District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, 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

Form C-101
May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

[1] Operator Name and Address	[2] OGRID Number
Chesapeake Operating, Inc. P. O. box 11050 Midland, TX 79702-8050	147179
	[3] API Number 30-025-00960

[3] Property Code	[5] Property Name	[6] Well No.
~~17965~~ 301432	Little Eddy Unit	1

[9] Proposed Pool 1	[10] Proposed Pool 2
~~Undes.~~; Atoka South (Gas) Salt Lake	

[7] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Westline	County
P	25	20S`	32E		660	South	660	East	Lea

[8] Proposed 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/Westline	County

Additional Well Information

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
Plug Back	~~F~~ G		S	3586 GR
[16] Multiple	**[17] Proposed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
	13775	Atoka		04/15/2006

Depth to Groundwater	Distance from nearest fresh water well	Distance from nearest surface water
NA	NA	NA

Pit: Liner: Synthetic ☐ ____ milsthick Clay ☐ Pit Volume:_____bbls Drilling Method:

Closed-Loop System ☐ Fresh Water ☐ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2	13 3/8	54.5 61	2753	3250	0
12 1/4	9 5/8	40 & 47	8130	2600	0
8 5/8	7	26, 29, 32; 35	14945	500	12770
7 7/8	6	18.93	16600	160	

[22] Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Re-completion procedure attached.

Permit Expires 1 Year From Approval Date Unless Drilling Underway

Plug back

No Pit

[23] 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: Brenda Coffman Brenda Coffman

Title: Regulatory Analyst

E-mail Address: bcoffman@chkenergy.com

Date: 04/07/2006 Phone: (432)687-2992

OIL CONSERVATION DIVISION

Approved by:

Title: PETROLEUM ENGINEER

Approval Date: APR 17 2006 Expiration Date:

Conditions of Approval Attached ☐

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATIONDIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-025-00960	84447	~~Undesignated~~, Salt Lake South Atoka

4 Property Code	5 Property Name	6 Well Number
~~17963~~ 301432	Little Eddy Unit	1

7 OGRID No.	8 Operator Name	9 Elevation
147179	Chesapeake Operating Inc.	3586 GR

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
P	25	20S	32E		660	South	660	East	Lea

