

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

WELL API NO.	3 30-025-35641
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Lease Name or Unit Agreement Name Nellie 21
2. Name of Operator Chesapeake Operating, Inc.	8. Well No. 1
3. Address of Operator P.O. Box 18496, Oklahoma City, OK 73154-0496	9. Pool name or Wildcat NE Lovington Upr Penn Pool
4. Well Location Unit Letter 1 : 1980 Feet From The South Line and 660 Feet From The East Line Section 21 Township 16S Range 37E NMPM Lea County	10. Elevation (Show whether DF, RKB, RT, GR, etc.) GR: 3791'

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: 5-1/2" Csg. Release Rig, Perforations <input checked="" type="checkbox"/> Tubing & Release Rig

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

- 11/15/01 RU csg crew, run 267 jsts 5-1/2" 17# L-80 LTC csg, RU cmt head, wash to bottom @11,900 circ bottoms up, test cmt lines to 4000#
- 11/16/01 Begin 1st Stg cmt, pump 20 bbls weighted spacer, cmt w/345 sx 35/65 POZ + additives, 12.4 PPG, 1.99 yield, cont w/220 sx 15/61 POZ Cl. C + additives, 13 PPG, 1.71 yield, displace w/274 BW, bump plug w/1800#, bleed off pressure, check floats, OK, open DV tool w/3200#, circ, WOC 8 hrs, 15 bbls cmt returns, pump 10 BW, cmt 2nd stage 2/70 sx 35/65 POZ + additives, cont w/150 sx Cl. H Neat, 15.6 PPG, 1.18 yield, displace w/195 BW, bump plug w/3200#, bleed off pressure, DV tool holding good, RD cmt crew, PU stack, set slips w/80% string wt 140,000#, cut csg, ND BOP, NU tree, test to 2500#, OK, clean mud tanks, Release TimberSharp Drilling Rig #24 @ 7 p.m. on 11/16/01
- 11/29/01 RIH w/4" HSC csg gun, load w/4 spf, 26 gram, 6° phasing, perf Strawn 11459-11461'; 11470-478'; 11496-502'; 16', total 64 holes
- 11/30/01 RIH w/Model "R" pkr, SN & 361 jts 2-3/8" tbg, set pkr @11,303', RU AES, load backside w/2 bbls 2% KCL, pressure to 500#, pump 8 bbls 2% KCL to est rate of 2.8 BPM @4600#,

Continued page 2

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Barbara J. Bale TITLE Regulatory Analyst DATE 01/18/02
TYPE OR PRINT NAME Barbara J. Bale TELEPHONE NO. (405) 848-8000

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

JAN 29 2002

Page 2

Nellie 1-21, Lea Co., NM

11/30/01 continued

acidize w/2000 gal 15% NE-BE dropping 95 ball sealers, flush w/49 bbls 2% KCL, good ball action, min rate 3BPM, min PSI 4400#, avg rate 4.5 BPM, avg PSI 4500#, max rate 5.0 BPM, max PSI 4800#, ISIP 3280#, 5 min 1250#, 10 min on vacuum, RD AES, ND BOP, NU wellhead, made 10 swab runs, IFL 5400'

12/07/01 Set separators, water tank & 2 welded steel stock tanks

12/10/01 SITP 280#, bleed pressure off, release pkr, POOH w/361 jts 2-3/8" tbg & pkr. RIH w/mud jt, perf sub, SN @11,436', 3 jts 2-3/8" tbg, TAC @ 11,341' & 359 jts 2-3/8" tbg, ND BOP, set anchor, NU wellhead
Tubing set !11,436' & packet !11,404'

WELL NAME AND NUMBER 01 Nellie #21 #1-I
LOCATION Section 21, T-16-S, R-37-E, Lea County, New Mexico
OPERATOR Chesapeake Operating Inc., P.O. Box 18496, Oklahoma City, OK 73154-0496
DRILLING CONTRACTOR TMBR/Sharp Drilling, Inc., P. O. Drawer 10970, Midland, TX 79702

1980/54 660/E

30-025-35631

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and that he has conducted deviation tests and obtained the following results:

