

API No. <u>42-495-33238</u> Drilling Permit # <u>630716</u> SWR Exception Case/Docket No. _____	RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <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>	FORM W-1 07/2004 Permit Status: Approved
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1. RRC Operator No. 147715	2. Operator's Name (as shown on form P-5, Organization Report) CHESAPEAKE OPERATING, INC.	3. Operator Address (include street, city, state, zip):
4. Lease Name UNIVERSITY 21-6 E		5. Well No. 1H

GENERAL INFORMATION					
6. Purpose of filing (mark ALL appropriate boxes):					
<input checked="" type="checkbox"/> New Drill		<input type="checkbox"/> Recompletion		<input type="checkbox"/> Reclass	
<input checked="" type="checkbox"/> Amended		<input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D)		<input type="checkbox"/> Field Transfer	
<input type="checkbox"/> Vertical		<input checked="" type="checkbox"/> Horizontal (Also File Form W-1H)		<input type="checkbox"/> Directional (Also File Form W-1D)	
<input type="checkbox"/> Sidetrack					
8. Total Depth 20000	9. Do you have the right to develop the minerals under any right-of-way ?		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)?		
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

SURFACE LOCATION AND ACREAGE INFORMATION					
11. RRC District No. 08		12. County WINKLER		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 <u>6.5</u> miles in a <u>NW</u> direction from <u>Wink</u> which is the nearest town in the county of the well site.					
15. Section 6	16. Block 21	17. Survey UL		18. Abstract No. A-	19. Distance to nearest lease line: 467 ft.
				20. Number of contiguous acres in lease, pooled unit, or unitized tract: 640	
21. Lease Perpendiculars: <u>2173</u> ft from the <u>E</u> line and <u>467</u> ft from the <u>S</u> line.					
22. Survey Perpendiculars: <u>2173</u> ft from the <u>NE</u> line and <u>467</u> ft from the <u>SE</u> 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	

FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.						
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	98028090	WINK, S. (BONE SPRINGS)	Oil Well	9630	0.00	1
08	38118200	HALEY (BONE SPRINGS)	Oil Well	9864	0.00	1
08	92100050	TWO GEORGES (BONE SPRING)	Oil Well	11562	0.00	1
08	00018001	WILDCAT	Oil or Gas Well	20000	0.00	1

BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)	
Remarks [FILER Jul 11, 2007 5:23 PM]: Add Field	Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <div style="text-align: right;"> <u>Bill Spencer</u> <u>Jul 11, 2007</u> Name of filer Date submitted </div> <div style="text-align: right; margin-top: 10px;"> <u>(512)9181062</u> <u>bgsaustin@sbcglobal.net</u> Phone E-mail Address (OPTIONAL) </div>
RRC Use Only Data Validation Time Stamp: Sep 12, 2007 2:20 PM(Current Version)	

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

Form W-1H 07/2004
Supplemental Horizontal Well Information

Permit Status: **Approved**

*The RRC has not approved this application.
Duplication or distribution of information is
at the user's own risk.*

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

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Permit # **630716**

Approved Date: **Jul 24, 2007**

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 21-6 E	4. Well No. 1H
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Lateral Drainhole Location Information

5. Field as shown on Form W-1 **HALEY (BONE SPRINGS) (Field # 38118200, RRC District 08)**

6. Section 6	7. Block 21	8. Survey UL	9. Abstract	10. County of BHL WINKLER
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11. Terminus Lease Line Perpendiculars 467 ft. from the N line. and 895 ft. from the E line
12. Terminus Survey Line Perpendiculars 467 ft. from the NW line. and 895 ft. from the NE line
13. Penetration Point Lease Line Perpendiculars 558 ft. from the S line. and 2146 ft. from the E line

