

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

RECEIVED

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
June 16, 2008

FEB 28 2011
HOBBSCOIL Conservation Division
220 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 API Number 30 - 025-29335
³ Property Code 38288	⁵ Property Name Carter-Shipp Strawn Unit	
⁹ Proposed Pool 1 Lovington; Upper Penn., Northeast ✓		⁶ Well No. 2 ✓
¹⁰ Proposed Pool 2		

7 Surface Location

UL or lot no E.	Section 27	Township 16S	Range 37E	Lot Idn	Feet from the 1470'	North/South North	Feet from the 660'	East/West line West	County Lea ✓
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8 Proposed 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
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Additional Well Information

¹¹ Work Type Code E ✓	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P ✓	¹⁵ Ground Level Elevation 3786' GR
¹⁶ Multiple No	¹⁷ Proposed Depth PBD-11,315'	¹⁸ Formation Strawn	¹⁹ Contractor TBD	²⁰ Spud Date ASAP

21 Current Casing and Cementing of Well-bore


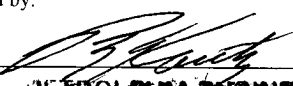
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	54.5	437'	450 sxs	0'
12 1/4"	8 5/8"	24# & 32 #	4200'	2175 sxs	0'
7 7/8"	5 1/2"	17 # & 20#	11902'	1305 sxs	4117'

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.

Please find our procedure to re-enter and convert this well to production; current and proposed well bore diagram, NMOCD's C-102, and C-144(CLEZ) pit permit. (R-13196)

Chesapeake Operating, Inc. will provide to the NMOCD's District I office 24 hours notice prior to spud.
Please note that the well's current status: "Plugged, Site Released".

Permit Expires 2 Years From Approval
Date Unless Drilling Underway
Re-Entry

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: Sr. Regulatory Compliance Specialist		Approval Date: MAR 01 2011	
E-mail Address: bryan.arrant@chk.com		Expiration Date:	
Date: 02/25/2011	Phone: 405.935.3782	Conditions of Approval Attached <input type="checkbox"/>	

COH

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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 July 16, 2010

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-29355	² Pool Code 40760	³ Pool Name Lovington; Upper Penn., Northeast
⁴ Property Code 38288	⁵ Property Name Carter-Shipp Strawn Unit	⁶ Well Number 2
⁷ OGRID No. 147179	⁸ Operator Name Chesapeake Operating, Inc.	⁹ Elevation 3786' GR

¹⁰ Surface Location

UL or lot no. E	Section 27	Township 16S	Range 37E	Lot Idn	Feet from the 1470'	North/South line North	Feet from the 660'	East/West line West	County Lea
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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
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. R-13196						

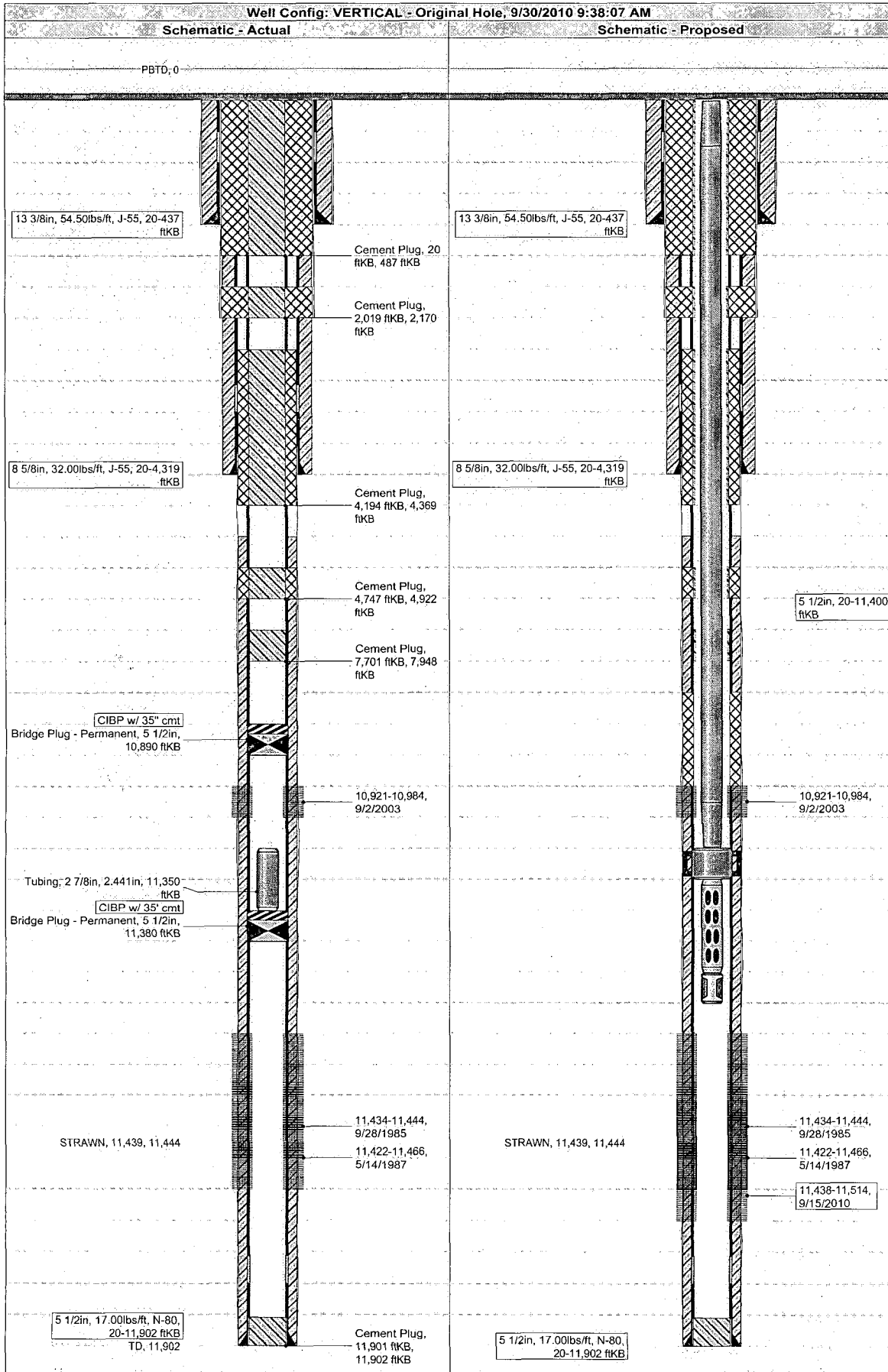
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶ 1470' ENL 660' FWL				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> Signature: <i>Bryan Arrant</i> Date: 02/25/2011 Bryan Arrant Printed Name bryan.arrant@chk.com E-mail Address
				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: Please Refer to Original Plat Certificate Number



