

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

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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 Chesapeake Operating Inc. 2010 Rankin Hwy Midland, TX 79701		² OGRID Number 147179
³ Property Code 32759 300164		⁴ API Number 30-025-36391
⁵ Property Name Hornet State	⁶ Well No. 1	
⁹ Proposed Pool 1 Airstrip; Bone Spring, SW		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no D	Section 3	Township 19S	Range 34E	Lot Idn	Feet from the 760	North/South line North	Feet from the 660	East/Westline West	County Lea
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8 Proposed Bottom Hole Location If Different From Surface

UL or lot no D	Section 3	Township 19S	Range 34E	Lot Idn	Feet from the 760	North/South line North	Feet from the 660	East/Westline West	County Lea
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Additional Well Information

¹¹ Work Type Code PB	¹² Well Type Code O	¹³ Cable/Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4002 GR
¹⁶ Multiple N	¹⁷ Proposed Depth 13800	¹⁸ Formation Bone Spring	¹⁹ Contractor	²⁰ Spud Date 09/10/2007
Depth to Groundwater 110		Distance from nearest fresh water well 1000		Distance from nearest surface water 1000
Pit: Liner Synthetic <input checked="" type="checkbox"/> 12 mil 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"/>				

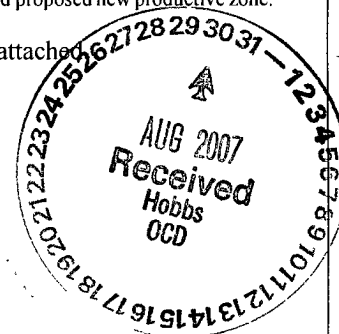
21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2	13 3/8	48	910	800 sx CL C	
12 1/4	8 5/8	32	5174	2150 sx CL C	
7 7/8	5 1/2	17.5	13800	1950 sx Poz H	

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.
Chesapeake, respectfully, request permission to recomplete this well in the Bone Spring formation per the attached

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

Plugback



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 <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input checked="" type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: Shay Stricklin		Approved by: <i>Chin Williams</i>	
Title: Regulatory Tech.		Title: DISTRICT SUPERVISOR / GENERAL MANAGER	
E-mail Address: sstricklin@chkenergy.com		Approval Date: OCT 01 2007 Expiration Date:	
Date: 08/29/2007	Phone: (432)687-2992	Conditions of Approval Attached <input type="checkbox"/>	



Current Wellbore Schematic

HORNET STATE 1

Field: LARICA MORROW EAST
County: LEA
State: NEW MEXICO
Elevation: GL 4,002.00 KB 4,023.00
KB Height: 21.00

Spud Date: 9/13/2003
Initial Compl. Date:
API #: 3002536391
CHK Property #: 890673
1st Prod Date:
PBD: Original Hole - 13365.0
TD: 13,800.0

