

District I
1625 N French Dr., Hobbs, NM 88240
Phone (505) 393-6161 Fax (505) 393-0720

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 57699

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

1 Operator Name and Address CHESAPEAKE OPERATING, INC. P. O. BOX 18496 OKLAHOMA CITY, OK 731540496		2 OGRID Number 147179 ✓
4 Property Code 36616		3 API Number 30-005-27959
5 Property Name LAURALEA 26 STATE COM		6 Well No 001

7. Surface Location

UL - Lot D	Section 26	Township 11S	Range 31E	Lot Idn D	Feet From 660	N/S Line N	Feet From 660	E/W Line W	County CHAVES ✓
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8. Pool Information

TV; Penn (Gas)	0
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Additional Well Information

9 Work Type New Well	10 Well Type GAS	11 Cable/Rotary	12. Lease Type State ✓	13. Ground Level Elevation 4452
14 Multiple N	15. Proposed Depth 11300	16 Formation Pennsylvanian	17 Contractor	18 Spud Date 7/25/2007
Depth to Ground water 75		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit. Liner Synthetic <input checked="" type="checkbox"/> 12 _____ mils thick Clay <input type="checkbox"/> Pit Volume 12129 bbls Drilling Method Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	375	460	0
Int1	11	8.625	32	3550	800	375
Prod	7.875	5.5	17	11300	950	9000

Casing/Cement Program: Additional Comments

13 3/8 surf csg set @ 375 w/300 sx Cl C + 2% CaCl + 4% gel, tail in w/160 sx Cl C + 2% CaCl, 1.74 yld, 8 5/8 inter csg set @ 3550 w/650 sx 50:50 Poz C + .25 pps cello flake + 5% NaCl, tail in w/150 sx CL C + 1% CaCl, 2.00 yld, 5 1/2 prod csg set @ 11300 w/700 sx LW Cl H + .25 pps cello flake, tail in w/250 sx LW Prem H + .5% FLA + .4% dispersant + 1 pps salt + .1% retarder + .25 pps defoamer, 2.45 yld.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	3000	
DoubleRam	5000	5000	

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 ☒ as a general permit or an (attached) alternative OCD-approved plan ☐

Printed Name: Shay Stricklin

Title: Regulatory Tech.

Email Address: sstricklin@chkenenergy.com

OIL CONSERVATION DIVISION

Approved By:

Title: **OC DISTRICT SUPERVISOR/GENERAL MANAGER**

Approved Date: **JUL 24 2007**

Expiration Date:

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

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 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 57699

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-005-27959	2 Pool Code 86560	3 Pool Name TV; Penn (Gas) ✓
4 Property Code 36616	5 Property Name LAURALEA 26 STATE COM	6 Well No 001
7 OGRID No 147179	8 Operator Name CHESAPEAKE OPERATING, INC.	9. Elevation 4452


10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	26	11S	31E		660	N	660	W	CHAVES

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12 Dedicated Acres 320.00 ✓	13 Joint or Infill	14. Consolidation Code	15 Order No						

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 align="center">OPERATOR CERTIFICATION</p> <p><i>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(s) 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</i></p> <p align="right"><i>[Signature]</i></p> <p>E-Signed By: Shay Stricklin Title: Regulatory Tech Date: 7-20-07</p>
	<p align="center">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Gary Eidson Date of Survey: 7/16/2007 Certificate Number: 12641</p>