MUST BE FILED BY OPERATOR OR WORKING INTEREST OWNER

[X] OPERATOR

[ ] WORKING INTEREST OWNER

OKLAHOMA CORPORATION COMMISSION
Oil & Gas Conservation Division
Post Office Box 52000
Oklahoma City, Oklahoma 73152-2000

[ ] NEW WELL

[X] EXISTING WELL

Form 1534
Rev. 2007

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.: DAWN 1-16	OTC Prod Unit No.: 051-108139		API No.: 35-051-23007-0003
Location (1/4 1/4 1/4): NE SE NW NW — Sec.: 16 — 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): 4/26/2011	Project Completion Date (MM/DD/YR): 4/26/2011	**Orig.** 1st Prod Date (MM/DD/YR): 11/15/2001	
Project description: WORKOVER/PARAFFIN/SWAB		1st Sale Date (MM/DD/YR): 4/26/2011	
		Base Prod Amt: 2856 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 mechanical failure:		
Production Re-established (MM/DD/YR)			
Describe work done to restore production to inactive well:			

Oklahoma Corporation Commission
Oil & Gas Division
Approved

RECEIVED
SEP 18 2012
OKLAHOMA CORPORATION COMMISSION

Attach supporting documentation for inactivity period or mechanical failure

III. DEEP WELL 165:10-21-45

Total Depth	Spud Date	1st Sales Date

IV. NEW DISCOVERY 165:10-21-55 through 58

Formation	Depth (top)	Producing Inverval (top-bottom)	Spud Date (MM/DD/YR)	Base Prod Amount if applicable

[ ] Oil Production (>1 mile) same formation — [ ] Oil Production (>1 mile) same interval of same formation — [ ] Oil Production (>1 mile) deeper formation
[ ] Gas Production (>2 miles) same formation — [ ] Gas Production (>2 miles) same interval of same formation — [ ] 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 Beginng 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 — Shoot Name:

Spud Date (MM/DD/YR)	First Sale Date (MM/DD/YR)	3D Shoot Date (MM/DD/YR)

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: E. Smith	Date: 08/29/2012	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: RL 9/24/12 — [✓] Approved — [ ] Denied — **CHK PROP #** 153764

W:\acct\Tax Department\State & Local\Exemptions\OK\OK Tracking Sheet\1534's\FY2011\DAWN 1-16.xlsx

uction Calculation)

OAC 165:10-21-22, if the well had production for less than the full twelve-month period prior to the filling of application, then the base production shall be the average monthly production during the period well was produced.

2) If Decline curve ends with positive exponent, then twelve-month average will be used as base production.

3)The base production shall be the average monthly production for the twelve-month period immediately prior to project beginning date less the monthly rate of production decline for each month beginning one hundred eighty days prior to project beginning date.The monthly rate of production decline shall be the average extrapolated monthly decline rate for the twelve months prior to project based on production history of the well, and sound reservoir engineering principles.

Instruction:

1) Type production data in Pink column

2) Obtain the exponent in the equation and type in pink cell

Month	Well DAWN 1-16 GAS												
1	5319												
2	6217												
3	5748												
4	5724												
5	4185												
6	5465	4644											
7	5015	4283											
8	4220	3949											
9	5261	3642											
10	4651	3359											
11	1781	3097											
12	2142	2856											
	Dec.Rate	0.0810											
28 Months	Average	4644											
2856	Base	2856											
997	2634	2429	2240	2066	1905	1757	1620	1494	1378	1271	1172	1081	
348	919	848	782	721	665	613	565	521	481	443	409	377	
	321												

mcf/mo

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

2/16/2006	/	0'	$0	
		11,950'	$3,002,660	24 hrs on 20/34", 2 BO, 3 BW, 3,984 MCFG, FTP 900#
2/17/2006	/	0'	$0	
		11,950'	$3,002,660	24 hrs on 22/64", 2 BO, 3 BW, 4,014 MCFG, FTP 850#.
2/18/2006	/	0'	$0	
		11,950'	$3,002,660	24 hrs on 26/64", 0 BO, 0 BW, 3,820 MCFG, FTP 650#.
2/19/2006	/	0'	$0	
		11,950'	$3,002,660	24 hrs on 28/64", 0 BO, 0 BW, 3,600 MCFG, FTP 725#.
2/20/2006	/	0'	$0	
		11,950'	$3,002,660	24 hrs on 32/64", 0 BO, 0 BW, 3,820 MCFG, FTP 650#.
2/21/2006	/	0'	$0	
		11,950'	$3,002,660	24 hrs on 36/64", 0 BO, 0 BW, 3,699 MCFG, FTP 600#. FINAL REPORT.
2/22/2006	/	0'	$0	
		11,950'	$3,002,660	24 hrs on 36/64", 0 BO, 0 BW, 3,521 MCFG, FTP 600#.
2/23/2006	/	0'	$0	
		11,950'	$3,002,660	24 hrs on 36/64", 0 BO, 0 BW, 3,375 MCFG, FTP 580#.
2/24/2006	/	0'	$0	
		11,950'	$3,002,660	24 hrs on 38/64", 0 BO, 0 BW, 3,210 MCFG, FTP 540#.
2/25/2006	/	0'	$0	
		11,950'	$3,002,660	24 hrs on 38/64", 0 BO, 0 BW, 3,140 MCFG, FTP 540#.
2/26/2006	/	0'	$0	
		11,950'	$3,002,660	24 hrs on 38/64", 0 BO, 0 BW, 2,910 MCFG, FTP 500#.
2/27/2006	/	0'	$0	
		11,950'	$3,002,660	24 hrs on 38/64", 0 BO, 0 BW, 2,851 MCFG, FTP 460#.
2/28/2006	/	0'	$0	
		11,950'	$3,002,660	24 hrs on 38/64", 0 BO, 0 BW, 2,640 MCFG, FTP 420#.
3/1/2006	/	0'	$0	
		11,950'	$3,002,660	24 hrs on 38/64", 0 BO, 0 BW, 2,410 MCFG, FTP 400#.
3/2/2006	/	0'	$0	
		11,950'	$3,002,660	24 hrs on 38/64", 0 BO, 0 BW, 2,390 MCFG, FTP 360#.
8/11/2009		0'	$335	
		11,950'	$335	1ST REPORT. REPLACE PLUNGER WITH WELLMASTER VIPER PLUNGER
3/3/2011		0'	$344	PLUNGER CHANGE OUT
		11,950'	$344	PLUNGER CHANGE OUT
4/26/2011		0'	$2,320	HOT OIL AND SWAB PER WELL REVIEW
		11,950'	$2,320	SITP 60# SICP 385# HELD PJSA MEETING. HOT OIL DN. TBG W/ 2O BO AND PARAFFIN DISPERSANT. HELD PJSA. MIRU SWAB UNIT INFL@ 5,200' PULLED FROM 5,800' . SWAB 9 RUNS SCATTERED TO BOTTOM.RECOVERED 22 BBLS 2 OIL 20 WTR DROP PLUNGER SIBU 3HR POL
4/27/2011		0'	$0	64/64 100 MCFG; 151# FTP; 376 # FCP; 376# SICP;
		11,950'	$2,320	FTP 55# FCP 370# PLUNGER RUNNING FAST