5. Field as shown on Form W-1 **WINK, S. (BONE SPRINGS) (Field # 98028090, RRC District 08)**

6. Section 6	7. Block 21	8. Survey UL	9. Abstract	10. County of BHL WINKLER
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11. Terminus Lease Line Perpendiculars 467 ft. from the N line. and 895 ft. from the E line
12. Terminus Survey Line Perpendiculars 467 ft. from the NW line. and 895 ft. from the NE line
13. Penetration Point Lease Line Perpendiculars 558 ft. from the S line. and 2146 ft. from the E line

5. Field as shown on Form W-1 **TWO GEORGES (BONE SPRING) (Field # 92100050, RRC District 08)**

6. Section 6	7. Block 21	8. Survey UL	9. Abstract	10. County of BHL WINKLER
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11. Terminus Lease Line Perpendiculars 467 ft. from the N line. and 895 ft. from the E line
12. Terminus Survey Line Perpendiculars 467 ft. from the NW line. and 895 ft. from the NE line
13. Penetration Point Lease Line Perpendiculars 558 ft. from the S line. and 2146 ft. from the E line

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OIL & GAS DIVISION**

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Lateral Drainhole Location Information

5. Field as shown on Form W-1 **WILDCAT (Field # 00018001, RRC District 08)**

6. Section 6	7. Block 21	8. Survey UL	9. Abstract	10. County of BHL WINKLER
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11. Terminus Lease Line Perpendiculars 467 ft. from the N line. and 895 ft. from the E line
12. Terminus Survey Line Perpendiculars 467 ft. from the NW line. and 895 ft. from the NE line
13. Penetration Point Lease Line Perpendiculars 558 ft. from the S line. and 2146 ft. from the E line

**SECTION 6, BLOCK 21, UNIVERSITY LAND SURVEY
WINKLER COUNTY TEXAS**

**P.S.L. SURVEY
BLOCK 27**

N73°42'37"E - 5281.8'

