line and 2,568 feet from the west line of Section 2. A 600 ft by 600 ft block was surveyed around the well center to ensure protection of cultural resources. An existing access road leads to the proposed location. In all, 8.26 acres was surveyed on private property with federal mineral rights administered by the BLM-CFO.

c. **Environmental Setting (NRCS soil designation; vegetative community; elevation; etc.):** The project area is located on a flat plain roughly 15 miles east of Tatum, New Mexico, just west of the New Mexico / Texas border. The elevation averages 3,800 feet above mean sea level. The terrain slopes gradually downhill towards the southeast at a grade of less than one percent. Local soils are of the Amarillo-Arvana and Brownfield-Patricia-Tivoli associations as defined by the Soil Conservation Service of the U.S. Department of Agriculture. These deep sandy soils undulate gently across the flat plain. Local vegetation is typical of Chihuahuan Desert scrub and consists of various grasses, low forbes, and prickly pear cactus. Due to the vegetative ground cover, surface visibility averaged 85 percent at the time of survey. In addition to cattle, which range freely in the area, a fence line to the south, and an existing well pad and access road to the northwest and northeast have impacted the surrounding area.

Climatic data was obtained for the nearby town of Tatum, New Mexico from the Western Regional Climate Center online database. From 1919 to 2004, Tatum received an average annual precipitation of 16.01 inches. During the same time, Tatum had an average high temperature of 74.7 degrees Fahrenheit and an average low temperature of 42.1 degrees Fahrenheit. January was the coldest month averaging 55.4 degrees Fahrenheit, while July was the warmest on average at 92.6 degrees Fahrenheit.

d. **Field Methods (transect intervals; crew size; time in field; etc.):** A crew of one spent 1.5 hours surveying the project area. A 15 m transect interval was used.

e. **Artifacts Collected?:** None

17. **Cultural Resource Findings:** One isolated manifestation (IM) was encountered and recorded.

a. **Location/Identification of Each Resource:** IM no. 1 consists of a USGS survey marker designating the quarter section between Sections 2 and 11 in Township 13 South, Range 38 East. The benchmark is dated 1911 (Zone 13: 680138 E/ 3676426 N).

b. **Evaluation of Significance of Each Resource:** By definition, IM no. 1 is recommended ineligible for nomination to the NRHP.

18. **Management Summary (Recommendations):** No significant cultural materials were encountered during the survey. As such, archaeological clearance is recommended for the proposed Young 11 Fed No. 1 well. If any additional cultural materials are encountered during construction, work at that location should cease and archaeologists with the BLM-CFO should be notified immediately.

19.

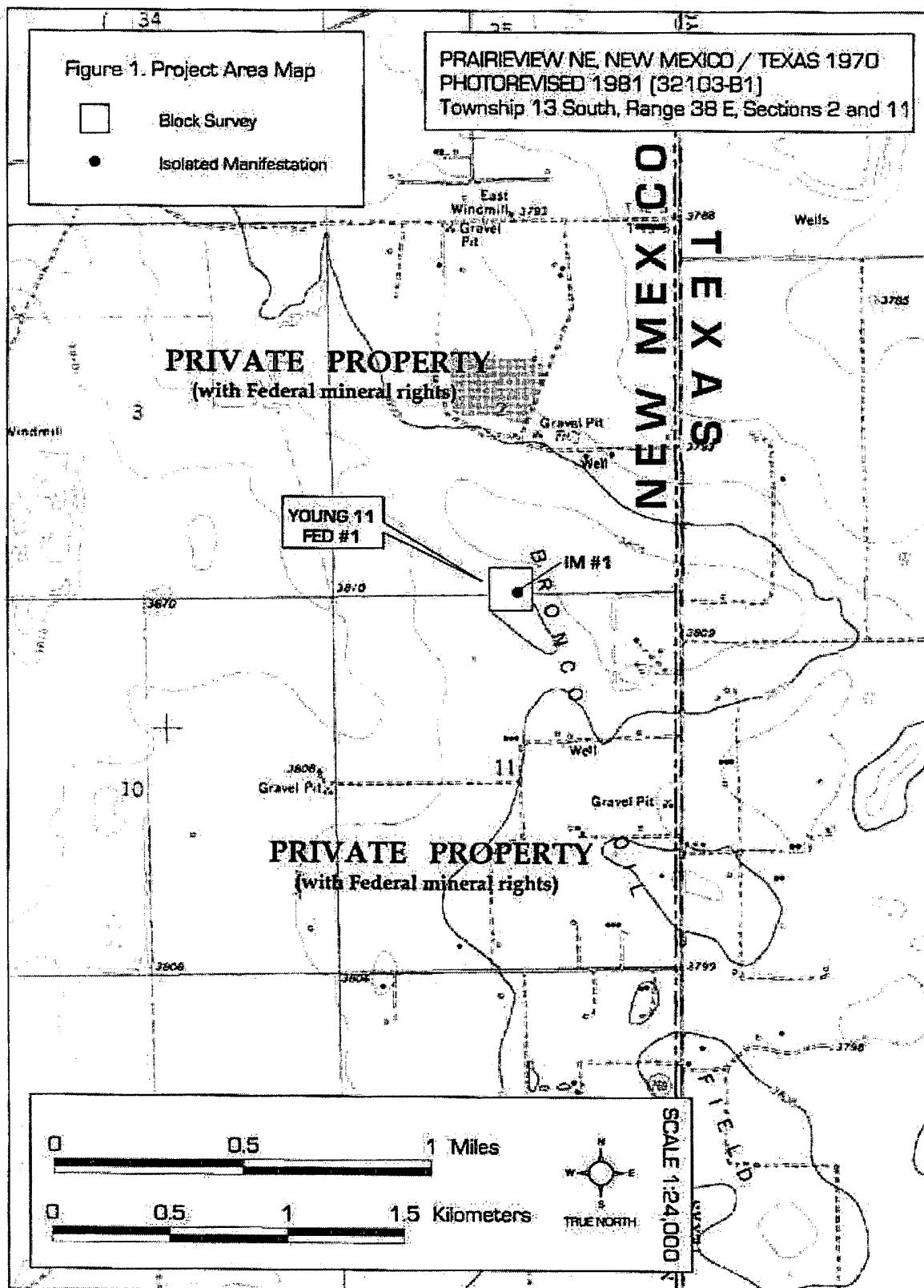
I certify the information provided above is correct and accurate and meets all applicable BLM standards.

