

API No. <u>42-301-31418</u> Drilling Permit # <u>655985</u> SWR Exception Case/Docket No. <u>08-0255960</u> (R38)		<b>RAILROAD COMMISSION OF TEXAS</b> <b>OIL &amp; GAS DIVISION</b> <b>APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER</b> <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>				<b>FORM W-1</b> 07/2004 Permit Status: <b>Approved</b>	
1. RRC Operator No. <b>147715</b>		2. Operator's Name (as shown on form P-5, Organization Report) <b>CHESAPEAKE OPERATING, INC.</b>		3. Operator Address (include street, city, state, zip): <b>ATTN CHRISTIAN COMBS</b> <b>PO BOX 18496</b> <b>OKLAHOMA CITY, OK 73154</b>			
4. Lease Name <b>UNIVERSITY 19-9</b>		5. Well No. <b>2</b>					
<b>GENERAL INFORMATION</b>							
6. Purpose of filing (mark ALL appropriate boxes): <input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-Enter <input type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D)							
7. Wellbore Profile (mark ALL appropriate boxes): <input checked="" type="checkbox"/> Vertical <input type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack							
8. Total Depth <b>20000</b>		9. Do you have the right to develop the minerals under any right-of-way ? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>SURFACE LOCATION AND ACREAGE INFORMATION</b>							
11. RRC District No. <b>08</b>		12. County <b>LOVING</b>		13. Surface Location <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore			
14. This well is to be located <b>11</b> miles in a <b>SE</b> direction from <b>Mentone</b> which is the nearest town in the county of the well site.							
15. Section <b>9</b>	16. Block <b>19</b>	17. Survey <b>UNIVERSITY LANDS</b>		18. Abstract No. <b>A-</b>	19. Distance to nearest lease line: <b>1320</b> ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: <b>640</b>	
21. Lease Perpendiculars: <b>1320</b> ft from the <b>S</b> line and <b>1320</b> ft from the <b>E</b> line. 22. Survey Perpendiculars: <b>1320</b> ft from the <b>S</b> line and <b>1320</b> ft from the <b>E</b> line.							
23. Is this a pooled unit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		24. Unitization Docket No:		25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes    (attach Form W-1A) <input checked="" type="checkbox"/> No			
<b>FIELD INFORMATION    List all fields of anticipated completion including Wildcat. List one zone per line.</b>							
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)		29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	
08	00018001	WILDCAT		Oil or Gas Well	20000	0.00	
08	38118300	HALEY (LWR. WOLFCAMP-PENN CONS.)		Gas Well	12682	2644.00	
08	60624500	MERIDIAN (DELAWARE)		Oil Well	4993	2644.00	
08	38118700	HALEY (STRAWN)		Injection Well	15907	2644.00	
<b>BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS</b>							
<b>Remarks</b> [RRC STAFF Mar 5, 2008 8:36 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Mar 7, 2008 10:39 AM]: Offset plat and service list attached.; [RRC STAFF Mar 7, 2008 10:39 AM]: Problems identified with this permit are resolved.				<b>Certificate:</b> I certify that information stated in this application is true and complete, to the best of my knowledge.  <div style="display: flex; justify-content: space-between;"> <div> <u>Bill Spencer</u>            Name of filer         </div> <div> <u>Feb 25, 2008</u>            Date submitted         </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <u>(512)9181062</u>            Phone         </div> <div> <u>bgsaustin@sbcglobal.net</u>            E-mail Address (OPTIONAL)         </div> </div>			
<b>RRC Use Only</b> Data Validation Time Stamp:    Feb 23, 2009 1:41 PM( Current Version )							

Permit Status:	Approved
<i>The RRC has not approved this application.          Duplication or distribution of information is at          the user's own risk.</i>	

