

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
June 16, 2008

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. P.O. Box 18496 Oklahoma City, OK 73154-0496 | | ² OGRID Number 147179 |
| ³ Property Code 37274 | ⁵ Property Name Cattleman 4 State | ³ API Number 30 - 025-39053 |
| ⁹ Proposed Pool 1 Osudo; Strawn | | ⁶ Well No. 3 |
| ⁹ Proposed Pool 1 Osudo; Strawn | | ¹⁰ Proposed Pool 2 |

Surface Location

| | | | | | | | | | |
|--------------------|--------------|-----------------|--------------|---------|-----------------------|----------------------|------------------------|-------------------|---------------|
| UL or lot no. 3 | Section 4 | Township 21S | Range 35E | Lot Idn | Feet from the 660' | North/South North | Feet from the 1720' | East/West West | County Lea |
|--------------------|--------------|-----------------|--------------|---------|-----------------------|----------------------|------------------------|-------------------|---------------|

Proposed Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|--------------------|--------------|-----------------|--------------|---------|-----------------------|----------------------|------------------------|-------------------|---------------|
| UL or lot no. 3 | Section 4 | Township 21S | Range 35E | Lot Idn | Feet from the 481' | North/South North | Feet from the 1700' | East/West West | County Lea |
|--------------------|--------------|-----------------|--------------|---------|-----------------------|----------------------|------------------------|-------------------|---------------|

Additional Well Information

| | | | | |
|-----------------------------------|---|-----------------------------------|------------------------------------|---|
| ¹¹ Work Type Code E | ¹² Well Type Code O | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3630' |
| ¹⁶ Multiple No | ¹⁷ Proposed Depth PBD 11,225' | ¹⁸ Formation Strawn | ¹⁹ Contractor TBD | ²⁰ Spud Date ASAP |

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# | 425' | 445 sxs | 0' |
| 9 5/8" | 9 5/8" | 40# | 5338' | 1755 sxs | 0' |
| 8 3/4" | 7" | 26# | 10,100' | 1250 sxs | 0' |
| 6 1/4" | 4 1/2" | 15.10 # | 11,565' | 200 sxs | 9500' |

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 Operating, Inc. plans to re-complete to the Strawn. Please find the re-completion procedure, NMOCD's C-102 and 144(CLEZ) pit permit.

RECEIVED

OCT 05 2009

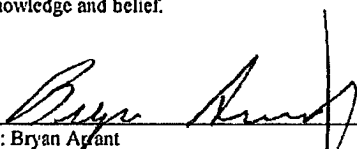
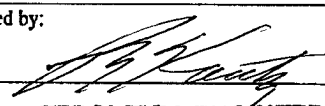
**Permit Expires 2 Years From Approval
Date Unless Drilling Underway**

Plugback

HOBBSD

OCT 05 2009

RECEIVED

| | | | |
|--|---------------------|--|------------------|
| ²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. | | OIL CONSERVATION DIVISION | |
| Signature:  | | Approved by:  | |
| Printed name: Bryan Arrant | | Title: PETROLEUM ENGINEER | |
| Title: Senior Regulatory Compliance Specialist | | Approval Date: OCT 08 2009 | Expiration Date: |
| E-mail Address: bryan.arrant@chk.com | | | |
| Date: 10/02/2009 | Phone: 405-935-3782 | Conditions of Approval Attached <input type="checkbox"/> | |

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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 30-025-39053 | | Pool Code 48120 | Pool Name Osudo; Strawn |
| Property Code 37274 | Property Name Cattleman 4 State | | Well Number 3 |
| OGRID No. 147179 | Operator Name Chesapeake Operating, Inc. | | Elevation 3630' 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 3 | 4 | 21S | 35E | | 660' | North | 1720' | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 3 | 4 | 21S | 35E | | 481' | North | 1700' | West | |

| | | | |
|-----------------------|-----------------|--------------------|-----------|
| Dedicated Acres 40 | Joint or Infill | Consolidation Code | 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.

| | | |
|--|--|--|
| <div>16</div> <p>SHL: 660' FNL/1720' FWL BHL: 481' FNL/1700' FWL</p> | <div>17 OPERATOR CERTIFICATION</div> <p>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 undivided 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.</p> <p>Signature: <i>Bryan Arrant</i> Date: 10/02/2009</p> <p>Bryan Arrant Printed Name</p> | |
| | <div>18 SURVEYOR CERTIFICATION</div> <p>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.</p> | |
| | <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p align="center">Please Refer to Original Plat</p> | |
| | <p>Certificate Number</p> | |

Cattleman 4 State 3
Lea County, New Mexico
Strawn Recompletion Procedure

Date: September 23, 2009

Location: 660' FNL & 1720' FWL Sec. 4-T21S-R35E

Casing: 4 1/2" 15.1# P-110 0-11,556' ID - 3.826", Drift - 3.701", Burst - 14,420 psi

PBTD/TD: 11,462'/11,556'

Current Perfs: Morrow 11,260-70', 11,280-90'

Proposed Perfs: Strawn 10,557-66', 10,572-88'

Recommended Procedure:

1. MIRU PU. ND WH/NU BOP.
2. Release packer and POH w/ tubing and packer.
3. RU wireline co. RIH w/ gauge ring and junk basket to 11,250'. Set CIBP @ 11,225'. Dump bail 35' of cement on top of CIBP. Pressure test casing to 2,000 psi.
4. Perforate Strawn 10,557-66' (9'), 10,572-88' (16') 2 spf, 90 degree phasing.
5. RIH w/ packer and on/off tool on 2 3/8" tubing. Set packer at 10,450'.
6. Acidize Strawn w/ 4,000 gal 15% NEFE acid dropping 75 perf balls evenly throughout job. Displace acid to perfs. SI 1 hour. Swab well back and test.
7. If necessary, re-acidize Strawn with 10,000 gal Ultragel job. Swab back Ultragel and test.
8. If well dies, POH w/ packer. RIH w/ 2 3/8" tubing w/ standard BHA. ND BOP/NU WH. RIH w/ pump and rods.
9. Rig down.