Responsible Archaeologist

Signature

Date

Survey for the Young 11 Federal No.1 Well Pad



BAS-11-04-21

ONSHORE ORDER NO. 1
Chesapeake Operating, Inc.
Young 11 Federal 1
SHL: 76 FSL 2568 FWL, SE SW
of Section 2-13S-38E
BHL: 396 FNL 2146 FWL, NE NW
of Section 11-13S-38E
Lea County, NM

CONFIDENTIAL – TIGHT HOLE

Lease No. NMNM 110843

SURFACE USE PLAN

Page 1

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

1. EXISTING ROADS

- a. Existing county roads will be used to enter proposed access road.
- b. Location, access, and vicinity plats attached hereto. See Exhibits A-1 through A-4.

2. PLANNED ACCESS ROADS

- a. A new access road 221.16' in length and 14' in travel way width with a maximum disturbance area of 30' will be built in accordance with guidelines set forth in the BLM Onshore Orders.
- b. No turnouts are expected.
- c. In order to level the location, cut and fill will be required. Please see attached Well Location and Acreage Dedication Plat – Exhibit A1-A4.
- d. A locking gate will be installed at the site entrance.
- e. Any fences cut will be repaired. Cattle guards will be installed, if needed.
- f. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.
- g. Driving directions are from Int. of Hwy 380 and F.M. 769 go South of F.M. 769 2.9 miles, thence West on lease road 0.6 miles to a point ± 200 ft North of the location.

3. LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS OF THE PROPOSED LOCATION – see Exhibit B.

4. LOCATION OF PRODUCTION FACILITIES

It is anticipated that production facilities will be located on the well pad as product will be sold at the wellhead and/or tank battery. It is anticipated to hook to the Duke or Phillips Pipeline which runs on the north end of the well pad. – See Exhibit C

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SURFACE USE PLAN

Page 2

5. LOCATION AND TYPE OF WATER SUPPLY

Water will be obtained from a private water source. Chesapeake Operating, Inc. will ensure all proper notifications and filings are made with the state.

6. CONSTRUCTION MATERIALS

No construction materials will be used from Section 4-20S-33E. All material (i.e. shale) will be acquired from private or commercial sources.

7. METHODS FOR HANDLING WASTE DISPOSAL

An in ground reserve pit will be used to handle all drilling fluids, this pit design is based on the current (OCD guidelines for reserve pits). This will consist of two parallel pits approximately 150' in length X 15" in width X 12' deep. The pits will be lined with 12 mil woven plastic liner. The closing procedure will follow Guidelines set forth on page 14 Item B #3 in "The Pit and Below Grade Tank Guidelines" dated Nov. 1, 2004. All wastes accumulated during drilling operations will be contained in a portable trash cage and removed from location and deposited in an approved sanitary landfill. Sanitary wastes will be contained in a chemical porta-toilet and then hauled to an approved sanitary landfill.

8. ANCILLARY FACILITIES

None

9. WELLSITE LAYOUT

The proposed site layout plat is attached showing a generic rig plat with rig orientation and equipment location. See Exhibit D.

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SURFACE USE PLAN

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10. PLANS FOR RECLAMATION OF THE SURFACE

The location will be restored to as near as original condition as possible. Reclamation of the surface shall be done in strict compliance with the existing New Mexico Oil Conservation Division regulations.

Backfilling leveling, and contouring are planned as soon as the drilling rig and steel tanks are removed. Wastes and spoils materials will be buried immediately after drilling is completed. If production is obtained, the unused area will be restored as soon as possible. The rehabilitation will begin after the drilling rig is removed.

11. SURFACE & MINERAL OWNERSHIP

Wesley Harris 505-398-6121
P.O. Box 790
Plains, TX 79355

Mineral Ownership

United States of America
Department of Interior
Bureau of Land Management

12. ADDITIONAL INFORMATION

A Class III cultural resource inventory report was prepared by Boone Archaeological Services, Carlsbad, New Mexico for the proposed location. A copy of the report has been sent to the BLM office under separate cover and is also attached for reference. See Exhibit E.

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SURFACE USE PLAN

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13. OPERATOR'S REPRESENTATIVES

Drilling and Completion Operations

Rob Jones
District Manager
P.O. Box 18496
Oklahoma City, OK 73154
(405) 810-2694 (OFFICE)
(405) 879-9573 (FAX)
rjones@chkenergy.com

Drilling Engineer

David DeLaO
P.O. Box 18496
Oklahoma City, OK 73154
(405) 767-4339 (OFFICE)
(405) 879-9573 (FAX)
(405) 990-8182 (MOBILE)

Field Representative

Mike Whitefield
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Midland, TX 79701
432-683-7443 (OFFICE)
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Asset Manager

Andrew McCalmont
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Oklahoma City, OK 73154-0496
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405-879-7930 (FAX)
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Regulatory Compliance

Linda Good
Regulatory Compliance Analyst
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SURFACE USE PLAN

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14. CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this surface use plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed will be performed by operator (including contractors and subcontractors) submitting the APD, in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

By: J. Mark Lester

Date: 12/3/04

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DRILLING PROGRAM

Page 1

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
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All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (CFR 43, Part 3160) and the approved Application for Permit to Drill. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling and completion operations.