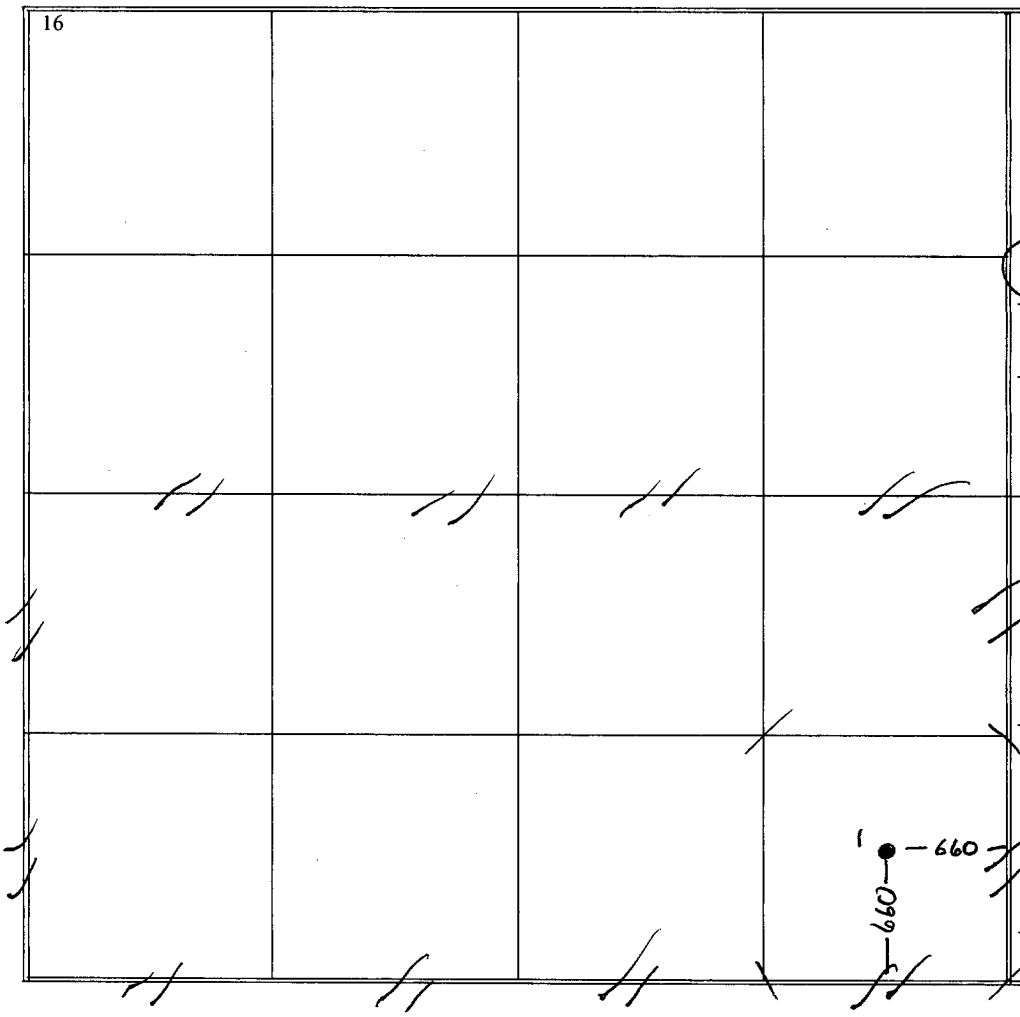
11 Bottom Hole Location If Different From Surface

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.
~~40~~ 320			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16



17 OPERATOR CERTIFICATION

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.

Brenda Coffman 04/07/2006
Signature Date

Brenda Coffman
Printed Name

18 SURVEYOR CERTIFICATION

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.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

Little Eddy Unit # 1
Workover Procedure
Lea County, NM

GENERAL INFORMATION

Location: 660' FSL & 660' FEL, S25-T20S-R32E
API No.: 30-025-00960

WELL INFORMATION

String	Weight & Grade	Depth	ID	Drift	Burst	TOC
20"	81 & 94# H-40	0'-1,229'	19.124	18.936	1530	0'
13-3/8"	54.5, 61, 68# J-55	0'-2,753'	12.415	17.254	2730	0'
9-5/8"	40 & 47# N-80	0'-8,130'	8.681	8.525	5750	0'
7"	26, 29, 32, 35# N-80	0'-14,945'	6.004	5.879	7240	7800'
5"	18.93# N-80	14,882'-16,595'	4.276	4.151	9910	14882

Proposed Atoka Perforations: 12,467'-12,472', 12,480'-12,485', 12,492'-12,502'

TD/PBTD: 16,600'/13775'

COMPLETION PROCEDURE:

1. MIRU Service Rig and Equipment. ND WH, NU BOP.
2. Release Tbg from seal assembly & POOH.
3. RU wireline unit. Set CIBP @ 12,850' & and dump 1 sack of cement on top. Correlate to OH Radioactivity Log dated 07/21/57.
4. Load hole w/ 7% KCl. Pressure test csg to 500 psi.
5. Run CBL/CCL from 12,800' to 11,400' & 8,100' to 5,900'. Run pass w/ 500# pressure as warranted. Run GRN/CCL from 12,600' to 11,850' and 8,100' to 5,900'. Fax/e-mail logs to OKC staff for correlation.
6. RU lubricator and RIH w/ 3-3/8" HSD casing gun. Perforate the Atoka w/ 4 SPF, 90° phasing, 23 gram charge, .37" hole from 12,492'-12,502' (41 holes), 12,480'-12,485' (21 holes), & 12,467-12,472' (21holes). Perf off of GRN in step 5 per OKC staff.
7. RIH w/ tbg & 7" treating pkr. Set EOT @ 12,502'. Pr test tbg in hole.
8. RU Acid Service Company. Spot 200 gal of 7-1/2% HCl Acid containing 200 gpt methanol, 4 gpt of iron control, 1 gpt each of corrosion inhibitor, surface tension reducer, and non-emulsifier. Pull pkr to 12,420'. Reverse circulate excess acid into tubing, set packer. Pressure annulus to 500#.

