

OCD-HOBBS

J-06-20

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

5. Lease Serial No.  
NMNM 110843

6. If Indian, Allottee or Tribe Name

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator  
CHESAPEAKE OPERATING, INC. ATTN: LINDA GOOD

3a. Address P.O. BOX 18496, OKLAHOMA CITY, OK  
73154-0496

3b. Phone No. (include area code)  
405-767-4275

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

8. Lease Name and Well No.  
YOUNG 11 FEDERAL 4

9. API Well No.

30-025-38104

10. Field and Pool, or Exploratory  
BRONCO Wolfcamp

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

At surface 270 FNL 228 FWL, NWNW

At proposed prod. zone 523 FNL 679 FWL, NWNW

Unit D Subject to  
Like Approval  
By State

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

11-13S-38E

14. Distance in miles and direction from nearest town or post office\*  
APPROXIMATELY 14 MILES ESE OF TATUM, NM.

12. County or Parish  
LEA

13. State  
NM

15. 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  
266.610

17. Spacing Unit dedicated to this well  
40

18. Distance from proposed location\*  
to nearest well, drilling, completed,  
applied for, on this lease, ft.

19. Proposed Depth  
9300

20. BLM/BIA Bond No. on file  
NM2634

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
GR 3808 KB 3825 EST.

22. Approximate date work will start\*

23. Estimated duration

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

Name (Printed/Typed)  
HENRY HOOD

Date

7/9/06

Title

SR. VICE PRESIDENT - LAND & LEGAL & GENERAL COUNSEL

Approved by (Signature)

/s/ Don Peterson

Name (Printed/Typed)

/s/ Don Peterson

Date

AUG 02 2006

ACTING

Title

FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

Application approval 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.

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.

\*(Instructions on page 2)

Witness Surface Casting

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

CONFIDENTIAL

KE

DISTRICT I  
1625 N. FRENCH DR., BOBBS, 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 <b>30-025-38104</b>	Pool Code <b>7600</b>	Pool Name <b>Wheat Bronco Wolfcamp</b>
Property Code <b>34549</b>	Property Name <b>YOUNG 11 FEDERAL</b>	Well Number <b>4</b>
OGRID No. <b>147179</b>	Operator Name <b>CHESAPEAKE OPERATING, INC.</b>	Elevation <b>3809'</b>

Surface Location

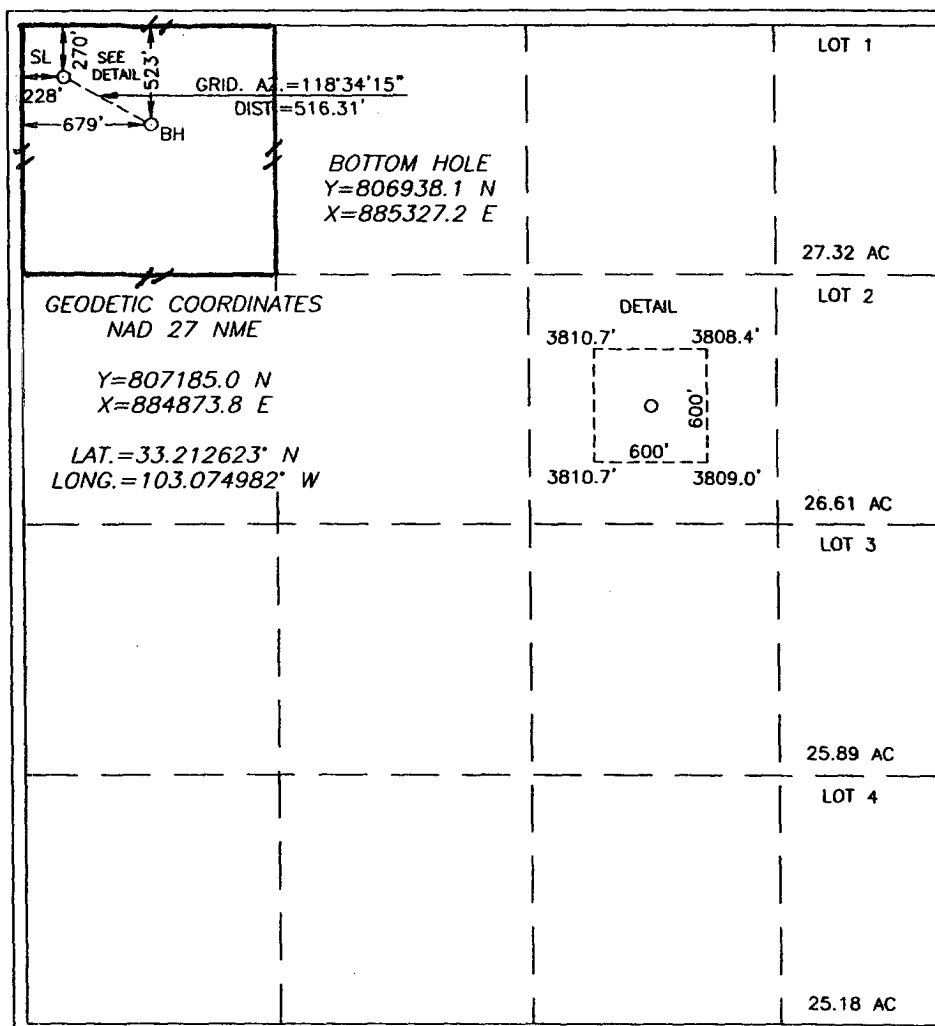
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	11	13-S	38-E		270	NORTH	228	WEST	LEA

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	11	13-S	38-E		523	NORTH	679	WEST	LEA

Dedicated Acres <b>40</b>	Joint or Infill	Consolidation Code	Order No.
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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



OPERATOR CERTIFICATION

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.

*Lynda F. Townsend*  
Signature Date  
**Lynda F. Townsend**  
Printed Name

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.

MAY 24, 2006

Date Surveyed MR  
Signature & Seal of  
Professional Surveyor

*Gary E. Edson*  
06.11.0879

Certificate No. GARY EDSON 12641

EXHIBIT A-1

Chesapeake Operating Inc.  
Young 11 Federal 4  
SHL: 270 FNL 228 FWL, NMNW  
BHL: 523 FNL 679 FWL, NWNW  
of Section 11-13S-38E  
Lea County, NM

Confidential – Tight Hole  
Lease No. NMNM 110843

**#24 Attachment to Application for Permit to Drill or Re-enter**

Chesapeake Operating, Inc. respectfully requests permission to drill a well to 9300' to test the Burrus Pay. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and New Mexico Oil Conservation Division requirements.