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease, which would entitle the applicant to conduct operations thereon.

1. FORMATION TOPS

The estimated tops of important geologic markers are as follows:

Formation	Depth	Subsea
Rustler	2306	1547
Yates	3131	722
Seven Rivers	3387	466
Grayburg	4302	-449
San Andres	4567	-714
Glorieta	6008	-2155
Clearfork Upper	6646	-2793
Tubb	7251	-3398
Clearfork Lower	7366	-3513
Abo Shale	7938	-4085
*Burrus Pay	9088	-5235
Wolfcamp Lime	9156	-5303
XX Marker	9359	-5506
*Harris Pay	9554	-5701
TD	9800	
*Potentially productive zones		

2. ESTIMATED DEPTH OF WATER, OIL, GAS & OTHER MINERAL BEARING FORMATIONS

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

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<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
<u>Oil/Gas</u>	<u>Burrus Pay</u>	<u>9088</u>
<u>Oil/Gas</u>	<u>Wolfcamp Harris Pay</u>	<u>9554</u>

All shows of fresh water and minerals will be reported and protected.

3. BOP EQUIPMENT: 5000# System

Chesapeake Operating, Inc.'s minimum specifications for pressure control equipment are as follows:

I. BOP, Annular, Choke Manifold, Pressure Test - See Exhibit F-1 and F-2.

A. Equipment

1. The equipment to be tested includes all of the following that is installed on the well:
 - (a) Ram-type and annular preventers,
 - (b) Choke manifolds and valves,
 - (c) Kill lines and valves, and
 - (d) Upper and lower kelly cock valves, inside BOP's and safety valves.

B. Test Frequency

1. All tests should be performed with clear water,
 - (a) when installed,
 - (b) before drilling out each casing string,
 - (c) at any time that there is a repair requiring a pressure seal to be broken in the assembly, and
 - (d) at least once every 30 days while drilling.

C. Test Pressure

1. In some drilling operations, the pressures to be used for low and high-pressure testing of preventers and casing may be different from those given below due to governmental regulations, or approved local practices.
2. If an individual component does not test at the low pressure, **do not**, test to the high pressure and then drop back down to the low pressure.
3. All valves located downstream of a valve being tested must be placed in the open position.
4. All equipment will be tested with an initial "low pressure" test at 250 psi.
5. The subsequent "high pressure" test will be conducted at the rated working pressure of the equipment for all equipment except the annular preventer.
6. The "high pressure" test for the annular preventer will be conducted at 70% of the rated working pressure.
7. A record of all pressures will be made on a pressure-recording chart.

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D. Test Duration

1. In each case, the individual components should be monitored for leaks for **5 minutes**, with no observable pressure decline, once the test pressure has been applied.

II. Accumulator Performance Test

A. Scope

1. The purpose of this test is to check the capabilities of the BOP control systems, and to detect deficiencies in the hydraulic oil volume and recharge time.

B. Test Frequency

1. The accumulator is to be tested each time the BOP's are tested, or any time a major repair is performed.

C. Minimum Requirements

1. The accumulator should be of sufficient volume to supply 1.5 times the volume to close and hold all BOP equipment in sequence, **without recharging** and the **pump turned off**, and have remaining pressures of **200 PSI above the precharge pressure**.

2. Minimum precharge pressures for the various accumulator systems per **manufacturers recommended specifications** are as follows:

<u>System Operating Pressures</u>	<u>Precharge Pressure</u>
1500 PSI	750 PSI
2000 PSI	1,000 PSI
3000 PSI	1,000 PSI

3. Closing times for the Hydril should be less than **20 seconds**, and for the ram-type preventers less than **10 seconds**.

4. System Recharge time should not exceed **10 minutes**.

D. Test Procedure

1. Shut accumulator pumps off and record accumulator pressure.
2. In sequence, close the annular and one set of properly sized pipe rams, and open the HCR valve.

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3. Record time to close or open each element and the remaining accumulator pressure after each operation.
4. Record the remaining accumulator pressure at the end of the test sequence. Per the previous requirement, this pressure **should not be less** than the following pressures:

<u>System Pressure</u>	<u>Remaining Pressure At Conclusion of Test</u>
1,500 PSI	950 PSI
2,000 PSI	1,200 PSI
3,000 PSI	1,200 PSI

5. Turn the accumulator pumps on and record the recharge time. This time should not exceed **10 minutes**.
6. Open annular and ram-type preventers. Close HCR valve.
7. Place all 4-way control valves in **full open** or **full closed** position. **Do not leave in neutral position.**

4. CASING AND CEMENTING PROGRAM

- a. The proposed casing program will be as follows:

<u>Purpose</u>	<u>Interval</u>	<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>	<u>Condition</u>
Surface	0-430'	17-1/2"	13-3/8"	48#	H40	STC	New
Intermediate	430'-4500'	11"	8-5/8"	32#	J55	STC	New
Production	4500' – 9,840'	7-7/8"	5-1/2"	17#	L80	LTC	New

- b. Casing design subject to revision based on geologic conditions encountered.
- c. The cementing program will be as follows:

<u>Interval</u>	<u>Type</u>	<u>Amount</u>	<u>Yield</u>	<u>Washout</u>	<u>Excess</u>
Surface	35:65 Poz:C (Lead)	155 sx	2.07	20%	100%
	Class C (Tail)	235 sx	1.34		100%
Intermediate	50:50 Poz:C (Lead)	1000 sx	2.48	20%	75%
	Class C (Tail)	150 sx	1.32		50%
Production	50:50 Poz:H (Lead)	380 sx	2.5	10%	25%
	50:50 Poz:H (Tail)	295 sx	1.35		25%

