

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

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State of New Mexico
Energy Minerals and Natural Resources

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

Form C-101
June 16, 2008

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 - 025-27771
³ Property Code 2955 5	⁵ Property Name Huey	⁶ Well No. 2
⁹ Proposed Pool 1 Skaggs; Grayburg		¹⁰ Proposed Pool 2

Surface Location

UL or lot no. F	Section 5	Township 20S	Range 38E	Lot Idn	Feet from the 2310'	North/South North	Feet from the 1980'	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 P	¹² Well Type Code O	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3582'
¹⁶ Multiple N	¹⁷ Proposed Depth PBD-5900'	¹⁸ Formation Grayburg	¹⁹ Contractor TBD	²⁰ Spud Date ASAP

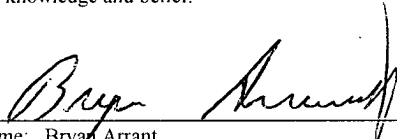
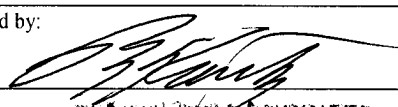
²¹ Existing Casing and Cementing of Well bore

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	23 #	1500'	750 sxs	0'
7 7/8"	5 1/2"	17#	7150'	665 sxs	3430'

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. proposes to re-complete this well in the Grayburg formation. Please find the recompletion program, NMOC's C-102 and C-144(CLEZ) pit permit.

Permit Expires 2 Years 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.		OIL CONSERVATION DIVISION	
Signature: 		Approved by: 	
Printed name: Bryan Arrant		Title: PETROLEUM ENGINEER	
Title: Sr. Regulatory Compliance Specialist		Approval Date: APR 06 2011	Expiration Date:
E-mail Address: bryan.arrant@chk.com			
Date: 02/07/2011	Phone: 405.935.3782	Conditions of Approval Attached <input type="checkbox"/>	

Huey 2-5
 Sec. 5-T20S-R38E, 2310 FNL & 1980 FWL
 Lea County, NM
 API #3002527771
 CHK Prop #890237



Grayburg Recompletion

Well Data

Casing: 5.5" 17# J-55 @ 7,150'
 TOC: 3,340' (CBL – Ran 12/2010)
 TD: 7,150'
 PBTD: 5,900' (CIBP w/ 35' cmt)
 Elevation: 3,597' KB 3,582' GL
 WI / NRI (%): 93.00/ 74.66

Tools: 5.5" CIBP w/ cmt @ 5,900'
 5.5" CIBP w/ cmt @ 6,240'

Proposed Perforations:

Grayburg 4,102' – 04' (4 SPF)
 4,144' – 47' (4 SPF)
 4,178' – 80' (4 SPF)

Tubular Specifications

SIZE	WEIGHT	GRADE	BURST	COLLAPSE	YIELD	DRIFT (ID/OD)	CAPACITY (FT./GAL)	CAPACITY (FT./BBL)
2-7/8"	6.5#	N-80	10,570 psi	11,160 psi	145K	2.347" / 3.668"	4.1135	172.76
5.5"	17#	J-55	5,320 psi	4,910 psi	229K	4.767" / 6.050"	1.0242	43.01

Procedure

1. RU wireline. RIH w/ 3-3/8", 22.7 gram, 0.36" EH, 35.63" Pen guns loaded w/ 4 SPF @ 60° phasing. Correlate and shoot Grayburg. POOH. RDMO wireline.

Formation	Perforations	Interval	SPF	Total Shots
Grayburg	4,102' - 04'	2'	4	8
Grayburg	4,144' - 46'	2'	4	8
Grayburg	4,178' - 80'	2'	4	8
Totals:		6'		24

2. RU pump truck. Perform pump-in test to ensure breakdown within csg limitations (4256 psi @ 80%). RD pump truck.
 - a. If sufficient breakdown, proceed to step 3.
 - b. If insufficient breakdown:
 - i. MIRU PU. PU 5.5" packer and workstring.
 - ii. MIRU acid crew. TIH w/ tbg and spot acid over perforations.
 - iii. Come uphole, set packer, and pump 1500 gal. 15% NEFE HCL acid job.
 - iv. Overflush w/ a tbg volume. RDMO acid crew.
 - v. Release packer and TOH.
3. RU frac crew. Frac Grayburg as per recommendations. Record ISIP-5-10-15 minute pressures. RDMO frac crew.
4. TIH to clean-out to below perforations. Circulate hole clean w/ 2% KCL. TOH.
5. TIH while hydrotesting w/ production tbg and SN to 4,200' (below perforations).
 - a. Contact Production Engineer for appropriate rod design.
6. TIH w/ rods and pump. RDMO PU.
7. Return to production.