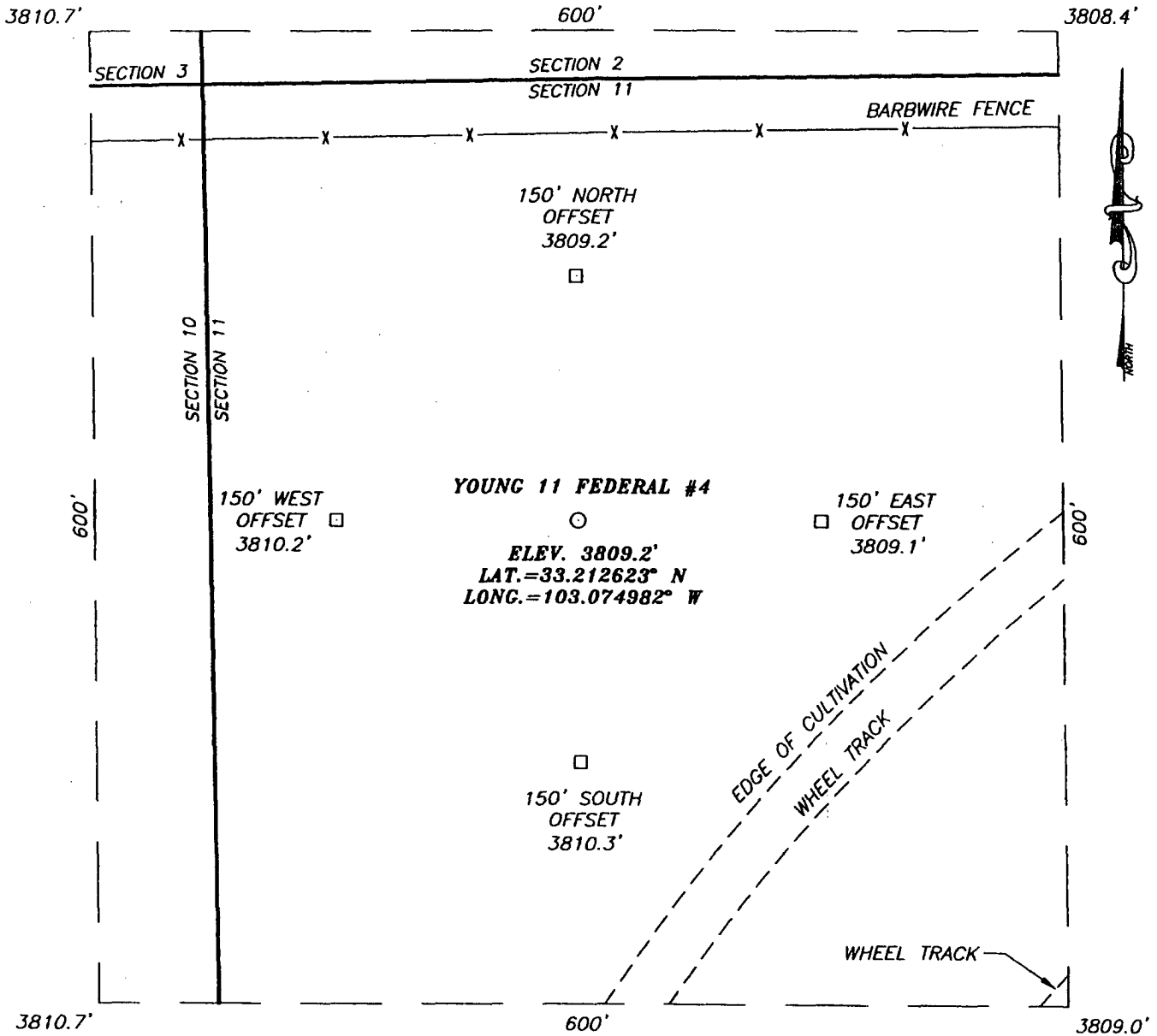
Please find the Surface Use Plan and Drilling Plan as required by Onshore Order No. 1.

Exhibit E Archeological Survey to follow

**Chesapeake Operating, Inc. has an agreement with the surface owner.**

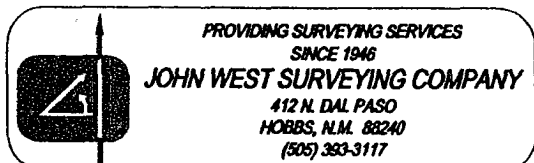
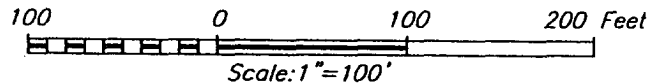
**Please be advised that Chesapeake Operating, Inc. is considered to be the Operator of the above mentioned well. Chesapeake Operating, Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.**

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



**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF U.S. HWY. #380 AND ST. HWY. #769 (STATE LINE RD.), GO SOUTH ON ST. HWY. #769 APPROX. 3.0 MILES. TURN RIGHT AND GO WEST APPROX. 0.9 MILES. THIS LOCATION IS APPROX. 270 FEET SOUTH.

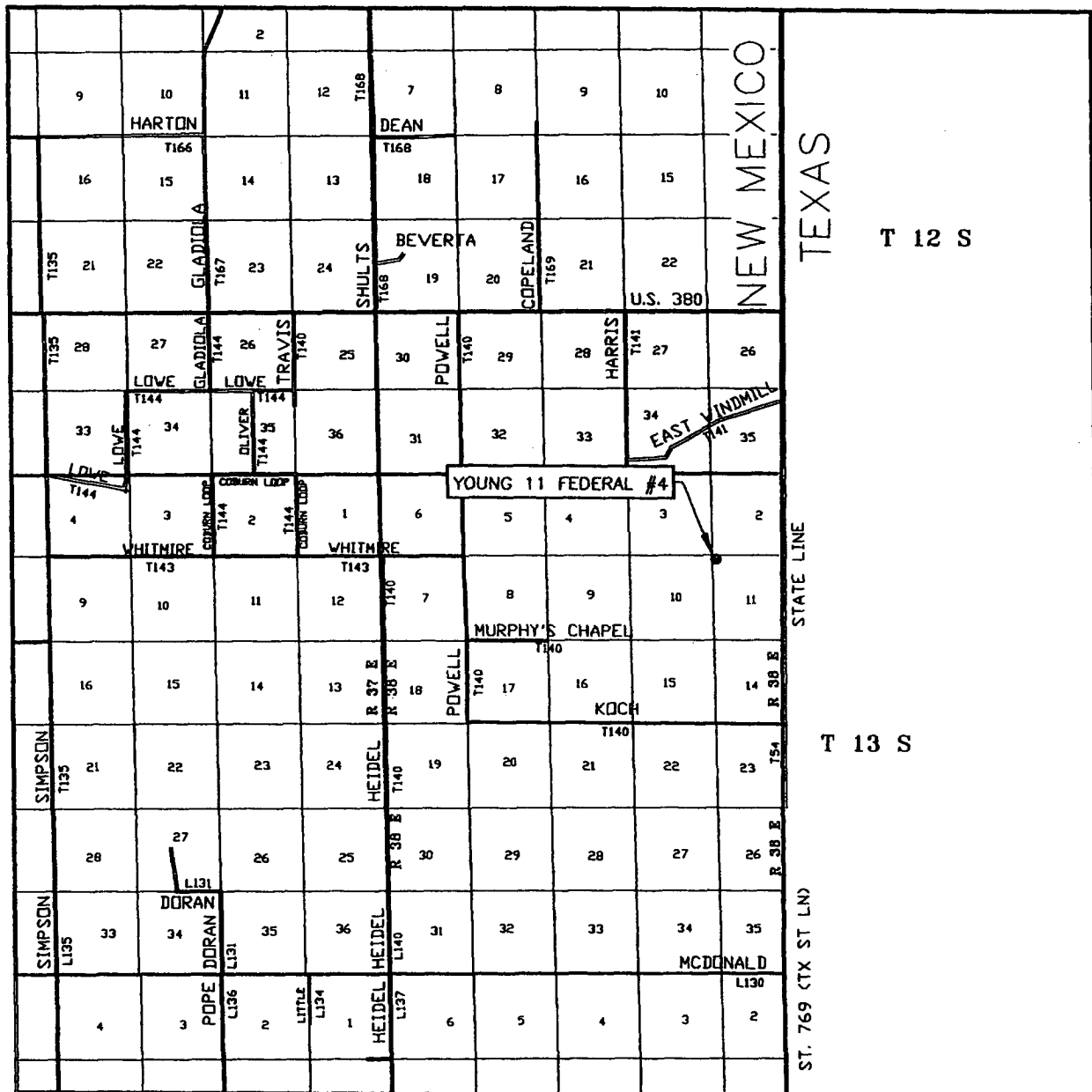


**CHESAPEAKE OPERATING, INC.**

YOUNG 11 FEDERAL #4  
 LOCATED 270 FEET FROM THE NORTH LINE  
 AND 228 FEET FROM THE WEST LINE OF SECTION 11,  
 TOWNSHIP 13 SOUTH, RANGE 38 EAST, N.M.P.M.,  
 LEA COUNTY, NEW MEXICO.