5. MUD PROGRAM

- a. The proposed circulating mediums to be used in drilling are as follows:

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<u>Interval</u>	<u>Mud Type</u>	<u>Mud Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
Surface	Native/Spud Mud	8.6 – 9	29-38	NC
Intermediate	Brine	9.2 - 10	29-32	NC
Production	FW-Cut Brine	8.4 – 9	29-34	NC-12

An in ground reserve pit will be used to handle all drilling fluids, this pit design is based on the current (OCD guidelines for reserve pits). This will consist of two parallel pits approximately 150' in length X 15" in width X 12' deep. The pits will be lined with 12 mil woven plastic liner. The closing procedure will follow Guidelines set forth on page 14 Item B #3 in "The Pit and Below Grade Tank Guidelines" dated Nov. 1, 2004. All wastes accumulated during drilling operations will be contained in a portable trash cage and removed from location and deposited in an approved sanitary landfill. Sanitary wastes will be contained in a chemical porta-toilet and then hauled to an approved sanitary landfill.

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, filtration, and pH.

6. TESTING, LOGGING AND CORING

The anticipated type and amount of testing, logging and coring are as follows:

- Drill stem tests are not planned.
- The logging program will consist of Natural GR, Density-Neutron, PE & Dual Laterolog from TD to surface casing; Neutron-GR surface casing to surface.
- Cores samples are not planned.

7. ABNORMAL PRESSURES AND HYDROGEN SULFIDE

- The estimated bottom hole pressure is 3300 psi. No abnormal pressures or temperatures are anticipated.
- Hydrogen sulfide gas is not anticipated.

8. DIRECTIONAL INFORMATION

This well is being directionally drilled. A direction well plan is included for your review. See Exhibit G-1 to G-2.

BLOWOUT PREVENTOR SCHEMATIC

CHESAPEAKE OPERATING INC

WELL : Young 11 Federal #1

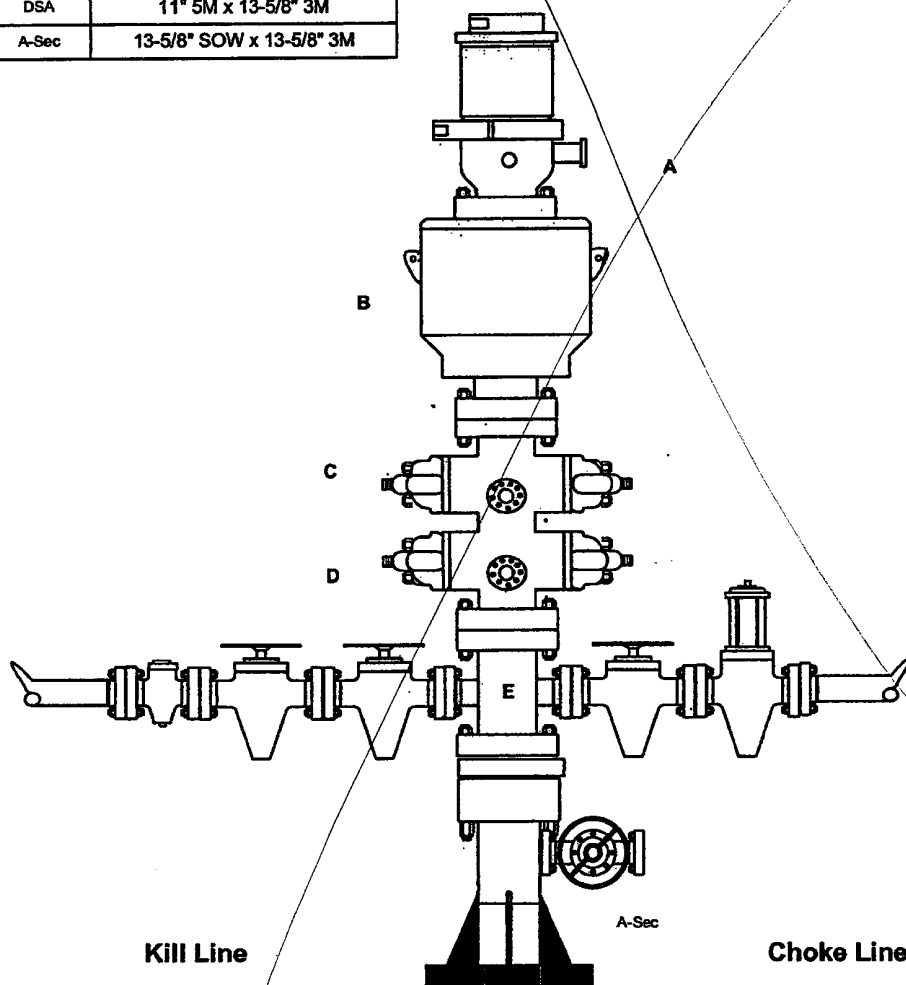
RIG :

COUNTY : Lea

STATE: New Mexico

OPERATION: Drill out below 13-3/8" Casing

SIZE		PRESSURE	DESCRIPTION
A	11"	500#	Rot Head
B	11"	5,000#	Annular
C	11"	5,000#	Pipe Rams
D	11"	5,000#	Blind Rams
E	11"	5,000#	Mud Cross
DSA		11" 5M x 13-5/8" 3M	
A-Sec		13-5/8" SOW x 13-5/8" 3M	



