

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

Document Number:
400232462

PluggingBond SuretyID
19980020

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: SETH SANDERS Phone: (405)935-2567 Fax: (405)849-2567
Email: seth.sanders@chk.com

7. Well Name: STATE 16-3-61 Well Number: 1H

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 10543

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 16 Twp: 3N Rng: 61W Meridian: 6
Latitude: 40.231525 Longitude: -104.208978

Footage at Surface: _____ feet FNL/FSL _____ feet FEL/FWL _____ feet
250 FNL 660 FEL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 4650 13. County: WELD

14. GPS Data:
Date of Measurement: 11/23/2011 PDOP Reading: 1.3 Instrument Operator's Name: Brian Ritz

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL

824 FNL 644 FEL 600 FSL 660 FEL

Sec: 16 Twp: 3N Rng: 61W Sec: 16 Twp: 3N Rng: 61W

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: 214 ft

18. Distance to nearest property line: 250 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 6052 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.)
GREENHORN	GRNHN	N/A	640	ALL

21. Mineral Ownership: Fee State Federal Indian Lease #: 1528.11

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- Sec 16-3N-61W

25. Distance to Nearest Mineral Lease Line: 600 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
CONDUCTOR	24	16		0	80		80	0
SURF	12+1/4	9+5/8	40#	0	800	263	800	0
1ST	8+3/4	5+1/2	17#	0	5,859	465	5,859	
1ST LINER	8+3/4	4+1/2	11.6	5859	10,543	1,132	10,543	

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

33. Comments _____

34. Location ID: _____

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: SETH SANDERS

Title: REGULATORY COMPL. ANALYST Date: 12/16/2011 Email: seth.sanders@chk.com

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: David S. Nesline Director of COGCC Date: 1/26/2012

API NUMBER
05 123 34991 00

Permit Number: _____ Expiration Date: 1/25/2014

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.

Operator must meet water well testing requirements per Rule 318A.

- 1) Provide 24 hour notice of MIRU e-mail John.Montoya@state.co.us.
- 2) Provide cement coverage from Greenhorn to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

Att Doc Num	Name
2330845	SURFACE CASING CHECK
2531823	EXCEPTION LOC REQUEST
2531824	EXCEPTION LOC WAIVERS
400232462	FORM 2 SUBMITTED
400232519	DEVIATED DRILLING PLAN
400232520	WELL LOCATION PLAT

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No LGD or public comment received; final review completed.	1/25/2012 8:28:14 AM
Permit	SLB verifies 1/12/2012	1/25/2012 8:24:24 AM
Permit	Received waiver and request on 1/20/2012.	1/25/2012 8:22:47 AM
Permit	On hold Waiting on surface waivers to 318A	1/9/2012 5:53:16 AM
Permit	Form 2A off public comment 1/5/12.	1/6/2012 3:43:30 PM
Permit	Emailed Tim Kelly at SLB for verification of Surface Restoration Bond	12/21/2011 2:12:06 PM

Total: 6 comment(s)

BMP

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

Total: 0 comment(s)