		New Mexico Oil Conservation Division, District I										
↓ orm 31 <u>6</u> 0-3 (December 1990)		TMEN'I) STATES OF THE INTER AND MANAGEMENT	1525 IN IN		0]]	FOIT Approved, FOIT Approved, FLAL – TIGHT H GNATION AND SERI					
			RMIT TO DRILL OR	DEEDEN	_N	IM 99052	2					
Ar		6.	6.IF INDIAN, ALLOTTEE OR TRIBE NAME									
la TYPE OF WORK:	DRILL	\boxtimes	DEEPEN			I/A						
h TYPE OF WELL:					7.	UNIT AGREI	EMENT NAME					
	GAS WELL	Other	SINGLE ZONE	ZONE		I/A						
2 NAME OF OPERAT	FOR						EASE NAME, WELL N					
CHESAPEAKE OPERATING, INC. Attention: Janelle McNeely						<u>J.S. Gum</u> api well n	5	-l				
BOX P.O. BOX 18496 OKLAHOMA CITY, OK 73154 405-879-9406						30-025-35401						
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 765' FNL & 990' FEL At top proposed prod. zone Amount of the proposed prod. zone At top proposed prod. zone Same At top proposed prod. zone Same At top proposed prod. zone Same						10.FIELD AND POOL, OR WILDCAT Townsend Perma Upper Penn Pool 11.SEC, T.R., M., OR BLOCK AND SURVEY OR AREA NE NE 5-16S-36E						
14 DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE EFF. DATE $5 - 2/-0$					12. COUNTY OR PARISH 13. STAT		13. STATE					
Within the city lin	nits of Loving	gton	API NO.	30-025-35	401 I	Lea Coun	ity	NM				
15.DISTANCE FROM PROP LOCATION TO NEARES PROPERTY OR LEASE	IT LINE, FT.	330'	16.NO. OF ACRES IN LEASE 50.68		•		17.NO. OF ACRES A TO THIS WELL 50.68	SSIGNED				
Also to proved dela spit line if anul 18.DISTANCE FROM PROPOSED LOCATION* 19.PROPOSED DEPTH					20.ROTARY OR CABLE TOOLS*							
TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1,320' 11,000					Rotary							
OR APPLIED FOR, ON 1 21.ELEVATIONS (Show whether		1,540				22. APPR	OX. DATE WORK WI	LL START*				
3,936' GL				y Controlled Water		Upon	APD approval	·····				
23.			PROPOSED CASING AN	ID CEMENTING PROGR	AM							

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	s	ETTING DEPTH	QUANTITY OF CEMENT		
	13 3/8" J-55	48#	450'	CIRCULATE	+/- 500 sx	WITNESS	
	8 5/8" J-55	32#	4,735'	GINGULATE	+/- 1,400 sx		
	5 1/2" N/L-80	17#	TD		+/- 1,100 sx		

Chesapeake Operating, Inc. proposes to drill a well to 11,000' to test the Townsend "Reef" 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 & Gas Conversation Division requirements.

Attached please find the Surface Use Plan and Drilling Plan as required by Onshore Order No. 1.

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.

Copy of Surface Damage agreement will be forwarded once executed agreement is received. Surface owner has been furnished with agreement.

Bond coverage for this well is provided by Chesapeake Operating, Inc. under their nationwide Bond No. NM2634.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any. 24.

SIGNED

*(This space for Federal or State office use)

PERMIT NO.

A

Colley J. Andrews TITLE District Manager, Gulf Coast Permian DATE 3-7-0/ APPROVAL SUBJECT TO

GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS

Application approval does not warrant or certify that the applicant holds legal or equitable title ATOFACHEB subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY: FIELD MANAGER DATE >-//-// TITLE See Instructions On Reverse Side APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes 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