Survey Date: 05/24/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.0879	Dr By: M.R.
Date: 05/26/06	Rev 1: N/A
Disk: CD#6	06110879
Scale: 1"=100'	

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 11 TWP. 13-S RGE. 38-E  
 SURVEY N.M.P.M.  
 COUNTY LEA STATE NEW MEXICO  
 DESCRIPTION 270' FNL & 228' FWL  
 ELEVATION 3809'  
 OPERATOR CHESAPEAKE OPERATING, INC.  
 LEASE YOUNG 11 FEDERAL

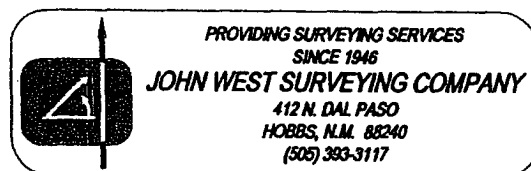
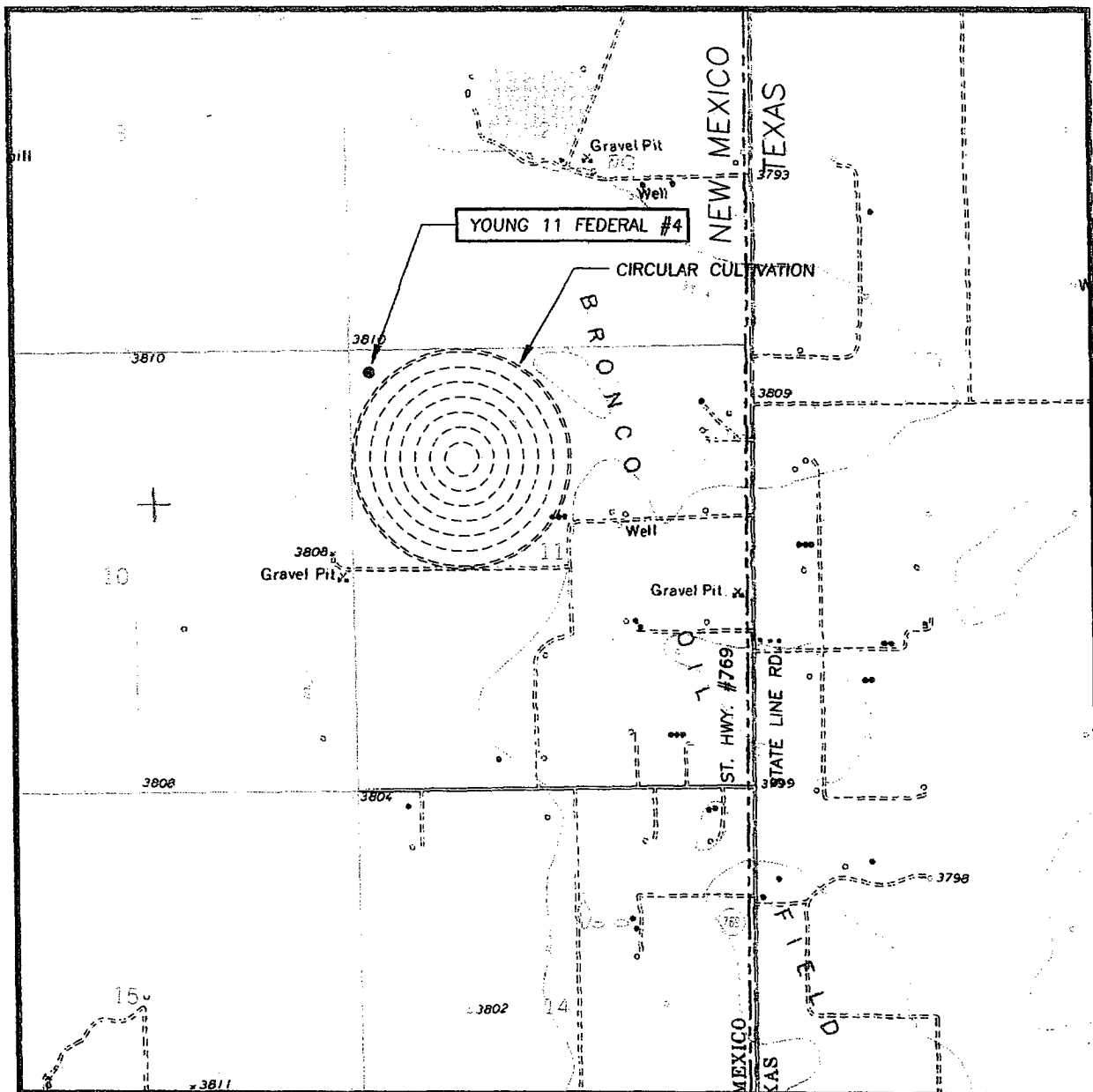


EXHIBIT A-3

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
PRAIRIEVIEW NE, N.M. - 5'

SEC. 11 TWP. 13-S RGE. 38-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 270' FNL & 228' FWL

ELEVATION 3809'

OPERATOR CHESAPEAKE  
OPERATING, INC.

LEASE YOUNG 11 FEDERAL

U.S.G.S. TOPOGRAPHIC MAP  
PRAIRIEVIEW NE, N.M.

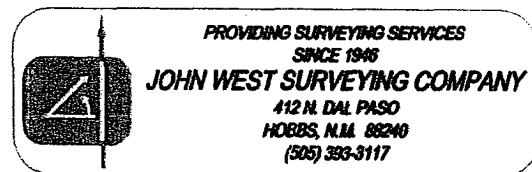
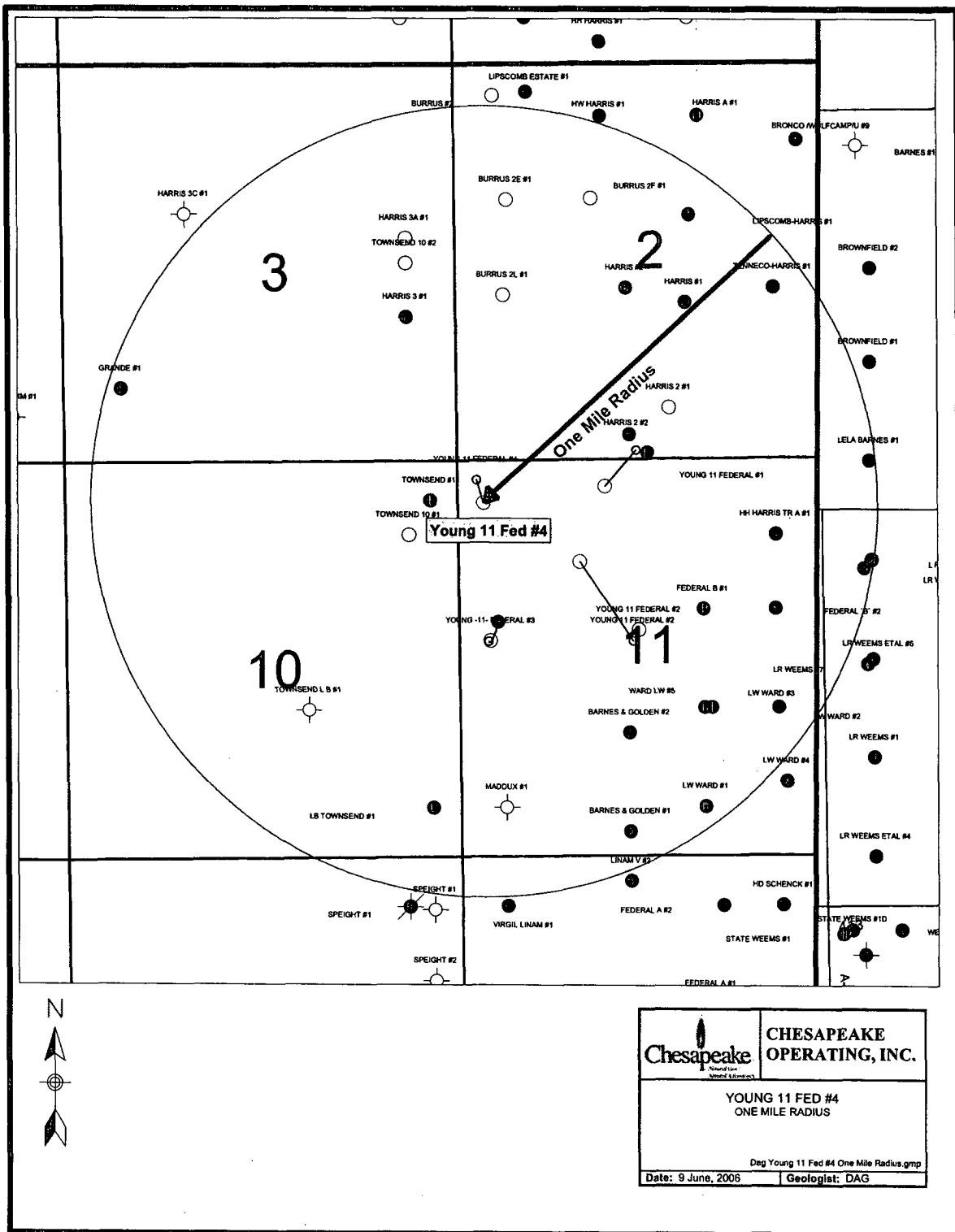


