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

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 Z						
100mm t	ONE					
Operator Name and Address 2 OGRID Number 147179						
Chesapeake Operating Inc. 2010 Rankin Hwy Midland, TX 79701 30 025-04862						
³ PropertyCode ⁵ PropertyName ⁶ Well No						
° ProposedPool 1 1º ProposedPool 2 Eunice Monument; Grayburg-San Andres						
⁷ Surface Location						
	County					
⁸ Proposed Bottom Hole Location If Different From Surface						
	County					
Additional Well Information						
11 Work Type Code 12 Well Type Code 13 Cable/Rotary 14 Lease Type Code 15 Ground Level E	Elevation					
O S 3615.7 GR 16 Multiple	ate					
N 3929 Grayburg-San Andres 12/15/2007						
Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water						
Pit. Liner Syntheticmilsthick Clay Pit Volumebbls DrillingMethod:						
Closed-Loop System Fresh Water Brine Diesel/Ol-based Gas/Air						
²¹ Proposed Casing and Cement Program						
Hole Size Casing Size Casing weight/foot Setting Depth Sacks of Cement Estimate	ed TOC					
11 8 5/8 32# 335 175 sx						
7 7/8 5 1/2 15.5# 3929 800 sx						
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.	wo zono					
Describe the blowout prevention program, if any. Use additional sheets if necessary.						
Chesapeake, respectfully, request permission to re-enter this well per the attached procedure.						
Chesapeake, respectfully, request permission to re-enter this well per the attached procedure. NO PIT. Permit Expires 1 Year From Approval Date Upless Drilling Underway						
Permit Expires 1 Year From Approval Date Unless Drilling Underway	<u>6</u>					
Pl 62 - 6	20,					
Plupback DEC 2007, Hobbs	212					
Hobbs Action (C)	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\					
	3					
Date Unless Drilling Underway Plugback Received Hobbs OCD Coc 6282129251710 OIL CONSERVATION DIVISION						
23 I hereby certify that the information given above is true and complete to the best OIL CONSERVATION DIVISION						
of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines , a general permit , or Approved by						
an (attached) alternative OCD-approved plan .						
Printed name: Shay Stricklin Title OC PELO REPRESENTATIVE MANAGERS						
Title: Regulatory Tech. Approval Date: DEC 1 /1 2007 Expiration Date.						
1 Die 1 1 2001						
E-mail Address, sstricklin@chkenergy.com	l					

(432)687-2992

` <u>District I</u> 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 & Natural Resources Department
OIL CONSERVATIONDIVISION

CONSERVATIONDIVISIO 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

 \square AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT											
'API Number				¹ Pool Code		' Pool Name					
30-025-04862 23000				000	E	EUNICE MONUMENT; GRAYBURG-SAN ANDRES					
Property Code					⁵ Property Name			'Well Number			
24784		Pech State							3		
OGRID No. Operator Name						'Elevation					
147179		Chesapeake Operating Inc.						3615.7 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
L	32	21S	36E		2310	SOUTH	990	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
L	32	21S	36E		2310	SOUTH	990	WEST		LEA	
" Dedicated Acres	" Joint or	Infill " (Consolidation (Code "Or	der No.				·		
40			1. 11								

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.

16 QQQ	189 10 17 12 13 14 15 16 17 18 19 20 18 18 19 20 18 18 19 20 18 18 19 20 18 18 19 20 18 18 19 20 18 18 19 20 18 18 19 20 18 18 19 20 18 18 18 18 18 18 18 18 18 18 18 18 18	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and helief, 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 numeral or working interest, of to a voluntary populing agreement or a compulsory pooling order The land effect of the dissort 12/11/2007 Signature 18 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. Date of Survey
		Date of Survey Signature and Seal of Professional Surveyor Certificate Number

Chesapeake

Current Wellbore Schematic

PECH STATE 3

Field:

EUNICE, SOUTH (7 RIVERS QUEEN)

County: State:

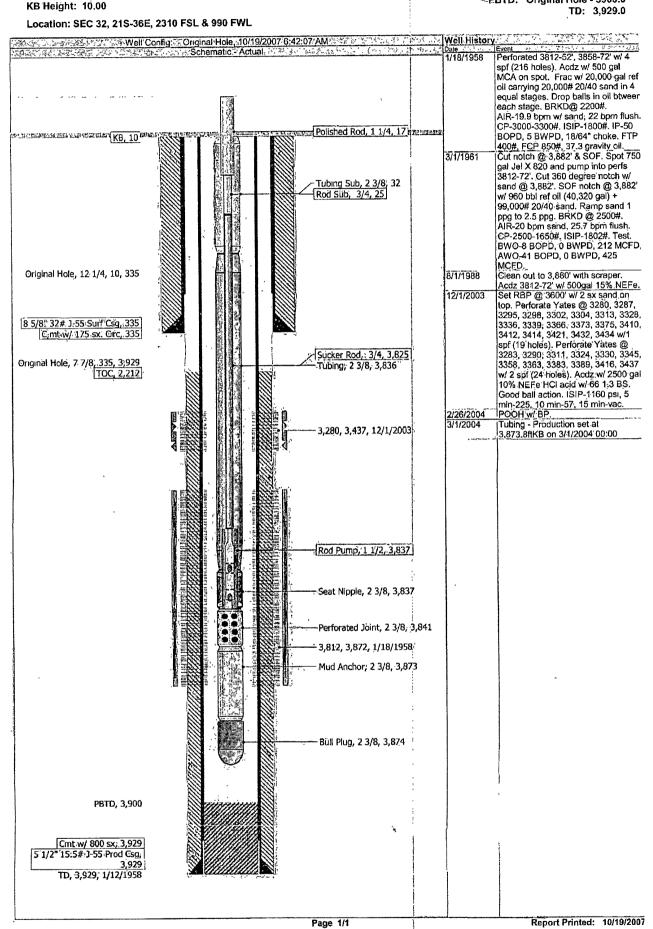
LEA NEW MEXICO

Elevation: GL 3,616.00 KB 3,626.00

KB Height: 10.00

Location: SEC 32, 21S-36E, 2310 FSL & 990 FWL

N DEN W 15 Hobbs Spud Date: 12/31/1957
Initial Compl. Date: CHK Property ...
1st Prod Date:
PBTD: Original Hole - 3900.0
TD: 3,929.0





Pech State #3 Seven Rivers & Grayburg Recompletion & Drill Deeper Lea County, NM

Current Wellbore Information

Surface Casing: 8 5/8" 32# J-55 set @ 335'. TOC: Circ to surface **Production Casing:** 5 1/2" 15.5# J-55 set @3,929'. TOC: 3,929'

Tubing: 2 3/8" set @ 3,836'

Rods: 153-3/4" rods, 1.25" X 16' Polish Rod, 1.5" X 6' Polish Rod Liner, 1.5" X 12' RWBC pump

Existing Perforations

Formation	Interval
Yates	3280-3434
Yates	3812-3852
	3858-3872

Recommended Procedure

- 1. Set flowback pit, frac tank and rack 5,000' of 2 3/8" N-80 Workstring.
- 2. MIRU pulling unit. POOH w/ rods, tbg, and pump. NDWH NU BOP.
- 3. RU wireline. RIH w/ gauge ring and junk basket. Tag PBTD @ 3,900'.
- 4. MU bit, bit stub, and 6 drill collars on 2 3/8" workstring. RU power swivel and foam air unit.
- 5. Drill to +/- 4,600'. If possible circulate wellbore clean. RD Power swivel and POOH w/ workstring and LD drill assembly. RU wireline, correlate depth to existing logs and MU GR/CCL/CNL. RIH and correlate to attached log.
- 6. MU Treating Packer w/ 391' of tailpipe on workstring (+/- 300' based on log interpretation). TIH and set packer at 3,909' +/-. RU acidizers and use 2,000 gals of 15% NEFE at ARO 4-6 BPM. Overflush w/ 25 bbls of 2% KCL. SI for minimum of 3 hrs. RD acidizers and release.
- 7. RU swab. Swab back load. Evaluate for signs of hydrocarbon. Record and report swab test to engineer.
- 8. If swab tests are acceptable, RD swab. Release packer and POOH. LD Workstring & Treating Packer. Prep to run liner.
- 9. PU & TIH w/ 4 1/2" flush joint to 4,700' (Actual depth TBD).
- 10. RU Cementing Services and Cement Liner per recommendation. RD Cementers, Clean Location and Release.
- 11. RIH w/ bit and collars on workstring to PBTD.
- 12. Run GR/CCL. Perforate Grayburg based on log picks.
- 13. Anticipate acid and frac based on logs.
- 14. Set CBP above perfs.