SIZE	PRESSURE	DESCRIPTION
2"	5,000#	Check Valve
2"	5,000#	Gate Valve
2"	5,000#	Gate Valve

SIZE	PRESSURE	DESCRIPTION
4"	5,000#	Gate Valve
4"	5,000#	HCR Valve

Exhibit F-1

BLOWOUT PREVENTOR SCHEMATIC

CHESAPEAKE OPERATING INC

WELL : Young 11 Federal #1

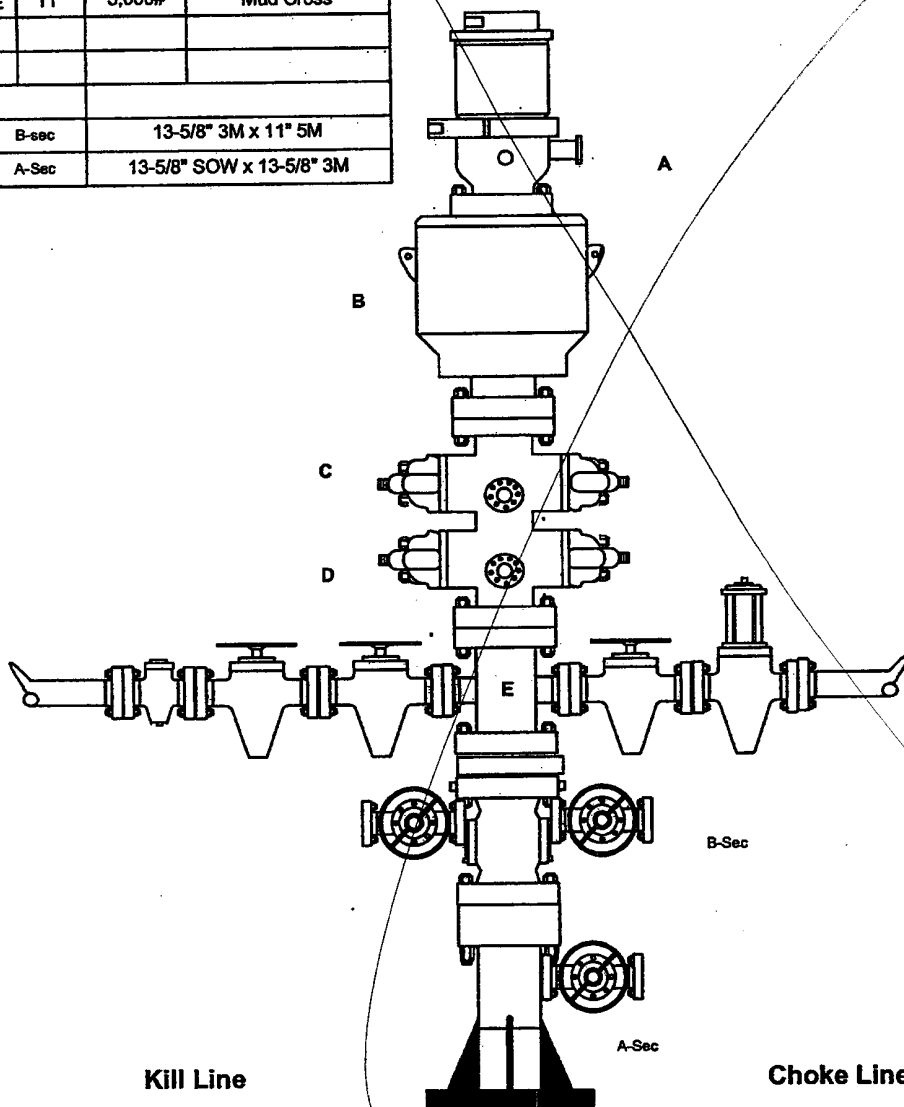
RIG :

COUNTY : Lea

STATE: New Mexico

OPERATION: Drill out below 8-5/8" Casing

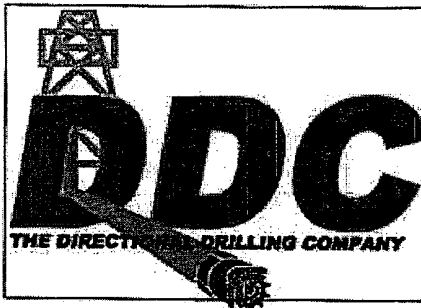
	SIZE	PRESSURE	DESCRIPTION
A	11"	500#	Rot Head
B	11"	5,000#	Annular
C	11"	5,000#	Pipe Rams
D	11"	5,000#	Blind Rams
E	11"	5,000#	Mud Cross
B-sec	13-5/8" 3M x 11" 5M		
A-Sec	13-5/8" SOW x 13-5/8" 3M		



SIZE	PRESSURE	DESCRIPTION
2"	5,000#	Check Valve
2"	5,000#	Gate Valve
2"	5,000#	Gate Valve

SIZE	PRESSURE	DESCRIPTION
4"	5,000#	Gate Valve
4"	5,000#	HCR Valve

Exhibit F-2



Job Number:
 Company: Chesapeake Operating, Inc.
 Lease/Well: Young "11" Federal #1
 Location: Lea County
 Rig Name:
 RKB:
 G.L. or M.S.L.:

State/Country: New Mexico
 Declination:
 Grid:
 File name: C:\PROPOS-1\CHESAP-1\YOUNG1-1\YOUN11-1.SW
 Date/Time: 29-Nov-04 / 16:27
 Curve Name: Plan 1