EXHIBIT A-4



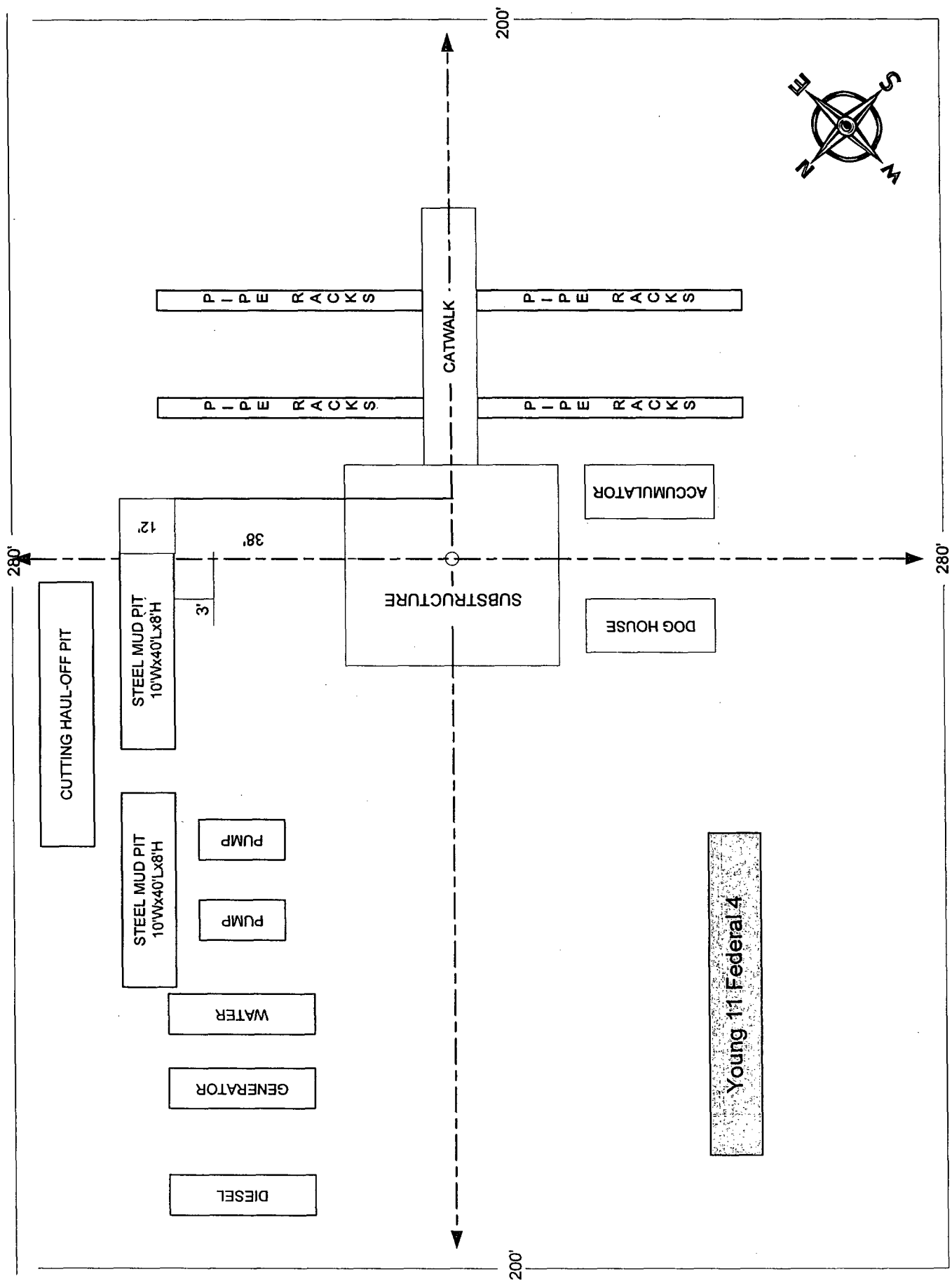
Road to Location

Flow line to Battery

Well  
Head

Young 11 Fed #4





PATTERSON RIG #504

Young 11 Federal 4

# BLOWOUT PREVENTOR SCHEMATIC

CHESAPEAKE OPERATING INC

WELL : Young 11 Federal #4

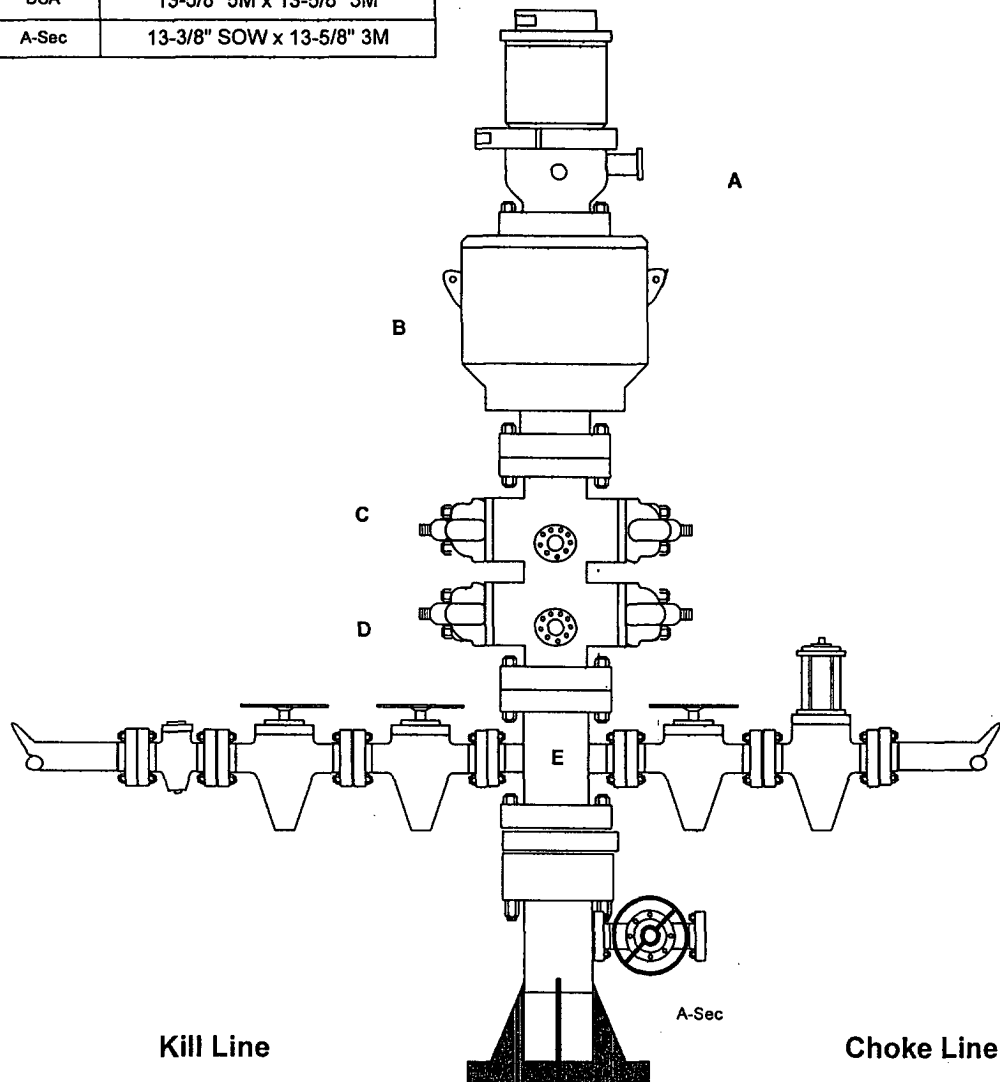
RIG : Patterson 504

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"	5,000#	Annular
C	13-5/8"	5,000#	Pipe Rams
D	13-5/8"	5,000#	Blind Rams
E	13-5/8"	5,000#	Mud Cross
DSA	13-5/8" 5M x 13-5/8" 3M		
A-Sec	13-3/8" 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

# BLOWOUT PREVENTOR SCHEMATIC

CHESAPEAKE OPERATING INC

WELL : Young 11 Federal #4

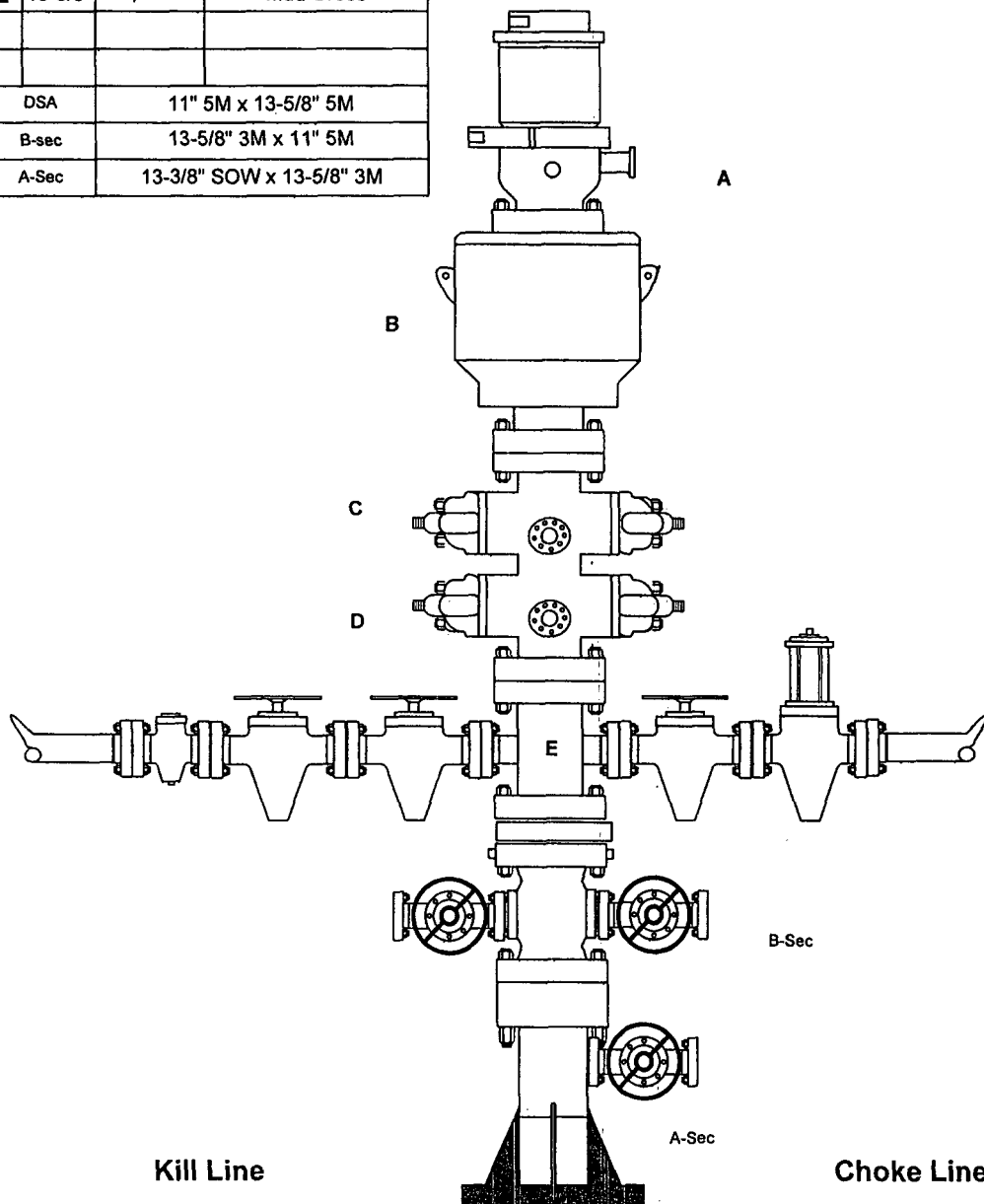
RIG

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"	5,000#	Annular
C	13-5/8"	5,000#	Pipe Rams
D	13-5/8"	5,000#	Blind Rams
E	13-5/8"	5,000#	Mud Cross
	DSA	11" 5M x 13-5/8" 5M	
	B-sec	13-5/8" 3M x 11" 5M	
	A-Sec	13-3/8" 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

# **Permian District**

**NM - Lea - Burrus Prospect**

**Young 11 Fed #4**

**Well #1**

**Wellbore #1**

**Plan: Plan #1**

## **Survey Report - Geographic**

**21 June, 2006**

# Chesapeake Energy Corporation

## Survey Report - Geographic

Company:	Permian District	Local Co-ordinate Reference:	Site Young 11 Fed #4
Project:	NM - Lea - Burnus Prospect	TVD Reference:	Kelly bushing @ 3828.0ft (KB)
Site:	Young 11 Fed #4	MD Reference:	Kelly bushing @ 3828.0ft (KB)
Well:	Well #1	North Reference:	True
Wellbore:	Wellbore #1	Survey Calculation Method:	Minimum Curvature
