

OPERATOR

Oil & Gas Conservation Division

EXISTING WELL

Post Office Box 52000

Oklahoma City, Oklahoma 73152-2000

WORKING INTEREST OWNER

APPLICATION FOR TAX REBATE

APPLICANT

Applicant Name CHESAPEAKE OPERATING, INC.		Phone (405) 935-1419
Address P.O. BOX 18496		Fax No. (405) 849-1419
City OKLAHOMA CITY	State OKLAHOMA	Zip 73154-0496
Operator Name CHESAPEAKE OPERATING, INC.		OCC/ OTC No. 17441
Address P.O. BOX 18496		Phone (405) 935-1419
City OKLAHOMA CITY	State OKLAHOMA	Zip 73154-0496
Lease Name/No. PUFFY 1-7	OTC Prod Unit No. 051-107718	API No. 35-051-22984-0001
Location (1/4 1/4 1/4) NW NW SE NW	Sec. 7	Twp. 5N
	Rge. 8W	County GRADY

Please attach copy of 1002A.

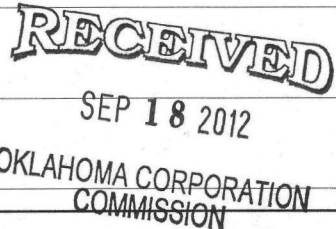
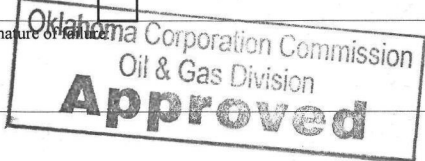
Additional geologic and/or engineering data may be required in order to approve any application.

I. PRODUCTION ENHANCEMENT PROJECT 165:10-21-21 through 24

Project Start Date (MM/DD/YR) 9/23/2010	Project Completion Date (MM/DD/YR) 9/28/2010	Orig. 1st Prod Date (MM/DD/YR) 8/30/2001
Project description: WORKOVER/SLICKLINE/SWAB/INSTALL AFL		1st Sale Date (MM/DD/YR) 9/28/2010
		Base Prod Amt 6502 mcf/mo SEE ATTACHED DECLINE

II. INACTIVE WELL 165:10-21-35 through 38

Cessation of production (MM/DD/YR)	Shut In	Mechanical Failure
Re-work commenced (MM/DD/YR)	Describe nature of failure	
Production Re-established (MM/DD/YR)		
Describe work done to restore production to inactive well:		



Attach supporting documentation for inactivity period or mechanical failure

III. DEEP WELL 165:10-21-45

Total Depth	Spud Date	1st Sales Date
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IV. NEW DISCOVERY 165:10-21-55 through 58

Formation	Depth (top)	Producing Interval (top-bottom)	Spud Date (MM/DD/YR)	Base Prod Amount if applicable
<input type="checkbox"/> Oil Production (>1 mile) same formation	<input type="checkbox"/> Oil Production (>1 mile) same interval of same formation	<input type="checkbox"/> Oil Production (>1 mile) deeper formation		
<input type="checkbox"/> Gas Production (>2 miles) same formation	<input type="checkbox"/> Gas Production (>2 miles) same interval of same formation	<input type="checkbox"/> Gas Production (>2 miles) deeper formation		

Attach a location plat locating and identifying the subject well and all wells within 1 mile for oil production or 2 miles for gas production.

Attach supporting documentation for the specific "New Discovery" category.

V. HORIZONTALLY DRILLED WELL 165:10-21-65 through 69

Project Beginning Date (MM/DD/YR)	1st Prod Date (MM/DD/YR)	Measured depth at 70°	Measured depth at terminus
Base Production amount if applicable:			

VI. 3D SEISMIC AREA 165:10-21-82

Spud Date (MM/DD/YR)	First Sale Date (MM/DD/YR)	Shoot Name	3D Shoot Date (MM/DD/YR)
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Attach 3D shoot project outline and evidence supporting use of 3D technology.

Affidavit Statement:

I declare that I have knowledge of the contents of the application, which was prepared by me or under my supervision and direction, with the data and facts stated herein to be true, correct, and complete to the best of my knowledge and belief.

Signature <i>E. Smith</i>	Date 08/26/2012	Phone No. (405) 935-2154
Name & Title (Typed or Printed) ELIZABETH SMITH, SR. COORDINATOR	E-mail Address ELIZABETH.A.SMITH@CHK.COM	

OCC USE ONLY

Reviewed by <i>TJ 11/24/12</i>	<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Denied	CHK PROP # 153599
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CHESAPEAKE OPERATING, INC.

P.O. Box 18496
 Oklahoma City, Oklahoma 73154-0496
 405.848.8000
 405.879.7917 FAX