**RAILROAD COMMISSION OF TEXAS  
OIL & GAS DIVISION**

**W-1 Supplemental Field Data**

07/2004

**APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER**

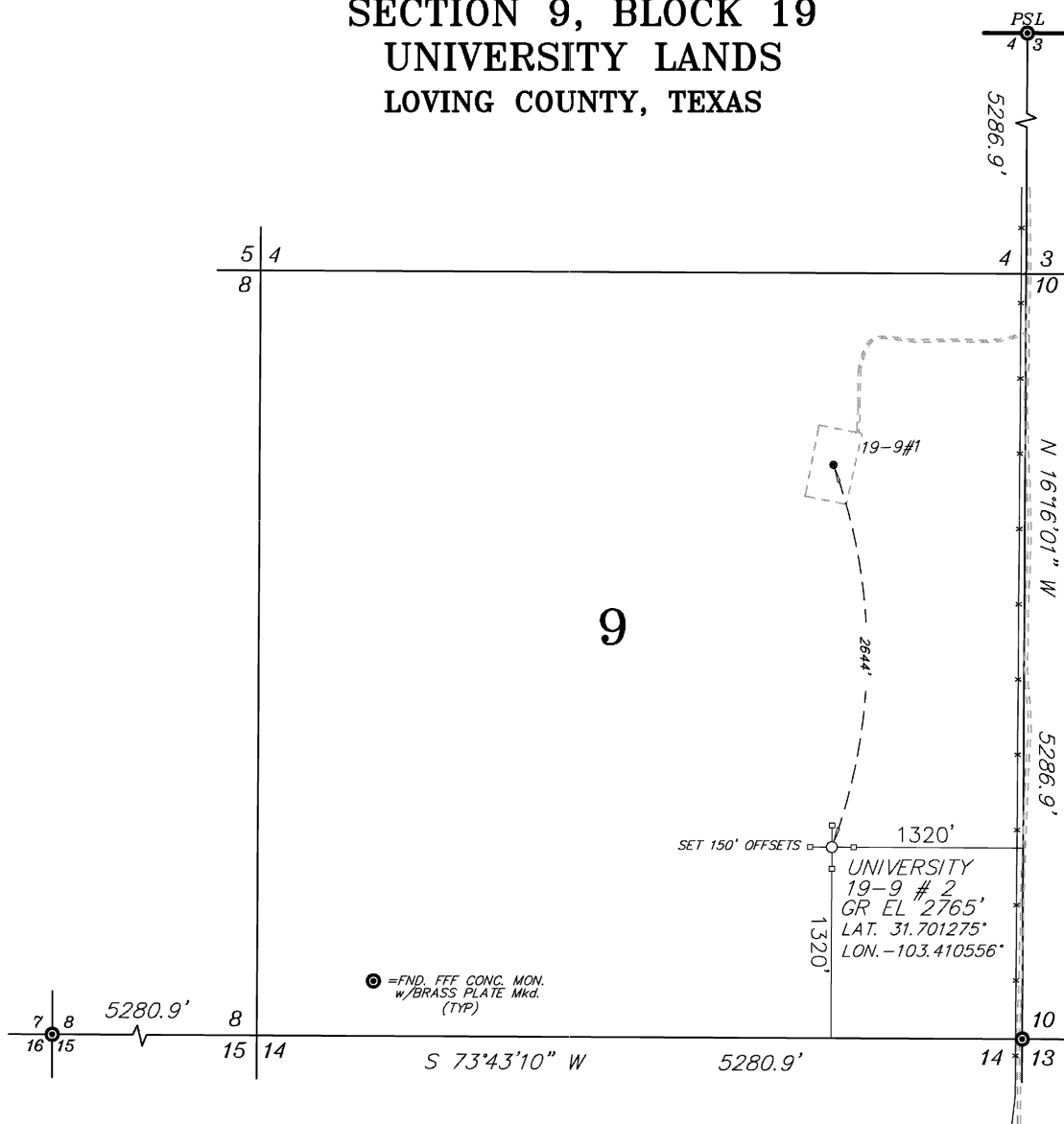
*This facsimile W-1 was generated electronically from data submitted to the RRC.  
 A certification of the automated data is available in the RRC's Austin office.*