Design:	Plan #1	Database:	Drilling Database

Project:	NM - Lea - Burnus Prospect		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Ground Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site:	Young 11 Fed #4			
Site Position:		Northing:	807,186.33 ft	Latitude: 33.21262300
From:	Lat/Long	Easting:	884,875.76 ft	Longitude: -103.07498200
Position Uncertainty:	ft	Slot Radius:	"	Grid Convergence: 0.69 °

Well:	Well #1			
Well Position	+N/-S	0.0 ft	Northing:	807,186.33 ft
	+E/-W	0.0 ft	Easting:	884,875.76 ft
Position Uncertainty		ft	Wellhead Elevation:	10.0 ft
			Ground Level:	3,808.0 ft

Wellbore:	Wellbore #1				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (mT)
	IGRF200510	6/21/2006	8.02	61.32	49,786

Design:	Plan #1			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	3,828.0
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W	Direction
	(ft)	(ft)	(ft)	(°)
	0.0	0.0	0.0	119.25

Survey Tool Program	Date 6/21/2006			
From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description
3,828.0	9,332.8	Plan #1 (Wellbore #1)	MWD	correction

# Chesapeake Energy Corporation

## Survey Report - Geographic

Company	Permian District	Local Co-ordinate Reference	Site Young 11 Fed #4
Project	NM - Lea - Burrus Prospect	TVD Reference	Kelly bushing @ 3828.0ft (KB)
Site	Young 11 Fed #4	MD Reference	Kelly bushing @ 3828.0ft (KB)
Well	Well #1	North Reference	True
Wellbore	Wellbore #1	Survey Calculation Method	Minimum Curvature
Design	Plan #1	Database	Drilling Database