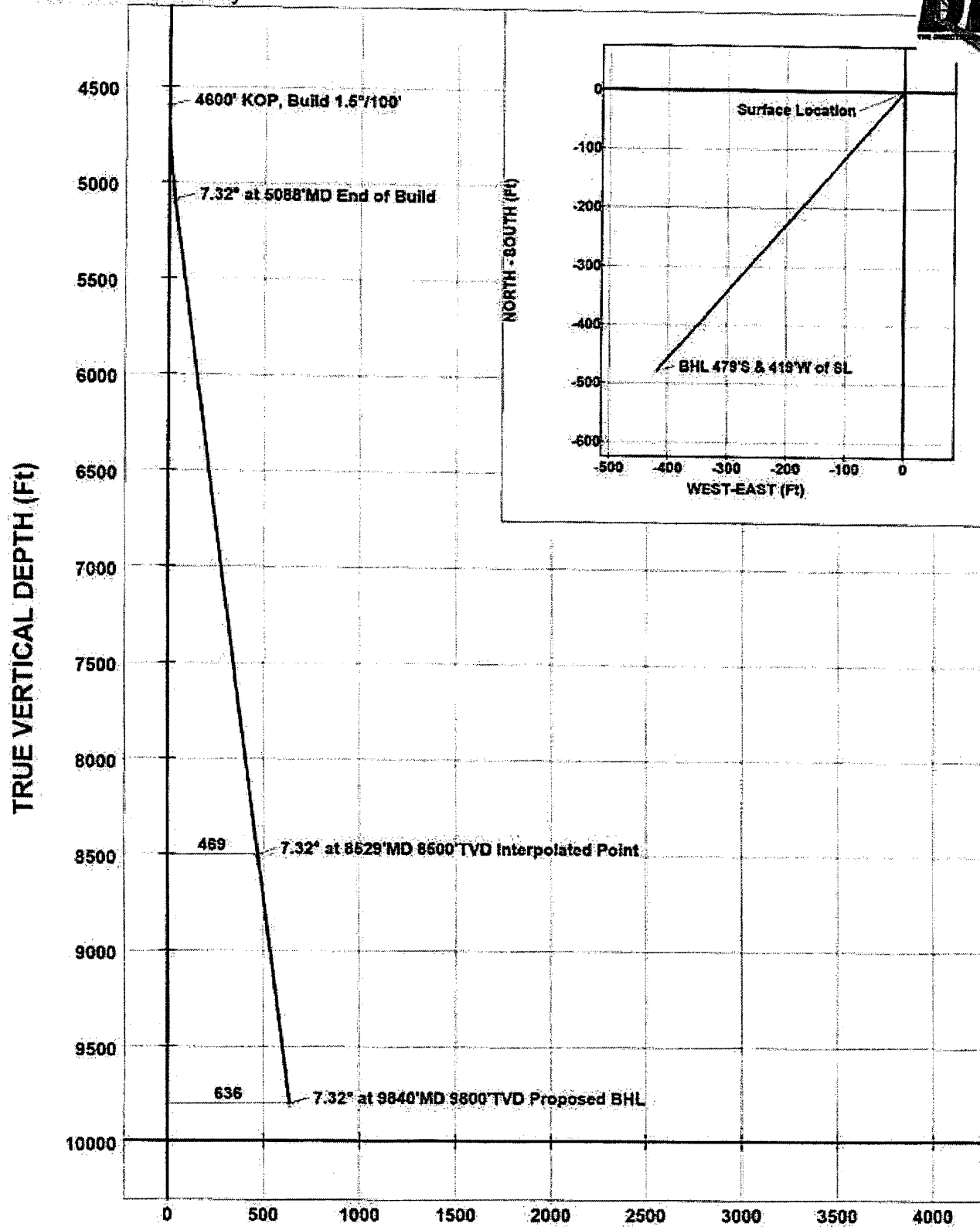
THE DIRECTIONAL DRILLING COMPANY

WINSERVE SURVEY CALCULATIONS Minimum Curvature Method Vertical Section Plane 221.18 Vertical Section Referenced to Wellhead Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	Dogleg Severity Deg/100
KOP, Build 1.5"/100'							
4600.00	.00	.00	4600.00	.00	.00	.00	.00
4700.00	1.50	221.18	4699.99	-.99	-.86	1.31	1.50
4800.00	3.00	221.18	4799.91	-3.94	-3.45	5.23	1.50
4900.00	4.50	221.18	4899.69	-8.86	-7.75	11.77	1.50
5000.00	6.00	221.18	4999.27	-15.75	-13.78	20.92	1.50
End of Build							
5087.84	7.32	221.18	5086.52	-23.42	-20.48	31.11	1.50
5187.84	7.32	221.18	5185.70	-33.00	-28.87	43.85	.00
5287.84	7.32	221.18	5284.89	-42.59	-37.26	56.58	.00
5387.84	7.32	221.18	5384.08	-52.18	-45.64	69.32	.00
5487.84	7.32	221.18	5483.26	-61.76	-54.03	82.06	.00
5587.84	7.32	221.18	5582.45	-71.35	-62.41	94.80	.00
5687.84	7.32	221.18	5681.63	-80.94	-70.80	107.53	.00
5787.84	7.32	221.18	5780.82	-90.52	-79.18	120.27	.00
5887.84	7.32	221.18	5880.00	-100.11	-87.57	133.01	.00
5987.84	7.32	221.18	5979.19	-109.70	-95.96	145.74	.00
6087.84	7.32	221.18	6078.37	-119.28	-104.34	158.48	.00
6187.84	7.32	221.18	6177.56	-128.87	-112.73	171.22	.00
6287.84	7.32	221.18	6276.74	-138.46	-121.11	183.95	.00
6387.84	7.32	221.18	6375.93	-148.04	-129.50	196.69	.00
6487.84	7.32	221.18	6475.12	-157.63	-137.89	209.43	.00
6587.84	7.32	221.18	6574.30	-167.22	-146.27	222.17	.00