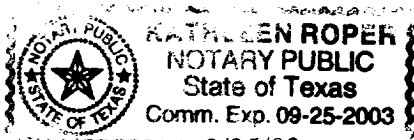
Degrees @ Depth	Degrees @ Depth	Degrees @ Depth	Degrees @ Depth
.25 @ 208'	.50 @ 6,949'	4.70 @ 9,760'	2.20 @ 11,295'
.25 @ 486'	1.00 @ 7,545'	4.60 @ 9,823'	.50 @ 11,832'
1.00 @ 1,010'	1.50 @ 8,092'	4.40 @ 9,895'	
2.30 @ 1,137'	1.50 @ 8,330'	2.10 @ 10,074'	
.50 @ 1,512'	1.50 @ 8,512'	3.60 @ 10,261'	
.50 @ 2,018'	1.75 @ 8,590'	3.00 @ 10,699'	
.75 @ 2,516'	1.25 @ 8,837'	2.50 @ 10,731'	
1.00 @ 2,925'	3.50 @ 8,994'	2.00 @ 10,793'	
.75 @ 3,432'	11.50 @ 9,139'	1.90 @ 10,856'	
.50 @ 3,898'	12.00 @ 9,201'	1.10 @ 10,919'	
1.00 @ 4,350'	11.10 @ 9,257'	1.70 @ 10,986'	
.50 @ 4,851'	10.20 @ 9,390'	2.40 @ 11,107'	
.25 @ 5,352'	7.30 @ 9,585'	2.20 @ 11,138'	
.50 @ 5,896'	6.50 @ 9,635'	2.40 @ 11,201'	
.50 @ 6,387'	5.80 @ 9,697'	2.10 @ 11,232'	

Drilling Contractor TMBR/Sharp Drilling, Inc.

By

Jeffrey D. Phillips
Jeffrey D. Phillips, President

Subscribed and sworn to before me this 19th day of November 2001



Kathleen Roper
Notary Public Kathleen Roper

Commission expires 9/25/03

Midland County, Texas

Ka

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District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 35631
30-025-35641

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
OIL WELL ☐ GAS WELL ☐ OTHER New Drilling

2. Name of Operator
Chesapeake Operating, Inc.

3. Address of Operator
P. O. Box 18496, Okla. City, OK 73154-0496

4. Well Location
Unit Letter I : 1980 Feet From The South Line and 660 Feet From The East Line
Section 21 Township 16S Range 37E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
GR: 3791'

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: Spud, Casing, Release Rig ☒

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

10/17/01 Spud well @ 1:45 p.m. w/Timber-Sharp Drlg Rig #24
RU csg crew, MU shoe track & tack same, run 12 jts 13-3/8" 48# H-40 STC csg, RU
cmt crew, circ, cmt w/555 sx Cl. C + additives, 14.8 PPG, 1.34 yield, displace
w/76 BW, bump plug w/650#, check floats, OK, 16 bbls cmt returns
10/18/01 WOC 29 hrs., NU BOP, test TOPs, annular, manifold 250#-1500#
10-19/01 Test BOP, TIH, tag cmt, drlg cmt, float, GS
10/24/01 RU csg crew, run 100 jts 8-5/8" 32# J-55 STC csg, RU BJ, wash to bottom, circ,
cmt w/1175 sx 35/65 Poz + additives, cont w/250 sx Cl. C Neat, bump plug w/1600#,
ND, set 8-5/8" csg slips, install B section
10/25/01 NU B Sec. & GOP, test BOP, kill line valves & manifold 250#-5000#, test upper,
lower safety valves & annular 250#-2500#

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Barbara J. Bale

TITLE Regulatory Analyst

DATE 11/29/01

TYPE OR PRINT NAME

Barbara J. Bale

TELEPHONE NO. (405)848 -8000

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address: Chesapeake Operating, Inc. P. O. Box 18496 Oklahoma City, OK 73154-0496		OGRID Number 147179
		API Number 30-025-35631
Property Code 28412	Property Name Nellie 21	Well No. 1

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
I	21	16S	37E		1980	So.	660	E.	Lea

8 Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
Proposed Pool 1 NE Lovington Upper Penn Pool					Proposed Pool 2				

Work Type Code N	Well Type Code O/G	Cable/Rotary R	Lease Type Code P	Gross Level Elevation GR: 3791'
Multiple N	Proposed Depth 12,000'	Formation Strawn	Contractor Timber/Sharp #24	Spud Date 10/01/01

21 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#	510'	500	Surf
11"	8-5/8"	32#	4,400'	1400	Surf
7-7/8"	5-1/2"	17#	12,000'	1100	4,400'

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 drill to a T.D. of 12,000' in the Strawn formation with Timber/Sharp #24 as the drilling contractor.