Proposal Schematic

CARTER-SHIPH STRAWN UNIT 2



Carter-Shipp Strawn Unit 2 (Shipp ZI 3)
Sec. 27-T16S-R37E, 1470' FNL & 660' FWL
Lea County, NM
API #3002529335



Re-enter and Convert to Producer

Well Data

Casing: 5-1/2" 17# & 20# N-80 & S-95 @ 11,902'
 TD: 11,902'
 PBTD: Surface (Prior to plugging @ 11,315' w/ 2-7/8" tbg fish)
 Elevation: 3,806' KB 3,786' GL

Tools: 5-1/2" CIBP set @ 10,890' w/ 35' of cmt on top
 5-1/2" CIBP set @ 11,380' w/ 35' of cmt on top

Fish: 2-7/8" tbg cut to plug well (Bottom @ 11,362', Stuck @ 11,350', Cut @ 11,315')
 Plugged : October 2003
 5.5" Sqz Holes: 4,922', 4,369', 2,170', 487' (Plugging)

Current Perforations:

Upper Penn 10,921' – 27', 10,931' – 35', 10,938' – 48', 10,952' – 60', 10,964' – 84' w/ 2 SPF (0.42" Holes)
 Strawn 11,422' – 27', 11,439' – 44', 11,459' – 66' (0.42" Holes)

Proposed Perforations:

Strawn 11,438' – 514' (76')

Tubular Specifications

SIZE	WEIGHT	GRADE	BURST	COLLAPSE	YIELD	DRIFT (ID/OD)	CAPACITY (FT./GAL)	CAPACITY (FT./BBL)
2-7/8"	6.5#	L-80	10570 psi	11160 psi	145K	2.347" / 3.094"	4.1135	172.76
5.5"	17# & 20#	N-80	7740 psi	6280 psi	348K	4.653" / 6.050"	1.0242	43.01

Procedure

1. Dig out casing and secure casing stub. MIRU PU. NU BOP. Unload, rack and tally 2-7/8" L-80 work string.
2. RIH w/ 4-5/8" bit and drill collars on tbg. Drill out cement plugs to top of CIBP set @ 10,890'.
3. Pressure test csg & squeeze if necessary. If not, drill out CIBP @ 10,890'. Tag TOF @ +/- 11,315'. Attempt to establish a rate into the Penn perforations. TOH. LD bit and drill collars.
4. PU fishing tools. TIH. Latch into tbg fish and retrieve. LD fishing tools.
5. RU cmt company. PU 5.5" CICR. Set within 50' of top Penn perforation @ 10,921'. Unsting and test CICR. Sting in. Establish rate and pump Penn squeeze hesitating in per cmt company recommendations. Unsting. reverse out. RD cmt company. TOH.
6. PU 4-5/8 bit and drill collars. Drill out CICR and CIBP @ 11,380'. Continue cleaning out to ensure sufficient rat hole below last proposed Strawn perforation @ 11,514'. TOH. LD bit and drill collars.
7. RU wireline company. Correlate and perforate Strawn from 11,438 - 514'. Total of 76' @ 3 SPF with 3-1/8" guns, 60 degree phasing, 0.42" holes, and 22.7 grams per shot. RD wireline company.
8. PU 5.5" packer. TIH. Set packer within 100' of top Strawn perforation @ 11,422'.
9. RU acid company. Acidize Strawn w/ 7500 gal of 15% HCL. Pump @ 5-6 BPM staging 350 balls evenly throughout job. Displace acid to the EOT & overflush w/ a tbg volume (Approximately 66 BBLs). RD acid company. Swab back balls. Release packer. TOH. LD packer & workstring.
10. Unload, rack and tally 2-7/8" L-80 production string. PU mud anchor, perforated sub, SN, and TAC. TIH. Set TAC @ +/- 11,350'. Set SN @ +/- 11,550'. Run pump & rods. RD PU.