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	Dogleg Severity Deg/100
6687.84	7.32	221.18	6673.49	-176.81	-154.66	234.90	.00
6787.84	7.32	221.18	6772.67	-186.39	-163.04	247.64	.00
6887.84	7.32	221.18	6871.86	-195.98	-171.43	260.38	.00
6987.84	7.32	221.18	6971.04	-205.57	-179.82	273.11	.00
7087.84	7.32	221.18	7070.23	-215.15	-188.20	285.85	.00
7187.84	7.32	221.18	7169.41	-224.74	-196.59	298.59	.00
7287.84	7.32	221.18	7268.60	-234.33	-204.97	311.33	.00
7387.84	7.32	221.18	7367.79	-243.91	-213.36	324.06	.00
7487.84	7.32	221.18	7466.97	-253.50	-221.75	336.80	.00
7587.84	7.32	221.18	7566.16	-263.09	-230.13	349.54	.00
7687.84	7.32	221.18	7665.34	-272.67	-238.52	362.27	.00
7787.84	7.32	221.18	7764.53	-282.26	-246.90	375.01	.00
7887.84	7.32	221.18	7863.71	-291.85	-255.29	387.75	.00
7987.84	7.32	221.18	7962.90	-301.43	-263.68	400.48	.00
8087.84	7.32	221.18	8062.08	-311.02	-272.06	413.22	.00
8187.84	7.32	221.18	8161.27	-320.61	-280.45	425.96	.00
8287.84	7.32	221.18	8260.46	-330.19	-288.83	438.70	.00
8387.84	7.32	221.18	8359.64	-339.78	-297.22	451.43	.00
8487.84	7.32	221.18	8458.83	-349.37	-305.61	464.17	.00
Interpolated Point							
8529.36	7.32	221.18	8500.00	-353.35	-309.09	469.46	.00
8587.84	7.32	221.18	8558.01	-358.96	-313.99	476.91	.00
8687.84	7.32	221.18	8657.20	-368.54	-322.38	489.64	.00
8787.84	7.32	221.18	8756.38	-378.13	-330.76	502.38	.00
8887.84	7.32	221.18	8855.57	-387.72	-339.15	515.12	.00
8987.84	7.32	221.18	8954.75	-397.30	-347.54	527.85	.00
9087.84	7.32	221.18	9053.94	-406.89	-355.92	540.59	.00
9187.84	7.32	221.18	9153.13	-416.48	-364.31	553.33	.00
9287.84	7.32	221.18	9252.31	-426.06	-372.69	566.07	.00
9387.84	7.32	221.18	9351.50	-435.65	-381.08	578.80	.00
9487.84	7.32	221.18	9450.68	-445.24	-389.47	591.54	.00
9587.84	7.32	221.18	9549.87	-454.82	-397.85	604.28	.00
9687.84	7.32	221.18	9649.05	-464.41	-406.24	617.01	.00
9787.84	7.32	221.18	9748.24	-474.00	-414.62	629.75	.00
Proposed BHL							
9840.03	7.32	221.18	9800.00	-479.00	-419.00	636.40	.00

Company: Chesapeake Operating, Inc.
 Lease/Well: Young "11" Federal #1
 Location: Lea County



— Plan 1

VERTICAL SECTION (Ft) @ 221.18°

Exhibit G-2



Regulatory Department

December 9, 2004

Bureau of Land Management
Roswell Field Office
Linda Askwig
2909 West Second Street
Roswell, NM 88201-2019

Re: Surface Owner Agreement

Dear Linda,

This letter is to inform you per Mike Whitefield that Chesapeake Operating, Inc. has obtained verbal agreements with the surface owners on the following wells:

✓ Wesley Harris
Young 11 Federal 1

NM 110843

13S-38E Sec 2

Choya Young
Young 11 Federal 3

NM 110843

13S-38E Sec. 11 GWNW

Please let me know if you need anything else.

Chesapeake Operating, Inc.

Linda Good

Linda Good
Permitting Agent

g:\regops\federal_regulatory_permitting\correspondence_blm\surface_owner_agreement_letter_12-09-2004

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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Federal Well

Form C-103

May 27, 2004

WELL API NO.

30-025-37056

5. Indicate Type of Lease

STATE ☐ FEE ☐ Fed. ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
Young 11 Federal

8. Well Number 001

9. OGRID Number 147179

10. Pool name or Wildcat

Brenco, Harris Wildcat; Wolfcamp

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 ☒ Gas Well ☐ 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 C : 396 feet from the North line and 2146 feet from the West line
Section 11 Township 13S Range 38E NMPM County Lea11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3802' GRPit or Below-grade Tank Application ☐ or Closure ☐

Pit type Drilling Depth to Groundwater 67' Distance from nearest fresh water well 1000+ Distance from nearest surface water 1000+

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume 12139 bbls; Construction Material Plastic

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 ☐

OTHER: Pit

☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

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, requests that the attached procedure be approved for the drilling pit for this well. Chesapeake, hereby, agrees to close the pit according to NMOCD guidelines #3.

