District I

1625 N. French Dr., Hobbs, NM 88240 District II

1301 W. Grand Avenue, Artesia, NM 88210

State of New Mexico Energy, Minerals & Natural Resources

Form C-104 Revised June 10, 2003

Submit to Appropriate District Office District III Oil Conservation Division 1000 Rio Brazos Rd., Aztec, NM 87410 5 Copies 1220 South St. Francis Dr. District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Santa Fe, NM 87505 ☐ AMENDED REPORT REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT ² OGRID Number Operator name and Address Chesapeake Operating Inc. Reason for Filing Code/ Effective Date RT 4/02/06 (1800) P. O. Box 11050 Midland, TX 79702-8050 ⁴ API Number 6 Pool Code Pool Name 30 -025-37541 High Plains Permo; Upper Penn 31055 ⁷ Property Code **35210** Property Name Lagos 22 State ⁹ Well Number II. 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 22 **14S** 660 South 1980 West **Bottom Hole Location** Section Feet from the North/South line Feet from the East/West line County UL or lot no. Township Range 1980 **14S** South West Lea 12 Lse Code 13 Producing Method ¹⁶ C-129 Effective Date ¹⁷ C-129 Expiration Date Gas Connection ¹⁵ C-129 Permit Number Date Code pumping III. Oil and Gas Transporters ²⁰ POD 18 Transporter 21 O/G ²² POD ULSTR Location ¹⁹ Transporter Name and Description **OGRID** and Address Targa Gas Oil **Teppco** IV. Produced Water ²⁴ POD ULSTR Location and Description V. Well Completion Data

25 Spud Date

26 Ready Date 25 Spud Date ²⁷ TD ²⁸ PBTD ²⁹ Perforations 30 DHC, MC 10398 - 10528 04/02/2006 10650 02/06/2006 33 Depth Set 34 Sacks Cement 31 Hole Size 32 Casing & Tubing Size 348' 340 17 1/2 13 3/8 4550 1650 8 7/8 11 1250 10650 7 7/8 5 1/2 VI. Well Test Data ³⁷ Test Date 38 Test Length 39 Tbg. Pressure 40 Csg. Pressure 35 Date New Oil ³⁶ Gas Delivery Date 45 AOF 44 Gas 46 Test Method 43 Water 41 Choke Size ⁴² Oil OIL CONSERVATION DIVISION ⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Approved by: Signature Printed name:
Brenda Coffman Title: PETROLEUM ENGINEER Approval Date: Title: Regulatory Analyst APR 1 7 2006 E-mail Address: bcoffman@chkenergy.com Phone: (432)687-2992 Date: 04/12/2006

Sent: Mon 4/17/2006 8:52 AM

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

Mull, Donna, EMNRD

From:

Phillips, Dorothy, EMNRD

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