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AUG 18 2008

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

ATS-08-728

FORM APPROVED
OMB No 1004-0136
Expires July 31, 2010

ECHOBB'S

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL		5. Lease Serial No. NMLC067715
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		2. Name of Operator CHESAPEAKE OPERATING INC		6. If Indian, Allottee or Tribe Name
3a. Address P O BOX 18496 OKLAHOMA CITY, OK 73154-0496		3b. Phone No. (include area code) Ph: 405-767-4275		7. If Unit or CA Agreement, Name and No.
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESE 660FSL 660FEL At proposed prod zone SESE 660FSL 660FEL		11. Sec., T., R., M., or Blk. and Survey or Area Sec 28 T23S R34E Mer NMP SME: FEE		8. Lease Name and Well No. KELLER 28 FEDERAL 1
14. Distance in miles and direction from nearest town or post office* 19 MILES NW OF JAL, NEW MEXICO		16. No. of Acres in Lease		9. API Well No. 30-025-39137
15. Distance from proposed location to nearest property or lease line, ft (Also to nearest drig. unit line, if any)		17. Spacing Unit dedicated to this well 40.00		10. Field and Pool, or Exploratory ANTELOPE RIDGE Bone Spring West
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.		19. Proposed Depth 8800 MD		11. Sec., T., R., M., or Blk. and Survey or Area
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3476 GL		22. Approximate date work will start		12. County or Parish LEA
				13. State NM
				20. BLM/BIA Bond No. on file NM2634 ^{re}
				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 (Electronic Submission)	Name (Printed/Typed) LINDA GOOD Ph: 405-767-4275	Date 06/30/2008
Title REGULATORY COMPLIANCE SPEC.		
Approved by (Signature) /s/ James Stovall	Name (Printed/Typed) /s/ James Stovall	Date AUG 14 2008
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify 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 TWO YEARS

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

Additional Operator Remarks (see next page)

Capitan Controlled Water Basin

Electronic Submission #61143 verified by the BLM Well Information System
For CHESAPEAKE OPERATING INC, sent to the Hobbs
Committed to AFMSS for processing by TESSA CISNEROS on 06/30/2008 (BBL LCP 129AES)SEE ATTACHED FOR
CONDITIONS OF APPROVALApproval Subject to General Requirements
& Special Stipulations Attached

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional Operator Remarks:

Chesapeake Operating, Inc. respectfully requests permission to drill a well to 8800' to test the Bone Spring formation. 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.

Attached are the Exhibit A-1 to A-4 Survey plats, Exhibit B 1 mile radius plat, Exhibit C Production facility, Exhibit D Patterson Rig #142 plat and Exhibit F-1 to F-3 BOP & Choke Manifold.

Exhibit E Archeological Survey will be delivered to the BLM when completed.

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.

(CHK PN 613219)