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 Coffman

TITLE Regulatory Analyst

DATE 01/19/2005

Type or print name Brenda Coffman

E-mail address: bcoffman@chkenergy.com

Telephone No. (432)687-2992

For State Use Only

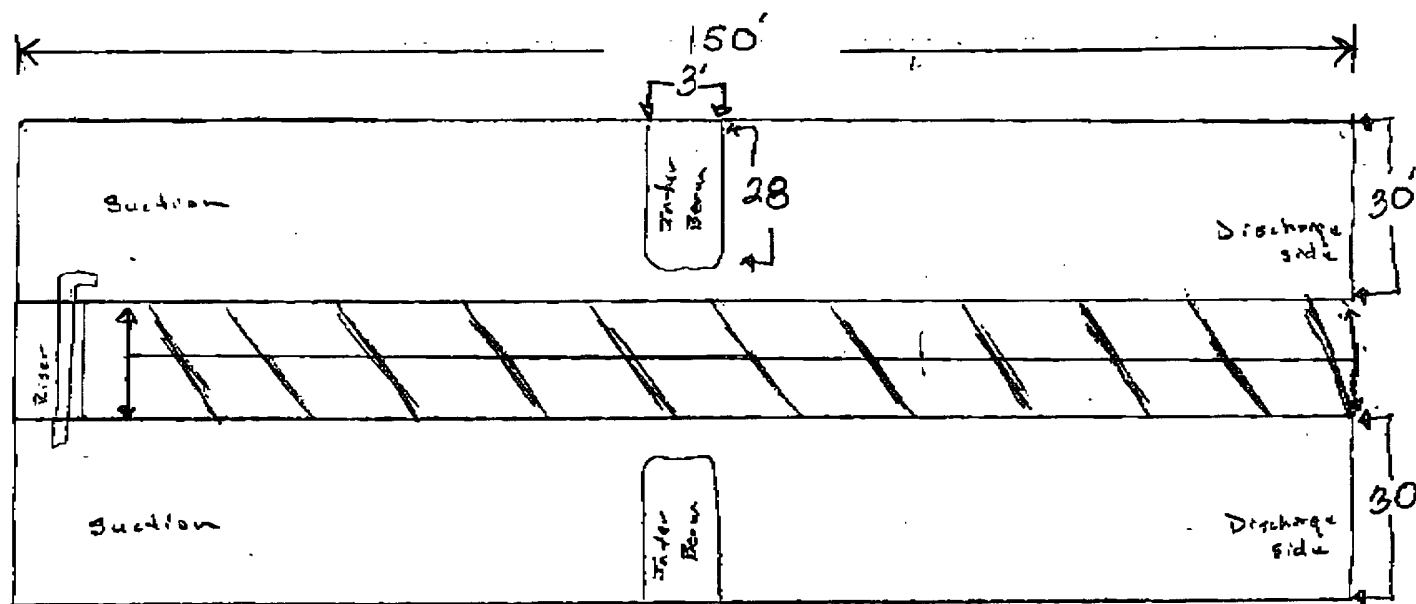
APPROVED BY:

[Signature]

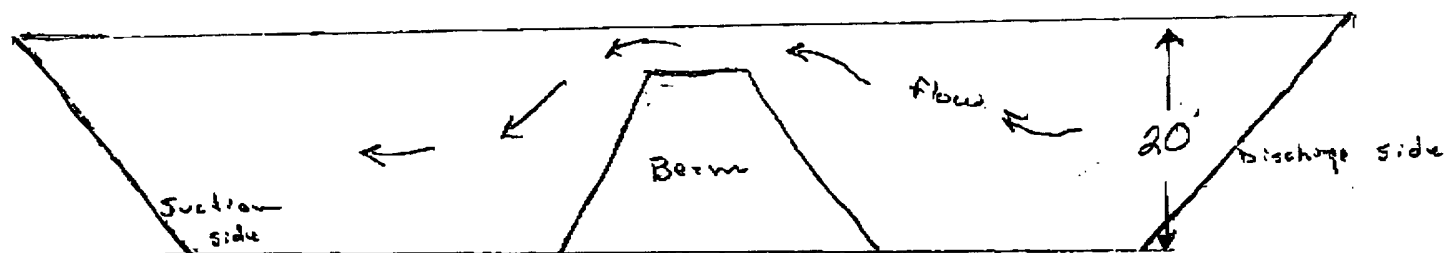
TITLE

DATE

Conditions of Approval (if any):

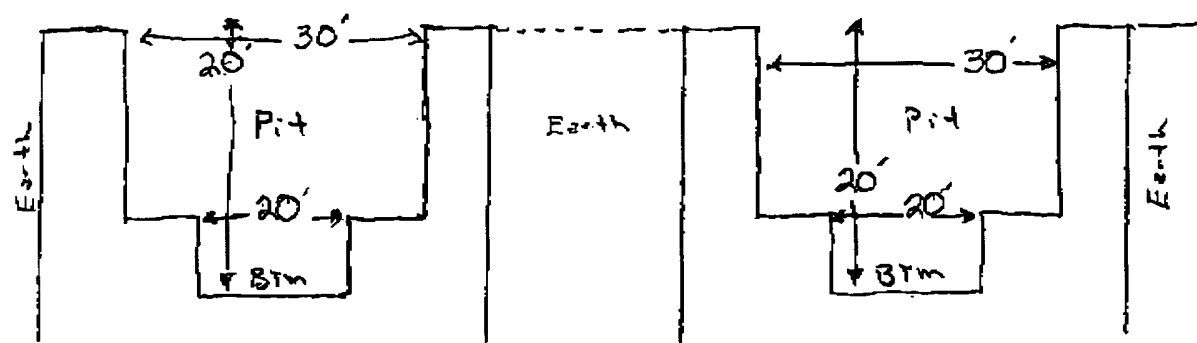


Top View



Side View

$8' \times 30' \times 140' = 75600 \text{ ft}^3 \div 5.6146 = 13464.8 \text{ bbls} \times 2 = 26929.7 \text{ bbls}$, with 18' of fluid & cuttings in pits.
 $10' \times 30' \times 140' = 90000 \text{ ft}^3 \div 5.6146 = 16029.6 \text{ bbls} \times 2 = 32059.2 \text{ bbls}$ with 20'



End cross section