

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

Form C-103

May 27, 2004

<p>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.)</p>		<p>WELL API NO. 30-025-37855</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/></p>
<p>2. Name of Operator Chesapeake Operating Inc.</p>		<p>6. State Oil & Gas Lease No.</p>
<p>3. Address of Operator P. O. Box 11050 Midland, TX 79702-8050</p>		<p>7. Lease Name or Unit Agreement Name Hugh</p>
<p>4. Well Location Unit Letter D : 990 feet from the North line and 245 feet from the West line Section 14 Township 22S Range 37E NMPM County Lea</p>		<p>8. Well Number 17</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3375 GR</p>		<p>9. OGRID Number 147179</p>
<p>Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/></p>		<p>10. Pool name or Wildcat Penrose Skelly; Grayburg</p>
<p>Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____</p>		
<p>Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____</p>		

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:

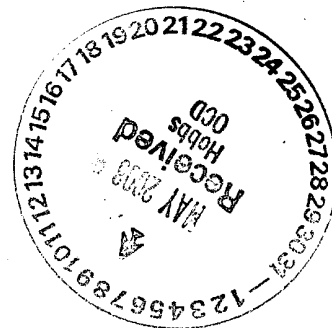
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Change location ☒

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.

Please, change the surface location from 990' FNL and 245' FWL to 1129' FNL and 782' FWL with a bottom hole location of 990' FNL & 330' FWL. A plat showing both the surface location and bottom hole location is 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 NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Brenda Coffman

TITLE Regulatory Analyst

DATE 05/05/2006

Type or print name Brenda Coffman
For State Use Only

E-mail address: bcoffman@chkenergy.com

Telephone No. (432)687-2992

APPROVED BY: [Signature]

TITLE _____

PETROLEUM ENGINEER

DATE MAY 08 2006

Conditions of Approval (if any): _____

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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-37855	Pool Code 50350	Pool Name Penrose Skelly, Grayburg
Property Code 301470	Property Name CHESAPEAKE HUGH	Well Number 17
OGRID No. 147179	Operator Name CHESAPEAKE OPERATING, INC.	Elevation 3364'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	14	22-S	37-E		1129	NORTH	782	WEST	LEA

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
D	14	22-S	37-E		990	NORTH	330	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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

	<p>BOTTOM HOLE Y=509944.1 N X=868076.4 E</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Brenda Coffman</i> 5-06 Signature Date Brenda Coffman Printed Name Regulatory Analyst</p>	
	<p>GEODETIC COORDINATES NAD 27 NME SURFACE Y=509810.9 N X=868530.5 E</p>		<p>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>GARY G. EIDSON APRIL 10, 2006 Date Surveyed Signature & Seal of Professional Surveyor 12641 06.11.0632</p>
	<p>LAT.=32.395928° N LONG.=103.139383° W</p>		<p>Certificate No. GARY EIDSON 12641</p>



INTEQ

2105 market Street Midland, TX 79703 Ph. (432)694-9517 Fax. (432)694-5648

Directional/Horizontal Plan Report

Chesapeake Operating Inc.

Hugh #17

Lea County, NM

Plan #1



**Prepared By Oscar Gomez
Friday, May 05, 2006**

CHESAPEAKE OPERATING, INC.
 Hugh #17, slot #1
 UNKNOWN, LEA COUNTY, NEW MEXICO

PROPOSAL LISTING Page 1
 Your ref : Plan 1
 Last revised : 5-May-2006

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S	Dogleg Deg/100ft	Vert Sect
0.00	0.00	89.99	0.00	0.00 N 0.00 E	0.00	0.00
500.00	0.00	89.99	500.00	0.00 N 0.00 E	0.00	0.00
1000.00	0.00	89.99	1000.00	0.00 N 0.00 E	0.00	0.00
1500.00	0.00	89.99	1500.00	0.00 N 0.00 E	0.00	0.00
2000.00	0.00	89.99	2000.00	0.00 N 0.00 E	0.00	0.00
2400.00	0.00	89.99	2400.00	0.00 N 0.00 E	0.00	0.00 KOP
2500.00	3.00	90.00	2499.95	0.00 N 2.62 E	3.00	2.62
2600.00	6.00	90.00	2599.63	0.00 N 10.46 E	3.00	10.46
2651.06	7.53	90.00	2650.34	0.00 N 16.48 E	3.00	16.48
2922.38	7.53	90.00	2919.32	0.00 N 52.04 E	0.00	52.04
2924.51	7.50	90.00	2921.43	0.00 N 52.32 E	1.50	52.32
3024.51	6.00	90.00	3020.73	0.00 N 64.08 E	1.50	64.08
3124.51	4.50	90.00	3120.31	0.00 N 73.23 E	1.50	73.23
3224.51	3.00	90.00	3220.09	0.00 N 79.77 E	1.50	79.77
3324.51	1.50	90.00	3320.01	0.00 N 83.69 E	1.50	83.69
3424.51	0.00	90.00	3420.00	0.00 N 85.00 E	1.50	85.00 TGT 1
3500.00	0.00	90.00	3495.49	0.00 N 85.00 E	0.00	85.00
4000.00	0.00	90.00	3995.49	0.00 N 85.00 E	0.00	85.00
4384.51	0.00	90.00	4380.00	0.00 N 85.00 E	0.00	85.00 TD

All data is in feet unless otherwise stated.
 Coordinates from slot #1 and TVD from rotary table.
 Bottom hole distance is 85.00 on azimuth 90.00 degrees from wellhead.
 Vertical section is from wellhead on azimuth 90.00 degrees.
 Calculation uses the minimum curvature method.
 Presented by Baker Hughes INTEQ

CHESAPEAKE OPERATING, INC.
Hugh #17, slot #1
UNKNOWN, LEA COUNTY, NEW MEXICO

PROPOSAL LISTING Page 2
Your ref : Plan 1
Last revised : 5-May-2006

Comments in wellpath				
MD	TVD	Rectangular Coords.		Comment
2400.00	2400.00	0.00 N	0.00 E	KOP
3424.51	3420.00	0.00 N	85.00 E	TGT 1
4384.51	4380.00	0.00 N	85.00 E	TD

Targets associated with this wellpath				
Target name	Geographic Location	T.V.D.	Rectangular Coordinates	Revised
TGT 1		3420.00	0.00N 85.00E	5-May-2006



INTEQ

CHESAPEAKE OPERATING, INC.	
Structure : Hugh #17	Slot : slot #1
Field : UNKNOWN	Location : LEA COUNTY, NEW MEXICO