Location: 760.0 ft FNL & 660.0 ft FWL, Section 33 <8196y0145e7>

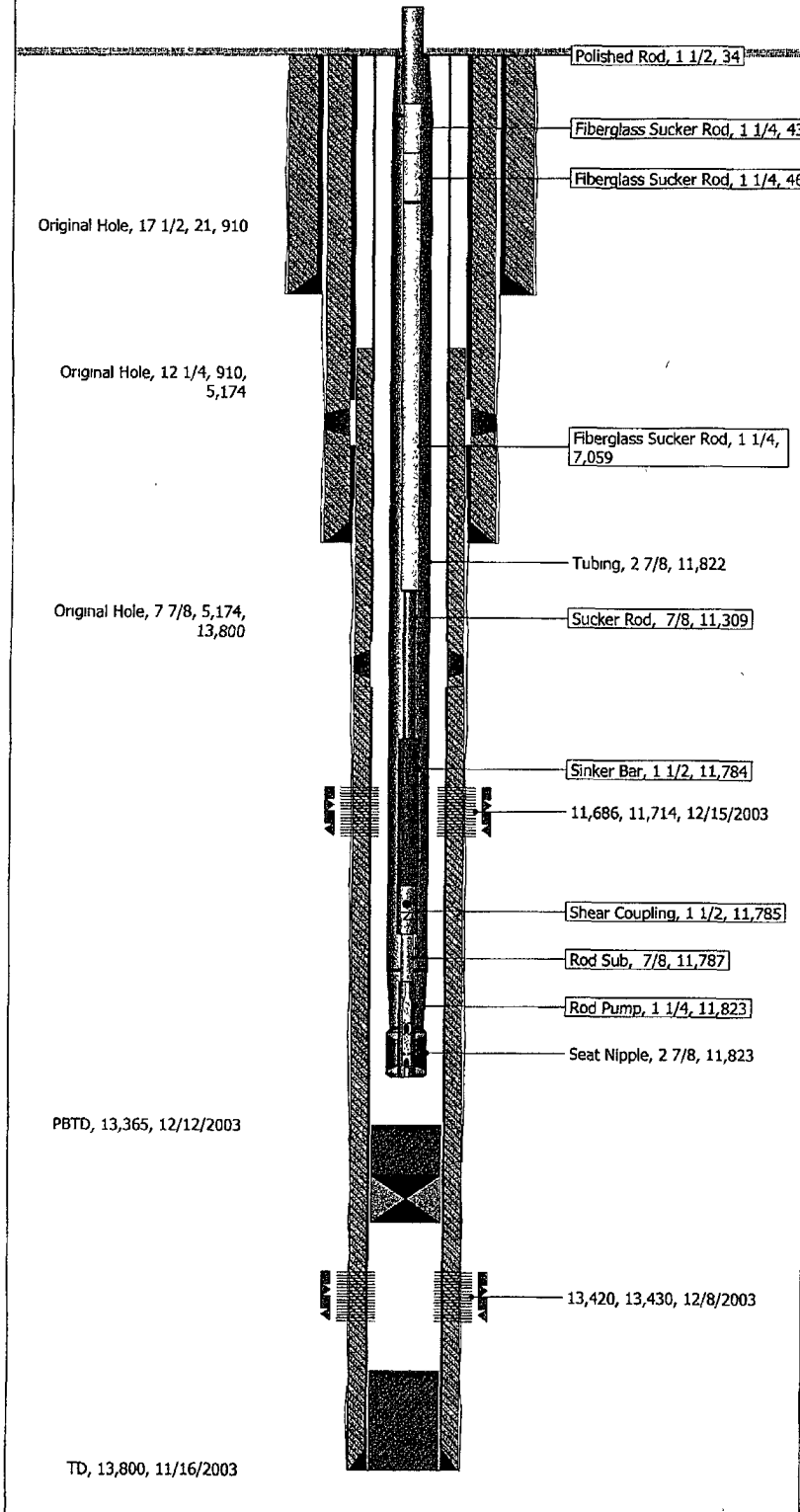
Abstract: 0 Block: Lot:

Well Config: Original Hole; 7/23/2007 2:29:32 PM

Schematic: Actual

Well History

Date	Event
12/31/2003	Tubing - Production set at 11,822.5ftKB on 12/31/2003 00:00



**Hornet State 1
Lea County, New Mexico
Recomplete Bone Springs Procedure**

Date: July 24, 2007

Location: 760' FNL & 660' FWL, Section 3-T19S-R34E

Production Casing: 5 1/2" 17# & 20# 0-13,800'

PBTD/TD: 13,365' / 13,800'

Tubing: 2 7/8" N-80 @ 11,822'

Current Perfs: Strawn 11,686-714'

Propose Perfs: Bone Springs Carbonate 10,559-69'

Recommended Procedure:

1. MIRU workover unit. NDWH/NUBOP
2. POH w/ rods and tbg.
3. Rig up wireline co. Run gauge ring & junk basket to 11,675' just above Strawn perfs. Set CIBP @ 11,650' and dump 35' of cement on top of it. Pressure test CIBP to 2000 psi.
4. Perforate Bone Springs 10,559-69', 4 spf, 90 degree phasing, 41 holes.
5. RIH w/ Packer on 2 7/8" tbg to 10,575'. Spot acid to packer and pull up to 10,450'. Reverse spot acid back into tbg and set packer. Acidize Bone Springs with 2,000 gal 15% NEFE acid at 5-6 BPM dropping 60 perf balls throughout job. ***Note: There is water in lower portion of this formation and we want to stay out of it!*** Displace acid to bottom perf. SI 30 mins.
6. Swab back acid and test.
7. If necessary, re-acidize Bone Springs with 5,000 gal Ultra gel.
8. POH w/ packer.
9. RIH w/ tbg, rods and pump. Put well back on production from Bone Springs.

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

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**

* API Number 30-025-36391		* Pool Code 960	* Pool Name Airstrip; Bone Spring, SW
* Property Code 32759 30964	* Property Name Hornet State		* Well Number 1
* OGRID No. 147179	* Operator Name Chesapeake Operating Inc.		* Elevation 4002 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
D	3	19S	34E		760	North	660	West	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
D	3	19S	34E		760	North	660	West	Lea

" Dedicated Acres 40	" 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.

<div style="border: 1px solid black; padding: 5px; width: 100px; height: 100px; position: relative;"> 16 </div>					¹⁷ OPERATOR CERTIFICATION <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 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> <div style="text-align: right;"> 08/29/2007 Signature Date Shay Stricklin Printed Name </div>
					¹⁸ SURVEYOR CERTIFICATION <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> Date of Survey Signature and Seal of Professional Surveyor Certificate Number