BOP consists of 11" 5M# blind & pipe rams & 11" 5M# Annular (See Schematic)

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Barbara J. Bale</i>		OIL CONSERVATION DIVISION	
Printed name: Barbara J. Bale		Approved by: <i>Paul Kartz</i> Title: Geologist	
Title: Regulatory Analyst		Approval Date: Expiration Date:	
Date: 07/05/01	Phone: (405) 848-8000	Conditions of Approval: Attached <input type="checkbox"/>	

5
C
A

8
2

C-101 Instructions

Measurements and dimensions are to be in feet/inches. Well locations will refer to the New Mexico Principal Meridian.

IF THIS IS AN AMENDED REPORT CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

- 1 Operator's OGRID number. If you do not have one it will be assigned and filled in by the District office.
- 2 Operator's name and address
- 3 API number of this well. If this is a new drill the OCD will assign the number and fill this in.
- 4 Property code. If this is a new property the OCD will assign the number and fill it in.
- 5 Property name that used to be called 'well name'
- 6 The number of this well on the property.
- 7 The surveyed location of this well New Mexico Principal Meridian. NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD Unit Letter.
- 8 The proposed bottom hole location of this well at TD
- 9 and 10 The proposed pool(s) to which this well is being drilled.

- 1 Work type code from the following table:
 N New well
 E Re-entry
 D Drill deeper
 P Plugback
 A Add a zone

- 2 Well type code from the following table:
 O Single oil completion
 G Single gas completion
 M Multiple completion
 I Injection well
 S SWD well
 W Water supply well
 C Carbon dioxide well

- 3 Cable or rotary drilling code
 C Propose to cable tool drill
 R Propose to rotary drill

- 4 Lease type code from the following table:
 F Federal
 S State
 P Private
 N Navajo
 J Jicarilla
 U Ute
 I Other Indian tribe

- 5 Ground level elevation above sea level
- 6 Intend to multiple complete? Yes or No
- 7 Proposed total depth of this well

- 18 Geologic formation at TD
- 19 Name of the intended drilling company if known.
- 20 Anticipated spud date.
- 21 Proposed hole size ID inches, proposed casing OD inches, casing weight in pounds per foot, setting depth of the casing or depth and top of liner, proposed cementing volume, and estimated top of cement
- 22 Brief description of the proposed drilling program and SOP program. Attach additional sheets if necessary.
- 23 The signature, printed name, and title of the person authorized to make this report. The date this report was signed and the telephone number to call for questions about this report.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. Box 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-35631	Pool Code 40760	Pool Name NE Lovington Upper Penn Pool
Property Code 28412	Property Name NELLIE 21	Well Number 1
OGRID No. 147179	Operator Name CHESAPEAKE OPERATING, INC.	Elevation 3791'

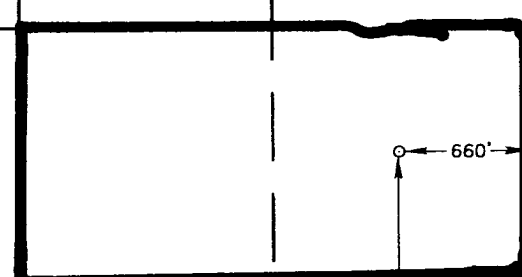
Surface Location

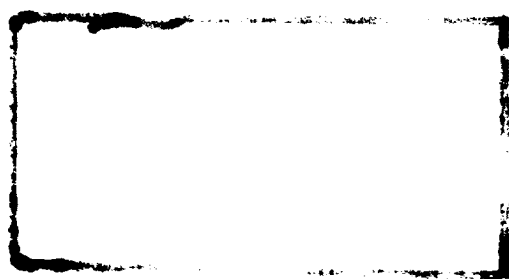
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
✓	21	16-S	37-E		1980	SOUTH	660	EAST	LEA