Planned Survey									
Measured Depth (m)	Inclination (°)	Azimuth (°)	Vertical Depth (m)	N/S (m)	E/W (m)	Map Northing (m)	Map Easting (m)	Latitude	Longitude
0.0	0.00	0.00	0.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
100.0	0.00	0.00	100.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
200.0	0.00	0.00	200.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
300.0	0.00	0.00	300.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
400.0	0.00	0.00	400.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
500.0	0.00	0.00	500.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
600.0	0.00	0.00	600.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
700.0	0.00	0.00	700.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
800.0	0.00	0.00	800.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
900.0	0.00	0.00	900.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
1,000.0	0.00	0.00	1,000.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
1,100.0	0.00	0.00	1,100.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
1,200.0	0.00	0.00	1,200.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
1,300.0	0.00	0.00	1,300.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
1,400.0	0.00	0.00	1,400.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
1,500.0	0.00	0.00	1,500.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
1,600.0	0.00	0.00	1,600.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
1,700.0	0.00	0.00	1,700.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
1,800.0	0.00	0.00	1,800.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
1,900.0	0.00	0.00	1,900.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
2,000.0	0.00	0.00	2,000.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
2,100.0	0.00	0.00	2,100.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
2,200.0	0.00	0.00	2,200.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
2,300.0	0.00	0.00	2,300.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
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2,500.0	0.00	0.00	2,500.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
2,600.0	0.00	0.00	2,600.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
2,700.0	0.00	0.00	2,700.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
2,800.0	0.00	0.00	2,800.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
2,900.0	0.00	0.00	2,900.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
3,000.0	0.00	0.00	3,000.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
3,100.0	0.00	0.00	3,100.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
3,200.0	0.00	0.00	3,200.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
3,300.0	0.00	0.00	3,300.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
3,400.0	0.00	0.00	3,400.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
3,500.0	0.00	0.00	3,500.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
3,600.0	0.00	0.00	3,600.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
3,700.0	0.00	0.00	3,700.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
3,800.0	0.00	0.00	3,800.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
3,900.0	0.00	0.00	3,900.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
4,000.0	0.00	0.00	4,000.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
4,100.0	0.00	0.00	4,100.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
4,200.0	0.00	0.00	4,200.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
4,300.0	0.00	0.00	4,300.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
4,400.0	0.00	0.00	4,400.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
4,500.0	0.00	0.00	4,500.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
4,600.0	0.00	0.00	4,600.0	0.0	0.0	807,186.33	884,875.76	33.21262300	-103.07498200
4,700.0	1.39	119.25	4,700.0	-0.6	1.1	807,185.75	884,876.83	33.21262137	-103.07497854
4,800.0	2.78	119.25	4,799.9	-2.4	4.2	807,184.01	884,880.03	33.21261648	-103.07496815
4,900.0	4.18	119.25	4,899.7	-5.3	9.5	807,181.11	884,885.36	33.21260833	-103.07495084
5,000.0	5.57	119.25	4,999.4	-9.5	16.9	807,177.05	884,892.82	33.21259693	-103.07492662
5,100.0	6.96	119.25	5,098.8	-14.8	26.5	807,171.84	884,902.40	33.21258228	-103.07489551
5,103.0	7.00	119.25	5,101.7	-15.0	26.8	807,171.66	884,902.71	33.21258180	-103.07489448
5,200.0	7.00	119.25	5,198.0	-20.8	37.1	807,166.01	884,913.10	33.21256592	-103.07486075
5,300.0	7.00	119.25	5,297.3	-26.7	47.7	807,160.18	884,923.80	33.21254955	-103.07482599

# Chesapeake Energy Corporation

## Survey Report - Geographic

Company	Permian District	Local Co-ordinate Reference	Site Young 11 Fed #4
Project	NM - Lea - Burrus Prospect	IVD Reference	Kelly bushing @ 3828.0ft (KB)
Site	Young 11 Fed #4	MB Reference	Kelly bushing @ 3828.0ft (KB)
Well	Well #1	North Reference	True
Wellbore	Wellbore #1	Survey Calculation Method	Minimum Curvature
Design	Plan #1	Database	Drilling Database

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	N/S (ft)	E/W (ft)	Map Northing (ft)	Map Easting (ft)	Latitude	Longitude
5,400.0	7.00	119.25	5,396.5	-32.7	58.4	807,154.36	884,934.51	33.21253319	-103.07479123
5,500.0	7.00	119.25	5,495.8	-38.6	69.0	807,148.53	884,945.21	33.21251682	-103.07475647
5,600.0	7.00	119.25	5,595.0	-44.6	79.6	807,142.70	884,955.92	33.21250046	-103.07472171
5,700.0	7.00	119.25	5,694.3	-50.5	90.3	807,136.88	884,966.62	33.21248410	-103.07468695
5,800.0	7.00	119.25	5,793.5	-56.5	100.9	807,131.05	884,977.32	33.21246773	-103.07465219
5,900.0	7.00	119.25	5,892.8	-62.5	111.5	807,125.22	884,988.03	33.21245137	-103.07461743
6,000.0	7.00	119.25	5,992.1	-68.4	122.2	807,119.40	884,998.73	33.21243500	-103.07458267
6,100.0	7.00	119.25	6,091.3	-74.4	132.8	807,113.57	885,009.44	33.21241864	-103.07454791
6,200.0	7.00	119.25	6,190.6	-80.3	143.4	807,107.75	885,020.14	33.21240227	-103.07451315
6,300.0	7.00	119.25	6,289.8	-86.3	154.1	807,101.92	885,030.84	33.21238591	-103.07447839
6,400.0	7.00	119.25	6,389.1	-92.2	164.7	807,096.09	885,041.55	33.21236955	-103.07444363
6,500.0	7.00	119.25	6,488.3	-98.2	175.3	807,090.27	885,052.25	33.21235318	-103.07440887
6,600.0	7.00	119.25	6,587.6	-104.1	186.0	807,084.44	885,062.95	33.21233682	-103.07437411
6,700.0	7.00	119.25	6,686.8	-110.1	196.6	807,078.61	885,073.66	33.21232045	-103.07433935
6,800.0	7.00	119.25	6,786.1	-116.0	207.2	807,072.79	885,084.36	33.21230409	-103.07430459
6,900.0	7.00	119.25	6,885.3	-122.0	217.9	807,066.96	885,095.07	33.21228772	-103.07426983
7,000.0	7.00	119.25	6,984.6	-128.0	228.5	807,061.13	885,105.77	33.21227136	-103.07423507
7,100.0	7.00	119.25	7,083.9	-133.9	239.1	807,055.31	885,116.47	33.21225499	-103.07420031
7,200.0	7.00	119.25	7,183.1	-139.9	249.8	807,049.48	885,127.18	33.21223863	-103.07416555
7,300.0	7.00	119.25	7,282.4	-145.8	260.4	807,043.65	885,137.88	33.21222226	-103.07413079
7,400.0	7.00	119.25	7,381.6	-151.8	271.0	807,037.83	885,148.59	33.21220590	-103.07409603
7,500.0	7.00	119.25	7,480.9	-157.7	281.6	807,032.00	885,159.29	33.21218954	-103.07406127
7,600.0	7.00	119.25	7,580.1	-163.7	292.3	807,026.17	885,169.99	33.21217317	-103.07402651
7,700.0	7.00	119.25	7,679.4	-169.6	302.9	807,020.35	885,180.70	33.21215681	-103.07399175
7,800.0	7.00	119.25	7,778.6	-175.6	313.5	807,014.52	885,191.40	33.21214044	-103.07395699
7,900.0	7.00	119.25	7,877.9	-181.6	324.2	807,008.70	885,202.11	33.21212408	-103.07392223
8,000.0	7.00	119.25	7,977.1	-187.5	334.8	807,002.87	885,212.81	33.21210771	-103.07388747
8,100.0	7.00	119.25	8,076.4	-193.5	345.4	806,997.04	885,223.51	33.21209135	-103.07385271
8,200.0	7.00	119.25	8,175.6	-199.4	356.1	806,991.22	885,234.22	33.21207498	-103.07381795
8,300.0	7.00	119.25	8,274.9	-205.4	366.7	806,985.39	885,244.92	33.21205862	-103.07378320
8,400.0	7.00	119.25	8,374.2	-211.3	377.3	806,979.56	885,255.63	33.21204225	-103.07374844
8,500.0	7.00	119.25	8,473.4	-217.3	388.0	806,973.74	885,266.33	33.21202589	-103.07371368
8,600.0	7.00	119.25	8,572.7	-223.2	398.6	806,967.91	885,277.03	33.21200953	-103.07367892
8,700.0	7.00	119.25	8,671.9	-229.2	409.2	806,962.08	885,287.74	33.21199316	-103.07364416
8,800.0	7.00	119.25	8,771.2	-235.1	419.9	806,956.26	885,298.44	33.21197680	-103.07360940
8,900.0	7.00	119.25	8,870.4	-241.1	430.5	806,950.43	885,309.14	33.21196043	-103.07357464
9,000.0	7.00	119.25	8,969.7	-247.1	441.1	806,944.60	885,319.85	33.21194407	-103.07353988
9,085.9	7.00	119.25	9,055.0	-252.2	450.3	806,939.60	885,329.05	33.21193000	-103.07351000
<b>Burrus Pay</b>									
9,100.0	7.00	119.25	9,068.9	-253.0	451.8	806,938.78	885,330.55	33.21192770	-103.07350512
9,200.0	7.00	119.25	9,168.2	-259.0	462.4	806,932.95	885,341.26	33.21191134	-103.07347036
9,300.0	7.00	119.25	9,267.4	-264.9	473.0	806,927.13	885,351.96	33.21189497	-103.07343560
9,332.8	7.00	119.25	9,300.0	-266.9	476.5	806,925.21	885,355.47	33.21188961	-103.07342420