Permit #	655985
Approved Date:	Apr 02, 2008

1. RRC Operator No. 147715	2. Operator's Name (exactly as shown on form P-5, Organization Report) CHESAPEAKE OPERATING, INC.	3. Lease Name UNIVERSITY 19-9	4. County LOVING
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ADDITIONAL FIELD INFORMATION ( continued from Page 1 )						
26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
08	38118500	HALEY (MORROW)	Injection Well	17259	2644.00	2
08	38120050	HALEY, S. (BONE SPRINGS)	Oil Well	10179	2644.00	2
08	92100050	TWO GEORGES (BONE SPRING)	Oil Well	11562	2644.00	2
08	38118200	HALEY (BONE SPRINGS)	Oil Well	9864	2644.00	2

# SECTION 9, BLOCK 19 UNIVERSITY LANDS LOVING COUNTY, TEXAS



NOTE: THIS PERMIT PLAT HAS BEEN PREPARED FROM A CERTIFIED SURVEY PLAT ON FILE IN THE OFFICE OF WATSON & ASSOCIATES OF MIDLAND, MIDLAND, TEXAS. APPROXIMATELY 11 MILES SOUTHEAST OF MENTONE, TEXAS.

COORDINATES AND BEARINGS ARE BASED ON A LAMBERT CONICAL PROJECTION OF THE TEXAS STATE PLANE COORDINATE SYSTEM (NAD 27), TEXAS CENTRAL ZONE (4203). SINCE NAD 27 IS ANTIQUATED AND UNACCOMPLISHABLE WITH MODERN SURVEY EQUIPMENT, ALL COORDINATES ARE AN ADJUSTMENT FROM NAD 83 USING THE SOFTWARE "CORPSCON".

SPC NAD 27 Tx C

N: (Y) = 753214  
E: (X) = 1043075  
LAT. = 31°42'04.59"N  
LON. = 103°24'38.00"W

SPC NAD 83 Tx C

N: 10595790.434  
E: 1339539.220  
LAT. 31°42'05.05"  
LON. 103°24'39.63"

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM ACTUAL FIELD NOTES OF ON-THE-GROUND SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THE INFORMATION PRESENTED HEREON IS FOR THE PRIVATE USE OF THE PARTY NAMED IN THE "REFERENCE PORTION" OF THE TITLE BLOCK AND DOES NOT CONSTITUTE A COMPLETE BOUNDARY SURVEY AS DEFINED BY THE "PROFESSIONAL LAND SURVEYING PRACTICES ACT."

*Gregory W. Shoults*  
GREGORY W. SHOULTS TEXAS R.P.L.S. No. 5356

AUGUST 24, 2007  
DATE



GRID  
SCALE 1" = 1000'

FILE: M:\Chesapeake LOVING County\dwg

**WATSON & ASSOCIATES OF MIDLAND, INC.**



4500 W. ILLINOIS  
SUITE 201 (79703)  
P.O. DRAWER 11186  
MIDLAND, TEXAS 79702  
(432) 520-9200  
FAX (432) 520-9212  
gshoults@wam-inc.com

CONSULTING ENGINEERS, LAND SURVEYORS & PLANNERS

CHESAPEAKE OPERATING  
UNIVERSITY 19-9 # 2  
1320' FEL & 1320' FSL  
SECTION 9, BLOCK 19, UNIVERSITY LANDS  
LOVING COUNTY, TEXAS