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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 30-025-27771	² Pool Code 57380	³ Pool Name Skaggs; Grayburg
⁴ Property Code 29555	⁵ Property Name Huey	⁶ Well Number 2
⁷ OGRID No. 147179	⁸ Operator Name Chesapeake Operating, Inc.	⁹ Elevation 3597' GR

¹⁰ Surface Location

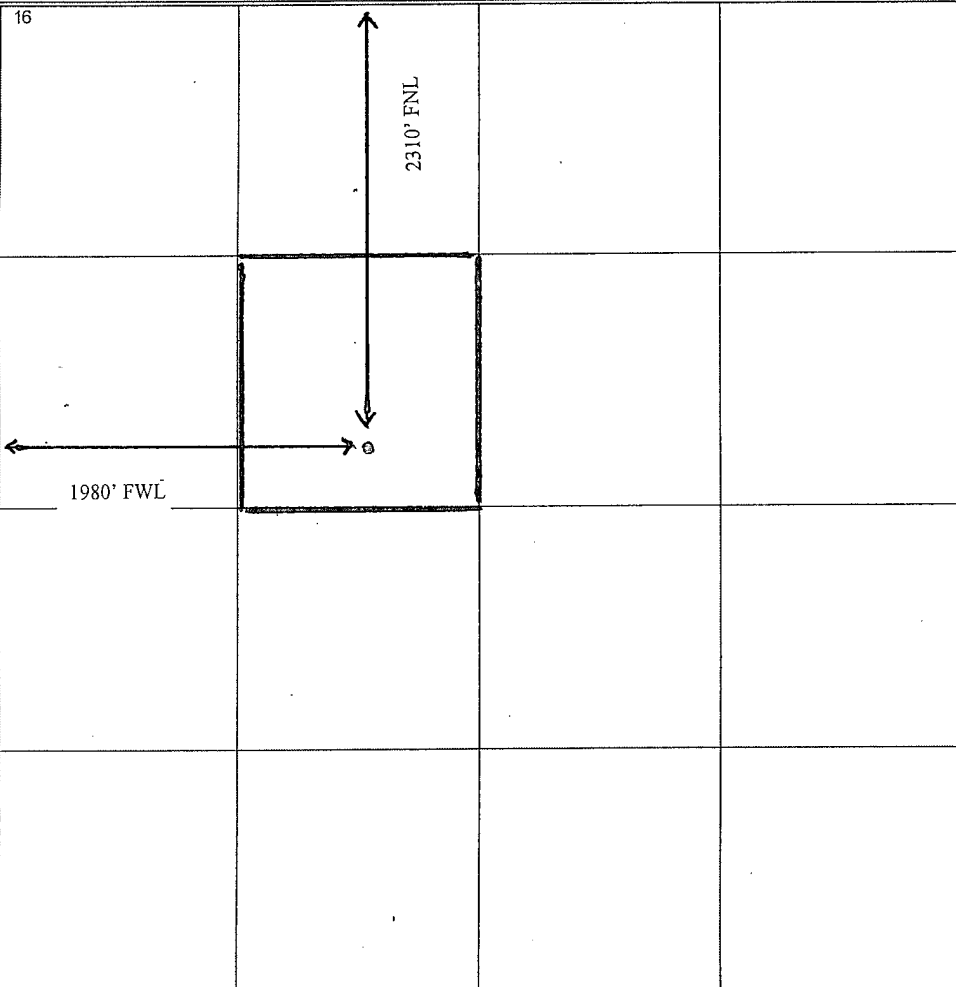
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1 dn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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><div>16</div><div></div></div>	<p>¹⁷ OPERATOR CERTIFICATION</p> <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 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.</p> <p><i>Bryan Arrant</i> 02/07/2011 Signature Date</p> <p>Bryan Arrant Printed Name</p> <p>bryan.arrant@chk.com E-mail Address</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <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>PLEASE REFER TO ORIGINAL PLAT</p> <p>Certificate Number</p>