# Chesapeake Energy Corporation

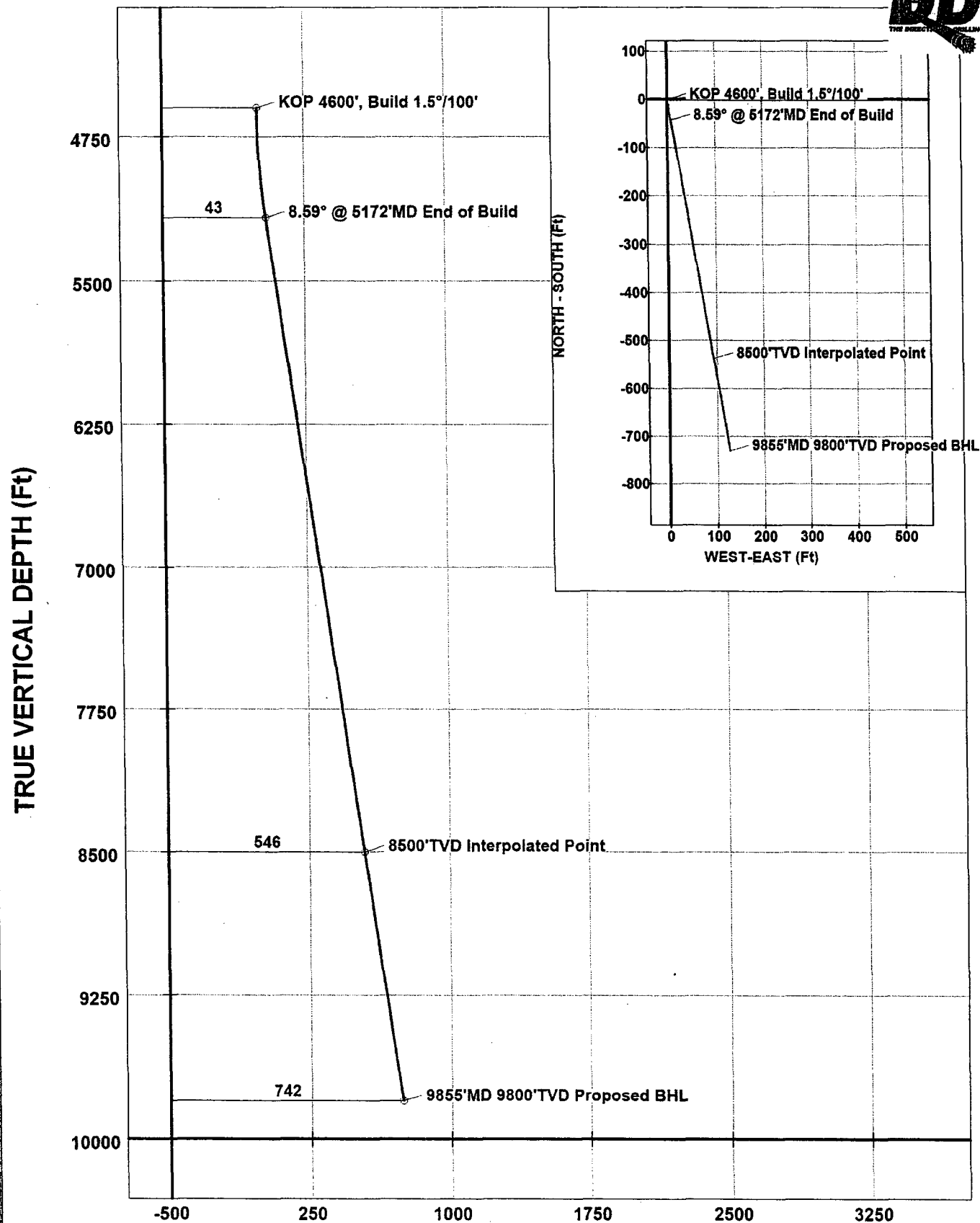
## Survey Report - Geographic

Company	Permian District	Local Co-ordinate Reference	Site Young 11 Fed #4
Project	NM - Lea - Burrus Prospect	TVD Reference	Kelly bushing @ 3828.0ft (KB)
Site	Young 11 Fed #4	MD Reference	Kelly bushing @ 3828.0ft (KB)
Well	Well #1	North Reference	True
Wellbore	Wellbore #1	Survey Calculation Method	Minimum Curvature
Design	Plan #1	Databases	Drilling Database

Targets									
Target Name	miss target	Dip Angle	Dip Dir	TVD	N/S	E/W	Northing	Easting	
Shape		(°)	(°)	(ft)	(ft)	(ft)	(ft)	(ft)	
Burrus Pay		0.00	0.00	9,055.0	-252.2	450.3	806,939.60	885,329.05	33.21193000
- plan hits target									-103.07351000
- Circle (radius 50.0)									

Checked By: \_\_\_\_\_ Approved By: \_\_\_\_\_ Date: \_\_\_\_\_





-- Preliminary Plan

VERTICAL SECTION (Ft) @ 170.14°

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

1. EXISTING ROADS

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

2. PLANNED ACCESS ROADS

- a. No turnouts are expected.
- b. In order to level the location, cut and fill will be required. Please see attached Well Location and Acreage Dedication Plat – Exhibit A1-A4.
- c. A locking gate will be installed at the site entrance.
- d. Any fences cut will be repaired. Cattle guards will be installed, if needed.
- e. 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.
- f. Driving directions are from the intersection of U.S. Hwy 380 and State Hwy 769 (State Line Rd). Go South on State Hwy #769 approx. 3.0 miles. Turn right and go West approx. 0.9 miles. This location is approx. 270 feet South.