JOB NO.: W-416-07 FIELD BOOK 544

DRAFT GWS REV. 0

**RAILROAD COMMISSION OF TEXAS**  
**OIL & GAS DIVISION**

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER <div style="text-align: right;">655985</div>	DATE PERMIT ISSUED OR AMENDED <div style="text-align: center;">Apr 02, 2008</div>	DISTRICT <div style="text-align: center;">* 08</div>		
API NUMBER <div style="text-align: right;">42-301-31418</div>	FORM W-1 RECEIVED <div style="text-align: center;">Feb 25, 2008</div>	COUNTY <div style="text-align: center;">LOVING</div>		
TYPE OF OPERATION <div style="text-align: center;">NEW DRILL</div>	WELLBORE PROFILE(S) <div style="text-align: center;">Vertical</div>	ACRES <div style="text-align: center;">640</div>		
OPERATOR <div style="text-align: right;">147715</div> <div style="text-align: center;">CHESAPEAKE OPERATING, INC.</div> <div style="text-align: center;">ATTN CHRISTIAN COMBS</div> <div style="text-align: center;">PO BOX 18496</div> <div style="text-align: center;">OKLAHOMA CITY, OK 73154</div>		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. <b>District Office Telephone No:</b> <div style="text-align: center;">(432) 684-5581</div>		
LEASE NAME <div style="text-align: center;">UNIVERSITY 19-9</div>		WELL NUMBER <div style="text-align: center;">2</div>		
LOCATION <div style="text-align: center;">11 miles SE direction from MENTONE</div>		TOTAL DEPTH <div style="text-align: center;">20000</div>		
Section, Block and/or Survey SECTION ◀ 9                      BLOCK ◀ 19                      ABSTRACT ◀ SURVEY ◀ UNIVERSITY LANDS				
DISTANCE TO SURVEY LINES <div style="text-align: center;">1320 ft. S    1320 ft. E</div>		DISTANCE TO NEAREST LEASE LINE <div style="text-align: center;">1320 ft.</div>		
DISTANCE TO LEASE LINES <div style="text-align: center;">1320 ft. S    1320 ft. E</div>		DISTANCE TO NEAREST WELL ON LEASE <div style="text-align: center;">See FIELD(s) Below</div>		
FIELD(s) and LIMITATIONS: <div style="text-align: center;">                     * SEE FIELD DISTRICT FOR REPORTING PURPOSES *                      ** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 38(h)(3) **                      CASE NO. 08-0255960                 </div>				
FIELD NAME LEASE NAME <hr style="border-top: 1px dashed black;"/>	ACRES NEAREST LEASE <hr style="border-top: 1px dashed black;"/>	DEPTH <hr style="border-top: 1px dashed black;"/>	WELL # NEAREST WE <hr style="border-top: 1px dashed black;"/>	DIST <hr style="border-top: 1px dashed black;"/>
WILDCAT <div style="text-align: center;">UNIVERSITY 19-9</div>	640.00 1320	20,000 0	2 0	08
RESTRICTIONS:    This is a hydrogen sulfide field.    This well shall be drilled in accordance with SWR 36.				
HALEY (MORROW) <div style="text-align: center;">UNIVERSITY 19-9</div>	640.00 1320	17,259 2644	2 2644	08
RESTRICTIONS:    Do not use this well for injection/disposal/hydrocarbon storage purposes without approval by the Environmental Services section of the Railroad Commission, Austin, Texas office.				
TWO GEORGES (BONE SPRING) <div style="text-align: center;">UNIVERSITY 19-9</div>	640.00 1320	11,562 2644	2 2644	08
HALEY (BONE SPRINGS) <div style="text-align: center;">UNIVERSITY 19-9</div>	640.00 1320	9,864 2644	2 2644	08

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TYPE OF OPERATION <b>NEW DRILL</b>	WELLBORE PROFILE(S) <b>Vertical</b>	ACRES <b>640</b>		
OPERATOR <b>CHESAPEAKE OPERATING, INC.</b> <b>ATTN CHRISTIAN COMBS</b> <b>PO BOX 18496</b> <b>OKLAHOMA CITY, OK 73154</b>		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. <b>District Office Telephone No:</b> <b>(432) 684-5581</b>		
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FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH	WELL # NEAREST WE	DIST
HALEY, S. (BONE SPRINGS) UNIVERSITY 19-9	640.00 1320	10,179	2 2644	08
HALEY (STRAWN) UNIVERSITY 19-9	640.00 1320	15,907	2 2644	08
RESTRICTIONS: Do not use this well for injection/disposal/hydrocarbon storage purposes without approval by the Environmental Services section of the Railroad Commission, Austin, Texas office.				
MERIDIAN (DELAWARE) UNIVERSITY 19-9	640.00 1320	4,993	2 2644	08
** HALEY (LWR. WOLFCAMP-PENN CONS.) UNIVERSITY 19-9	640.00 1320	12,682	2 2644	08

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LEASE NAME	NEAREST LEASE		NEAREST WE									
' ** ' PRECEDING FIELD NAME INDICATES RULE (R38)												
<div style="text-align: center;">THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</div> This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.												