15. Perforate Seven Rivers:

	l totamost	Chat
Formation	Interval	Shot
Seven Rivers	3517	1
Seven Rivers	3519	11
Seven Rivers	3521	1
Seven Rivers	3523	1
Seven Rivers	3537	1
Seven Rivers	3539	1
Seven Rivers	3541	1
Seven Rivers	3543	1
Seven Rivers	3545	1
		1
Seven Rivers	3547	1
Seven Rivers	3549	
Seven Rivers	3575	1
Seven Rivers	3577	1
Seven Rivers	3579	1
Seven Rivers	3581	1
Seven Rivers	3595	1
Seven Rivers	3597	1
Seven Rivers	3599	1
Seven Rivers	3605	1
Seven Rivers	3613	1
		1
Seven Rivers	3615	
Seven Rivers	3617	1
Seven Rivers	3619	1
Seven Rivers	3621	11
Seven Rivers	3623	1
Seven Rivers	3625	11
Seven Rivers	3627	1
Seven Rivers	3629	1
Seven Rivers	3631	1
Seven Rivers	3643	1
Seven Rivers	3649	1
Seven Rivers	3655	1
Seven Rivers	3657	1
Seven Rivers	3659	1
Seven Rivers	3661	1
Seven Rivers	3663	1
Seven Rivers	3665	1
Seven Rivers	3671	1
Seven Rivers	3673	11
Seven Rivers	3679	1
Seven Rivers	3681	1
Seven Rivers	3709	1
Seven Rivers	3711	1
Seven Rivers	3713	1
Seven Rivers	3737	1
Seven Rivers	3739	1
Seven Rivers	3741	1
Seven Rivers	3743	1
Seven Rivers	3755	1
Seven Rivers	3757	1
Seven Rivers	3759	1
Seven Rivers	3761	1
Seven Rivers	3763	1
Seven Rivers	3765	1
Seven Rivers	3767	1
		1
Seven Rivers	Total Shots	56

Total Shots 56

^{16.} RIH w/ packer on 2 3/8" to 3,770'. Spot acid to packer. Pull packer up to 3,400' and set.

^{17.} Acidize Seven Rivers w/ 5,000 gal 15% NE FE @ 5-6 BPM dropping 75 perf balls throughout job. Displace acid to top perf. SI 30 mins. Swab back acid and test.

- 18. If necessary to frac. POH w/ packer. Frac Seven Rivers per frac design. Anticipate 100 bpm and 200,000# sand.
- 19. RIH w/ bit and collars. Drill out CBP and clean out to PBTD.
- 20. RIH w/ 2 3/8" tbg and BHA to 3,500'. RIH w/ pump and rods. POP from Seven Rivers and Grayburg.
- 21. RD.

Contacts

Workover Foreman Lynard Barrera Office: 505-391-1462 Cell: 505-631-4942

Production Foreman Melvin Harper Office: 505-391-1462

Cell: 505-631-5348

Asset Manager Kim Henderson Office: 405-879-8583 Cell: 405-312-1840

Field Engineer Doug Rubick Office: 505-391-1462 Cell: 505-441-7326