Operated Daily Activity Report

NORTHERN
 ANADARKO
 PRODUCING

10/21/2006	/	0'	\$24,400	
		10,700'	\$2,245,603	8 hrs on 24/64", 4 BO, FCP 200#, RIH w/ GR/JB to 10,400', plug in place @ 10,370'.
10/23/2006	/	0'	\$0	
		10,700'	\$2,245,603	SD 10/22/06 - 10/23/06.
10/25/2006	/	0'	\$2,000	
		10,700'	\$2,247,603	MIRU CU.
10/26/2006	/	0'	\$10,500	
		10,700'	\$2,258,103	RIH w/ tbg, install wrap around, ND BOP, NU tree, SICP 600#.
10/27/2006	/	0'	\$7,500	
		10,700'	\$2,265,603	Swab, IFL 5,400', 22 BO.
10/28/2006	/	0'	\$8,200	
		10,700'	\$2,273,803	Swab, IFL 9,700, well KO, 10 hrs on 64/64" - 24/64", FTP 500#.
10/29/2006	/	0'	\$2,500	
		10,700'	\$2,276,303	14 hrs on 24/64", 103 BF, FTP 50#.
10/30/2006	/	0'	\$0	
		10,700'	\$2,276,303	Wait on gas meter.
11/4/2006	/	0'	\$0	
		10,700'	\$2,276,303	16 hrs on 64/64", 170 BO, 2 BW, 268 MCFG, FTP 50#.
11/5/2006	/	0'	\$0	
		10,700'	\$2,276,303	24 hrs on 64/64", 124 BO, 6 BW, 291 MCFG, FTP 50#.
11/6/2006	/	0'	\$0	
		10,700'	\$2,276,303	24 hrs on 64/64", 120 BO, 3 BW, 324 MCFG, FTP 50#.
11/7/2006	/	0'	\$0	
		10,700'	\$2,276,303	24 hrs on 64/64", 101 BO, 6 BW, 312 MCFG, FTP 50#.
11/8/2006	/	0'	\$0	
		10,700'	\$2,276,303	24 hrs on 64/64", 96 BO, 3 BW, 289 MCFG, FTP 50#.
11/9/2006	/	0'	\$0	
		10,700'	\$2,276,303	24 hrs on 64/64", 84 BO, 410 MCFG, FTP 50#.
11/10/2006	/	0'	\$0	
		10,700'	\$2,276,303	24 hrs on 64/64", 72 BO, 496 MCFG, FTP 50#, FINAL REPORT.
9/23/2010		0'	\$10,534	SIBU
		10,700'	\$10,534	SITP - 250#; SICP - 0#. ARRIVED ON LOCATION; HELD PJSA MEETING. DOWNSIZED WH; INSTALLED PIPER VALVE, MIRU SLU, RIH W/ 1.75" SB; TAG @ 10,413' WLM. RIH W/ 2.347" BROACH; COULDN'T GET PAST 1000'. TOH. HELD PJSA MEETING. HOT OIL TRUCK. ARRIVED ON LOCATION; HOT OILED FLOW LINE W/ 10 BBL OIL. HOT OILED TBG. W/ 40 BBL. RIH W/ BROACH; TAG SS @ 10,333' WLM, TOH. RIH W/ CSBS COMBO; SET @ 10,303' WLM. TOH; DROP VIPER PLGR; CHASE TO BTM. RDMO. SIBU. TEMP DROP FOR LINE OUT.
9/24/2010		0'	\$1,865	6 HRS ON 32 BO; 3 BW; 20# SITP;
		10,700'	\$12,399	INITIAL SITP - 0#; INITIAL SICP - 0#. HELD PJSA MEETING; MIRU SWAB UNIT. BEGINNING FLUID LEVEL - 6000' WLM. MADE 8 SWAB RUNS; ENDING FLUID LEVEL 10,300' WLM. RECOVERED 32 BBL OIL AND 3 BBL WATER; TOTAL - 35 BBL. SWAB CUPS BROUGHT UP A TRACE OF SAND IN THE LAST 4 RUNS. WELL NEVER KICKED OFF; PLGR NEVER SURFACED. ENDING TP - 20#; ENDING CP - 0#. SIBU

Operated Daily Activity Report

NORTHERN
ANADARKO
PRODUCING

9/25/2010	0'	\$0	PUT WELL ON LINE
	10,700'	\$12,399	SITP- 754# SICP-0# OPEN WELL AND TRIED TO CYCLE PLUNGER. PLUNGER DID NOT ARRIVE AND WELL DIED. SHUT WELL BACK IN FOR PRESS. BUILD UP
9/26/2010	0'	\$0	SIBU PRESSURE
	10,700'	\$12,399	SITP- 0# SICP- 40#
9/27/2010	0'	\$2,970	SWAB WELL
	10,700'	\$15,369	SITP - 125#. SICP - 35#. ARRIVE ON LOCATION; HELD PJSA MEETING. INITIAL TP - 0#. INITIAL CP - 35#. MADE 10 RUNS WITH SWAB UNIT; INITIAL FLUID LEVEL - 4200'. ENDING FLUID LEVEL - 13,300' (BTM). RECOVERED 8 BBL WATER AND 12 BBL OIL; 20 BBL TOTAL. PLGR NEVER SURFACED; MADE ONE RUN TO FISH PLGR OUT, RD & MO SWAB UNIT . TEMP DROP FOR LINE OUT.
10/6/2010	0'	\$0	24 HRS ON 2 BO; 237 MCFG; 24# LP; 600# SITP; 39# SICP;
	10,700'	\$15,369	RESTART REPORT 3 DAY AVG. 245MCF 2 BO/D 0 BW/D
7/11/2011	0'	\$400	PLUNGER CHANGE OUT
	10,700'	\$400	PLUNGER CHANGE OUT
11/22/2011	0'	\$400	PLUNGER CHANGE OUT
	10,700'	\$400	PLUNGER CHANGE OUT
3/16/2012	0'	\$400	PLUNGER CHANGE OUT
	10,700'	\$400	PLUNGER CHANGE OUT
7/6/2012	0'	\$400	PLUNGER CHANGE OUT
	10,700'	\$400	PLUNGER CHANGE OUT