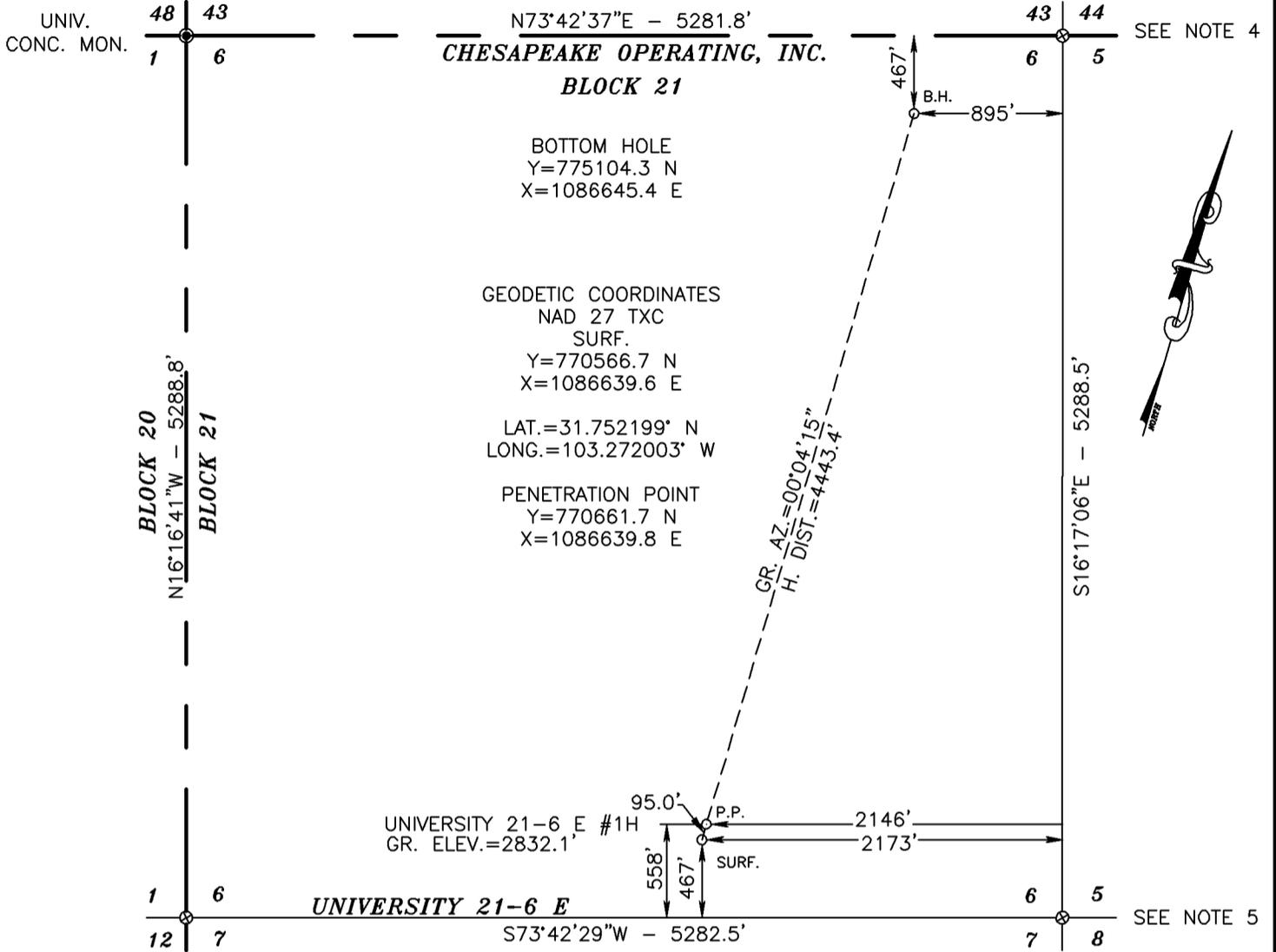
**CHESAPEAKE OPERATING, INC.
BLOCK 21**

BOTTOM HOLE
Y=775104.3 N
X=1086645.4 E

GEODETTIC COORDINATES
NAD 27 TXC
SURF.
Y=770566.7 N
X=1086639.6 E

LAT.=31.752199° N
LONG.=103.272003° W

PENETRATION POINT
Y=770661.7 N
X=1086639.8 E

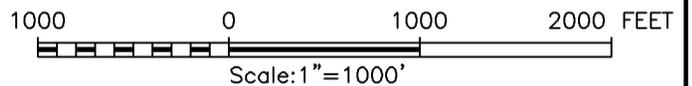


LEGEND

- DENOTES PROPOSED WELL LOCATION
- DENOTES FOUND MONUMENT AS NOTED
- ⊗ DENOTES CALCULATED CORNER

NOTES:

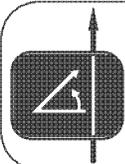
1. THIS LOCATION IS APPROXIMATELY 6.5 MILES WEST-NORTHWEST OF WINK, TEXAS.
2. SEE DOCUMENTS FILED FOR RECORD IN THIS OFFICE, WHICH DESCRIBES THE RECONSTRUCTION OF THIS SECTION.
3. BEARINGS SHOWN HEREON ARE LAMBERT GRID AND CONFORM TO THE "TEXAS COORDINATE SYSTEM" TEXAS CENTRAL ZONE, NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.
4. CALC. CORNER FROM WHICH A UNIV. CONC. MON. FOR THE NEc SEC. 5 BEARS N73°42'37"E 5281.8'.
5. CALC. CORNER FROM WHICH A UNIV. CONC. MON. FOR THE SEc SEC. 8 BEARS N73°42'29"E 5282.5' & S16°17'31"E 5288.3'.



CHESAPEAKE OPERATING, INC.