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

4. LOCATION OF PRODUCTION FACILITIES

The Young 11 Federal 4 will produce to the central Young 11 battery connected to Targa. – See Exhibit C

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 11-13S-38E. All material (i.e. shale) will be acquired from private or commercial sources.

7. METHODS FOR HANDLING WASTE DISPOSAL

A closed system will be utilized consisting of above ground steel tanks. 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 the Patterson 504 rig plat with rig orientation and equipment location. See Exhibit D.

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 OWNERSHIP

Choya Young  
Rt 1, Box 35  
Plains, TX 79355  
806-592-1986

(Chesapeake Operating, Inc. has an agreement with the surface owner)

MINERAL OWNERSHIP:

United States of America  
Department of Interior  
Bureau of Land Management

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Chesapeake Operating, Inc.  
Young 11 Federal 4  
SHL: 270 FNL 228 FWL, NWNW  
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of Section 11-13S-38E  
Lea County, NM

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SURFACE USE PLAN

Page 3

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.

**Chesapeake Operating, Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.**

13. OPERATOR'S REPRESENTATIVES

**Drilling and Completion Operations**

Jarvis Hensley  
District Manager – Northern Permian  
P.O. Box 18496  
Oklahoma City, OK 73154  
(405) 879-7863 (OFFICE)  
(405) 879-9529 (FAX)  
[jhensley@chkenergy.com](mailto:jhensley@chkenergy.com)

**Drilling Engineer**

Casey McDonough  
P.O. Box 14896  
Oklahoma City, OK 73154  
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(405) 810-2795 (FAX)  
(405) 606-1482 (MOBILE)  
[cmcdonough@chkenergy.com](mailto:cmcdonough@chkenergy.com)

**Sr. Field Representative**

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**Assett Manager**

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[jfinnell@chkenergy.com](mailto:jfinnell@chkenergy.com)

**Regulatory Compliance**

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Regulatory Compliance Analyst  
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**Assett Manager**

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[amccalmont@chkenergy.com](mailto:amccalmont@chkenergy.com)

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Chesapeake Operating, Inc.  
Young 11 Federal 4  
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Lea County, NM

CONFIDENTIAL – TIGHT HOLE

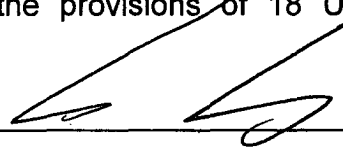
Lease No. NMNM 110843

SURFACE USE PLAN

Page 4

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:  \_\_\_\_\_

Date: 7 / 9 / 06

ONSHORE ORDER NO. 1  
Chesapeake Operating, Inc.  
Young 11 Federal 4  
SHL: 2282 FNL 2402 FWL, SE NW  
BHL: 1674 FNL 1690 FWL, SE NW  
of Section 11-13S-38E  
Lea County, New Mexico

CONFIDENTIAL – TIGHT HOLE  
Lease Contract No. NMNM 110843

DRILLING PROGRAM

Page 1

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

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	2300'	1525
Yates	3130'	695
Seven Rivers	3395'	430
Grayburg	4310'	-485
San Andres	4565'	-740
Glorieta	6005'	-2180
Clearfork Upper	6625'	-2800
Tubb	7225'	-3400
Clearfork Lower	7340'	-3515
Abo Shale	7900'	-4075
*Burrus Pay	9055'	-5230
Wolfcamp Lime	9125'	-5300
TD	9300'	
*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:

ONSHORE ORDER NO. 1  
Chesapeake Operating, Inc.  
Young 11 Federal 4  
SHL: 2282 FNL 2402 FWL, SE NW  
BHL: 1674 FNL 1690 FWL, SE NW  
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Lea County, New Mexico

CONFIDENTIAL – TIGHT HOLE  
Lease Contract No. NMNM 110843

DRILLING PROGRAM

Page 2

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Wolfcamp (Burrus Pay)	9055'

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

3. BOP EQUIPMENT: 5,000# 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.

D. Test Duration

DRILLING PROGRAM

Page 3

1. In each case, the individual components should be monitored for leaks for 5 minutes, with no observable pressure decline, once the test pressure as 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:

3.

System Operating Pressures

Precharge Pressure

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.
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



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Lea County, New Mexico  
pressures:

CONFIDENTIAL – TIGHT HOLE  
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DRILLING PROGRAM

Page 4

System Pressure

1,500 PSI  
2,000 PSI  
3,000 PSI

Remaining Pressure At Conclusion of  
Test

950 PSI  
1,200 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 – TVD</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' – 9,815'	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:

<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

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Lea County, New Mexico

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DRILLING PROGRAM

Page 5

A closed system will be utilized consisting of above ground steel tanks. 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.

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:

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

7. ABNORMAL PRESSURES AND HYDROGEN SULFIDE

- a. The estimated bottom hole pressure is 3400 psi. No abnormal pressures or temperatures are anticipated.
- b. Hydrogen sulfide gas is not anticipated.

## CONDITIONS OF APPROVAL - DRILLING

**Operator's Name:** CHESAPEAKE OPERATING, INC.  
**Well Name & No.** 4 - YOUNG 11 FEDERAL  
**Location:** 270' FNL & 228' FWL - SEC 11 - T13S - R38E - LEA COUNTY - SHL  
523' FNL & 679' FWL - SEC 11 - T13S - R38E - LEA COUNTY - BHL  
**Lease:** NM-110843

### I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell NM 88201, (505) 627-0272 for wells in Chaves and Roosevelt Counties; the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 234-5909 or (505) 361-2822 (After hours) - for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

A. Spudding

B. Cementing casing: 13-3/8 inch 8-5/8 inch 5-1/2 inch

C. BOP tests

2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

3. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

4. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

### II. CASING:

1. The 13-3/8 inch surface casing shall be set at 430 feet, below usable water and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.

2. The minimum required fill of cement behind the 8-5/8 inch intermediate casing is circulate cement to the surface.

4. The minimum required fill of cement behind the 5-1/2 inch production casing is cement shall extend upward a minimum of 500 feet above the uppermost hydrocarbon bearing interval.

### **III. PRESSURE CONTROL:**

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 13-3/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.
2. Minimum working pressure of the blowout preventer and related equipment (BOPE) required for drilling the surface and intermediate casing shall be 2000 psi. Minimum working pressure of the blowout preventer and related equipment (BOPE) required for drilling below the 8-5/8 inch casing shall be 3000 psi.
3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.
  - The tests shall be done by an independent service company.
  - The results of the test shall be reported to the appropriate BLM office.
  - Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
  - Testing must be done in a safe workman-like manner. Hard line connections shall be required.
  - BOPE must be tested prior to drilling into the Wolfcamp Formation by an independent service company.

### **IV. DRILLING MUD:**

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp Formation, and shall be used until production casing is run and cemented. Monitoring equipment shall consist of the following:

1. Recording pit level indicator to indicate volume gains and losses.
2. Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
3. Flow-sensor on the flow line to warn of abnormal mud returns from the well.

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-144  
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

### Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☐

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☐

Operator: <u>Chesapeake Operating Inc.</u> Telephone: <u>(432)687-2992</u> e-mail address: <u>bcoffman@chkenergy.com</u>																														
Address: <u>P. O. Box 11050 Midland, TX 79702-8050</u>																														
Facility or well name: <u>Young 11 Federal #24</u> API#: <u>30-025-38104</u> U/L or Qtr/Qtr <u>D</u> Sec <u>11</u> T <u>13S</u> R <u>38E</u>																														
County: <u>Lea</u> Latitude _____ Longitude _____ NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/> Surface Owner Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>																														
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**If this is a pit closure:** (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility \_\_\_\_\_ (3) Attach a general description of remedial action taken including remediation start date and end date (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

We will use a closed loop system.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described 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 ☐.

Date: 08/14/2006

Printed Name/Title Brenda Coffman Regulatory Analyst

Signature

*Brenda Coffman*

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title

Signature

*[Signature]*

Date:

AUG 30 2006

PETROLEUM ENGINEER