Bottom Hole Location If Different From Surface

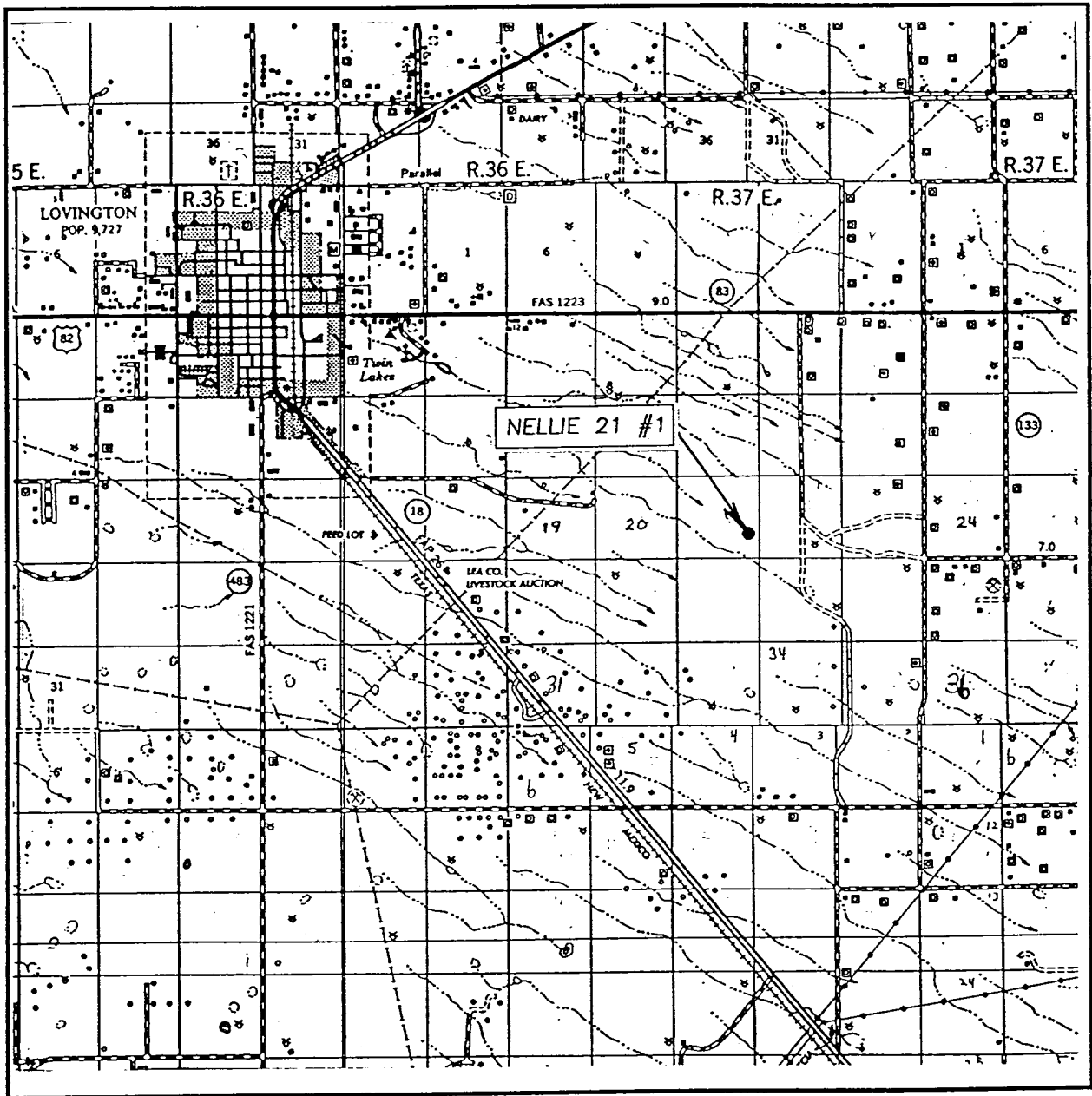
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 80	Joint or Infill	Consolidation Code	Order No.						