UNIVERSITY 21-6 E #1H
LOCATED 467 FEET FROM THE SOUTH LINE
AND 2173 FEET FROM EAST LINE OF
SECTION 6, BLOCK 21,
UNIVERSITY LAND SURVEY,
WINKLER COUNTY, TEXAS

GARY G. EIDSON TX R.P.L.S. No. 4735



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

Survey Date: 12/04/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.1943	Drawn By: J.R.
Date: 12/08/06	DISK:CD#6
06111943	Scale: 1"=1000'

DEPTH OF USABLE-QUALITY GROUND WATER TO BE PROTECTED

PLEASE READ ALL INSTRUCTIONS

The information requested is essential in order for this agency to provide an appropriate response. Please allow for receipt of this form in our offices at least two weeks before your operation begins. Due to the volume of these requests, at times, it may be difficult for us to handle telephone inquiries. Complete, keep the bottom sheet (goldenrod) for your files, and mail the top 3 sheets of the 4-sheet set of carbon-backed forms with a map to the address below. One sheet bearing our response will be returned to you. Another will be sent to the appropriate district office of the Railroad Commission. Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, contact us at 512/239-3282. If you have questions on how to fill out this form or about the Surface Casing program, please contact us at 512/239-0515.

PLEASE DO NOT STAPLE

Surface Casing - MC 151
TCEQ
P.O. Box 13087
Austin, TX 78711-308

Date 12/19/06

TCEQ File No.: SC-

4025

Mr. John McCartney

Name of person preparing this request & phone No. (with area code)

Chesapeake Operating, Inc.

Company (operator's name as on RRC form W-1)

P. O. Box 18496

Mailing Address

Oklahoma City, Oklahoma 73154-0496

City and State ZIP Code

FOR TCEQ USE ONLY

ALWAYS INCLUDE A MAP SHOWING YOUR WELL SITE AND ALL SURROUNDING SURVEYS

FOLD

COUNTY <u>Winkler</u>	Survey Name <u>University Land</u>
Block No. <u>21</u> Township _____	Section of Survey No. <u>6</u> (or) Lot No. _____
Abstract No. A- _____	LEASE Name <u>University 21-6</u> Well No. <u>1H</u>
Distances, in feet, and directions measured at right angles from each of two intersecting <input checked="" type="checkbox"/> Section or <input type="checkbox"/> Survey lines	
(NOT LEASE LINES) <u>467</u> feet from <u>South</u> line and <u>2173</u> feet from <u>East</u> line.	
Distance (in miles) and direction from a nearby town in this County (name the town) _____	
<u>6.5 miles west-northwest of Wink, Texas</u>	
THE ABOVE INFORMATION IN THIS BLOCK MUST BE COMPLETE AND CORRECT	
API # _____	RRC Lease No. _____ RRC Dist. No. <u>08</u>
GPS Coord. (long/lat or X-Y state plane) <u>X-1086639.6</u>	<u>Y-770566.7</u> NAD <u>1927</u>
Elevation <u>2832.1</u>	Total Depth <u>20000</u> Geologic Fm. at T.D. <u>Bone Springs</u>
Purpose of the Request: <input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Re-entry <input type="checkbox"/> Plug & Abandon <input type="checkbox"/> Other (specify) _____	
Is this an amended request? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Previous File No. for this well: SC- _____	
<input type="checkbox"/> Log included of same or nearby well (The applicable type of well log that shows the aquifers.) Please provide a location map or API# for attached log.	

ALWAYS attach the electric log of any well that is to be reentered.
Additional remarks: _____

TYPE OR PRINT IN INK

To protect usable-quality ground water at this location, the TEXAS COMMISSION ON ENVIRONMENTAL QUALITY recommends:

CO-WINKLER.SUR-UL.BLK-21.SEC-6.LEASE-UNIVERSITY 21-6.#2/300

FOLD

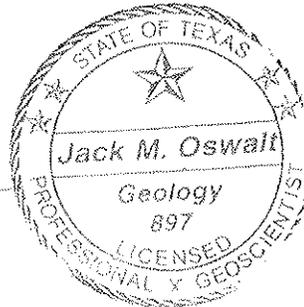
The base of usable-quality water-bearing strata is estimated to occur at a depth of 300 feet at the site of the referenced well.

DO NOT WRITE HERE FOR TCEQ USE ONLY

Very truly yours,



Jack M. Oswalt, P.G.



Date

December 20, 2006