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Document Number:
 400203929
 Plugging Bond Surety
 19980020

APPLICATION FOR PERMIT TO:

1. **Drill,** Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL
 OIL GAS COALBED OTHER _____
 SINGLE ZONE MULTIPLE COMMINGLE

Refiling
 Sidetrack

3. Name of Operator: CHESAPEAKE OPERATING INC 4. COGCC Operator Number: 16660
 5. Address: P O BOX 18496
 City: OKLAHOMA CITY State: OK Zip: 73154-0496
 6. Contact Name: LINDSEY MELOTT Phone: (405)935-8323 Fax: (405)849-8323
 Email: LINDSEY.MELOTT@CHK.COM
 7. Well Name: STATE 7-62-16 Well Number: 1H
 8. Unit Name (if appl): _____ Unit Number: _____
 9. Proposed Total Measured Depth: 10422

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 16 Twp: 7N Rng: 62W Meridian: 6
 Latitude: 40.568592 Longitude: -104.319729
 Footage at Surface: 659 feet FSL 660 feet FEL
 11. Field Name: WILDCAT Field Number: 99999
 12. Ground Elevation: 4909.1 13. County: WELD

14. GPS Data:
 Date of Measurement: 07/29/2011 PDOP Reading: 2.6 Instrument Operator's Name: PAUL ORME

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**
 Footage at Top of Prod Zone: FNL/FSL 1230 FSL 644 FEL _____ FEL/FWL 600 FNL 660 FEL _____
 Bottom Hole: FNL/FSL _____ FEL/FWL _____
 Sec: 16 Twp: 7N Rng: 62W Sec: 16 Twp: 7N Rng: 62W

16. Is location in a high density area? (Rule 603b)? Yes No
 17. Distance to the nearest building, public road, above ground utility or railroad: 634 ft
 18. Distance to nearest property line: 660 ft 19. Distance to nearest well permitted/completed in the same formation: 4100 ft

LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR	535-2	640	ALL

21. Mineral Ownership: Fee State Federal Indian Lease #: 8426.5
 22. Surface Ownership: Fee State Federal Indian
 23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID#: _____
 23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No
 23b. If 23 is No: Surface Owners Agreement Attached or \$25,000 Blanket Surface Bond \$2,000 Surface Bond \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

ALL SECTION 16-7N, 62W

25. Distance to Nearest Mineral Lease Line: 600 ft 26. Total Acres in Lease: 640

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? Yes No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? Yes No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? Yes No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? Yes No

31. Mud disposal: Offsite Onsite

If 28, 29, or 30 are "Yes" a pit permit may be required.

Method: Land Farming Land Spreading Disposal Facility Other: RELIABLE SERVICES

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
1ST	6+1/8	4+1/2	11.6	0	10,422	393	10,422	

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None

33. Comments CHESAPEAKE ACQUIRED THIS WELL FROM ANTELOPE. THIS WELL WAS ORIGINALLY PERMITTED AS A VERTICAL WELL AND CHESAPEAKE WOULD LIKE TO DRILL AND COMPLETE THIS WELL AS A HORIZONTAL.

34. Location ID: 420171

35. Is this application in a Comprehensive Drilling Plan ? Yes No

36. Is this application part of submitted Oil and Gas Location Assessment ? Yes No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: LINDSEY MELOTT

Title: SUPERVISOR-REG COMP. Date: _____ Email: LINDSEY.MELOTT@CHK.

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____ Director of COGCC Date: _____

API NUMBER

05 123 32489 01

Permit Number: _____ Expiration Date: _____

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

Attachment Check List

Att Doc Num	Name
400203955	DEVIATED DRILLING PLAN
400203956	WELL LOCATION PLAT

Total Attach: 2 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)