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

<p>SPC NME NAD 1927 Y = 694883.7 X = 833033.4</p> 	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Barbara J. Bale</i> Signature</p> <p>Barbara J. Bale Printed Name</p> <p>Regulatory Analyst Title</p> <p>07/03/01 Date</p>
	<p>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>JUNE 1, 2001</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Ronald J. Kidson</i> 6/05/01 01-11-0699</p>
	<p>Certificate No. RONALD J. KIDSON 3239 GARY KIDSON 12641</p>



VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 21 TWP. 16-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1980' FSL & 660' FEL

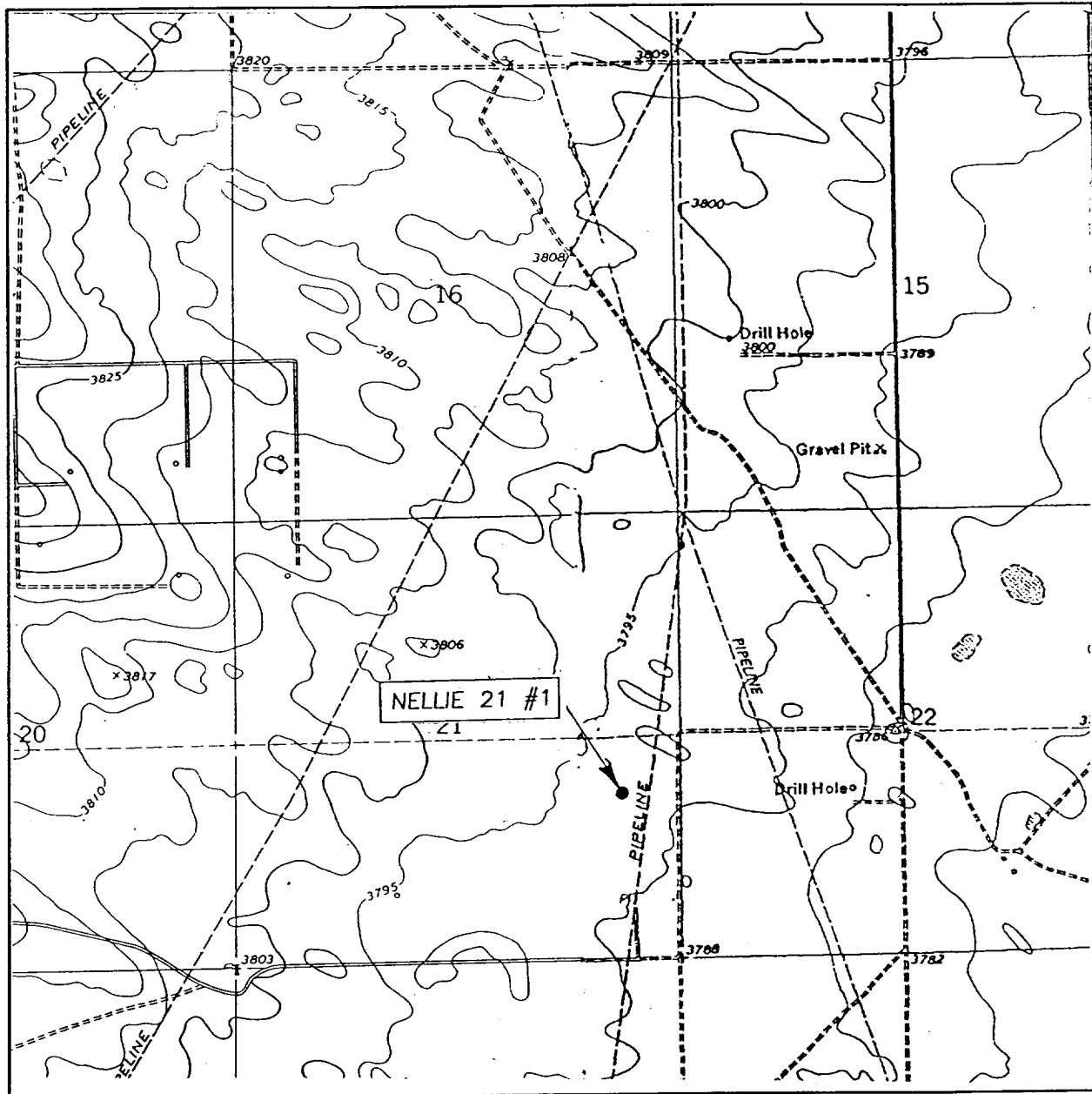
ELEVATION 3791'

OPERATOR CHESAPEAKE OPERATING, INC.

LEASE NELLIE 21

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 5'
HUMBLE CITY NW, N.M.

SEC. 21 TWP. 16-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1980' FSL & 660' FEL

ELEVATION 3791'

OPERATOR CHESAPEAKE OPERATING, INC.

LEASE NELLIE 21

U.S.G.S. TOPOGRAPHIC MAP
HUMBLE CITY NW, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117