9. ND BOP. NU tree. Pressure annulus to 500 psi. Displace spot acid, establish rate of 3 to 4 BPM w/ 7% KCl. (Keep KCl water usage to a minimum). Acidize w/ 1,000 gal of 7-1/2% HCl. Acid to contain 200 gpt of methanol, 4 gpt of iron control, 1 gpt each of corrosion inhibitor, surface tension reducer, and non-emulsifier. Displace w/ 7% KCl. Do not over-displace. Drop 100 Ball Sealers during job. Do not over flush. Pump at 3 to 4 BPM max. Note rates and pressures. Note ISIP. Max pressure 5000#.
10. Swab/Flow test zone.
11. Kill well as required w/ 7% KCl.
12. ND tree, NU BOP. Lower Packer through perfs to clear of ball sealers. POOH with tubing and packer. Prep to frac.
13. RIH w/ 7" production packer picking up 9.3# 3-1/2" EUE P110 frac string as follows: Re-entry guide, 4'x 2-3/8" sub, 'XN' nipple, 10' x 2-3/8" sub, 'X' nipple, 4' x 2-3/8" sub, 7" packer, on/off tool w/ 'X' profile nipple, X-over, 3-1/2" P 110 frac string. Set Packer @ 12,420'. ND BOP. NU 3-1/2" rental frac tree.
14. MIRU frac crew. Pressure test lines. Pressure 7" annulus to 500#. Pump foam pad establishing rates approaching 25 BPM per frac schedule. Anticipated treating pressures ~ 10,000 psi. Frac the Atoka with 40,000 gal of foam and 40,000 pounds of 20/40 mesh Bauxite at rates approaching 25 BPM per frac schedule. Ramp sand from ¼ to 3#/gal at tail-in per schedule. Maximum pressure 11,000#.
15. Flow back to clean up and test well.
16. MIRU Slick Line. RU lubricator. Set plug in 'XN' nipple to kill well. ND tree, NU BOP.
17. POOH laying down 3-1/2" frac string.
18. RIH w/ 2-3/8" production tubing. Tag up on the on/off tool. Circulate packer fluid. Land tubing. Pressure test annulus to 500 psi.
19. ND BOP. NU production tree.
20. MIRU Slick Line. RU lubricator. Pull plug in 'XN' profile nipple.
21. Put well on production.

The sender of this message has requested a read receipt. Click here to send a receipt.

Mull, Donna, EMNRD

From: Phillips, Dorothy, EMNRD **Sent:** Mon 4/17/2006 8:52 AM
To: Mull, Donna, EMNRD
Cc:
Subject: RE: Financial Assurance Requirement
Attachments:

None of these appear on Jane's list and all have blanket bonds.

From: Mull, Donna, EMNRD
Sent: Monday, April 17, 2006 7:42 AM
To: Phillips, Dorothy, EMNRD
Cc: Macquesten, Gail, EMNRD; Sanchez, Daniel J., EMNRD
Subject: Financial Assurance Requirement

Dorothy,

Is the Financial Assurance Requirement for these Operators OK?

Matathon Oil Co (14021)
Momentum Energy (227069)
David H Arrington Oil & Gas (5898)
Chevron USA Inc, (4323)
Chesapeake Operating Inc (147179)
Yates Petroleum Corp (25575)
Occidental Permian LP (157984)
Pogo Producing Co (17891)
Samson Resources Co (20165)
Range Operating New Mexico Inc. (277588)

Please let me know. Thanks Donna