

MUST BE FILED BY OPERATOR OR WORKING INTEREST OWNER

OPERATOR

WORKING INTEREST OWNER

OKLAHOMA CORPORATION COMMISSION

Oil & Gas Conservation Division

Post Office Box 52000

Oklahoma City, Oklahoma 73152-2000

NEW WELL

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. FLOSSIE 1-18	OTC Prod Unit No. 045-109398	API No. 35-045-22225
Location (1/4 1/4 1/4) C SW NE	Sec. 18	Twp. 18N
	Rge. 25W	County ELLIS

Please attach copy of 1002A.

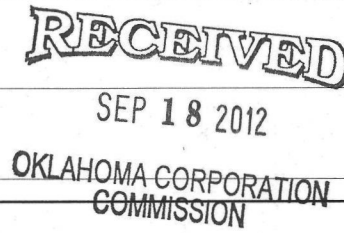
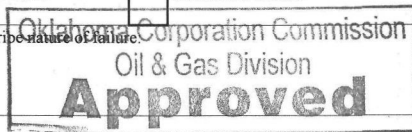
Additional geologic and/or engineering data may be required in order to approve any application.

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

Project Start Date (MM/DD/YR) 5/12/2010	Project Completion Date (MM/DD/YR) 5/14/2010	Orig. 1st Prod Date (MM/DD/YR) 7/2/2002
Project description: WORKOVER/SWAB		1st Sale Date (MM/DD/YR) 5/14/2010
		Base Prod Amt GAS=1789MCF

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 08/24/2012	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>[Signature]</i> 4/24/12	<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Denied	CHK PROP # 153539
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(Base Production Calculation)

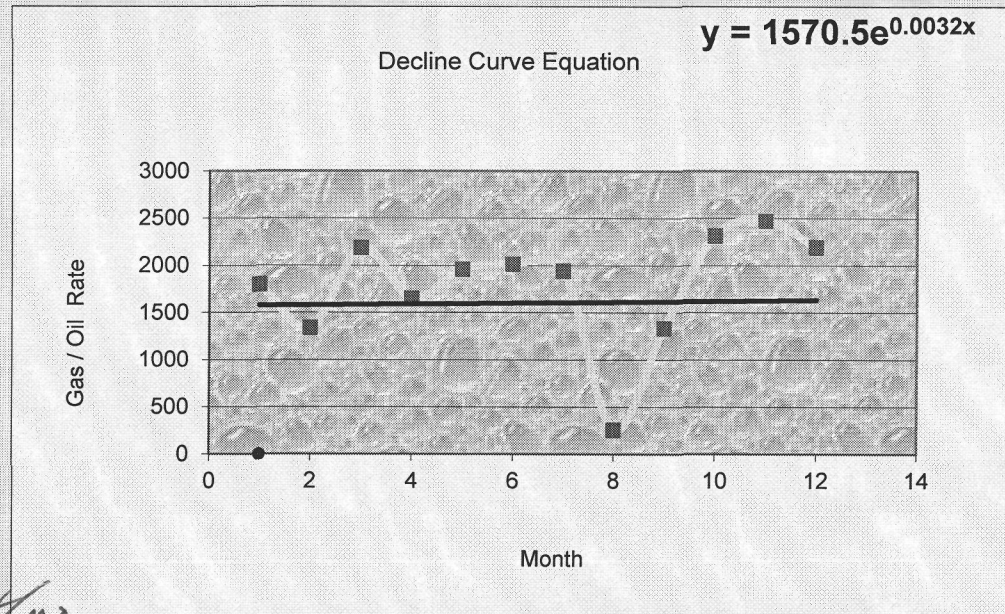
Remark:

- 1) As per 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*

Well	FLOSSIE 1-18 ✓											
Month	GAS											
1	1799 ✓											
2	1339 ✓											
3	2188 ✓											
4	1652 ✓											
5	1961 ✓											
6	2015 ✓	1789										
7	1941 ✓	1789										
8	258 ✓	1789										
9	1334 ✓	1789										
10	2314 ✓	1789										
11	2475 ✓	1789										
12	2194 ✓	1789										
		Dec.Rate										
		Average										
		Base										
28 Months	→											
1789	1789	1789	1789	1789	1789	1789	1789	1789	1789	1789	1789	1789
1789	1789	1789	1789	1789	1789	1789	1789	1789	1789	1789	1789	1789
1789	1789											



Operated Daily Activity Report

NORTHERN
CENTRAL MID-CONTINENT
PRODUCING

7/7/2002	/	0'	\$0	24 hrs on 1", 0 BO, 68 BW, 487 MCFG, FTP 140#, SICP 310#, LP 156#
		12,890'	\$1,125,179	
7/8/2002	/	0'	\$0	24 hrs on 1", 0 BO, 40 BW, 444 MCFG, FTP 140#, SICP 280#, LP 150#
		12,890'	\$1,125,179	
7/9/2002	/	0'	\$0	24 hrs on 1", 0 BO, 27 BW, 466 MCFG, FTP 140#, SICP 320#, LP 148#
		12,890'	\$1,125,179	
7/10/2002	/	0'	\$0	24 hrs on 1", 0 BO, 44 BW, 437 MCFG, FTP 140#, SICP 270#, LP 152#
		12,890'	\$1,125,179	
7/11/2002	/	0'	\$0	24 hrs on 1", 0 BO, 23 BW, 428 MCFG, FTP 140#, SICP 260#, LP 135#
		12,890'	\$1,125,179	
7/12/2002	/	0'	\$0	24 hrs on 1", 0 BO, 41 BW, 419 MCFG, FTP 155#, SICP 250#, LP 152#
		12,890'	\$1,125,179	
7/13/2002	/	0'	\$0	24 hrs on 1", 0 BO, 36 BW, 407 MCFG, FTP 150#, SICP 320#, FIN RPT
		12,890'	\$1,125,179	
<u>5/12/2010</u>		0'	\$1,465	SWAB WELL
		12,890'	\$1,465	ITP 30# ICP 70# BTT, MIRU SWAB UNIT. IFL 11,300. PULL FROM 12,000' MADE A TOTAL OF 6 RUNS, REC. 5.04 BBL ALL RUNS FROM SN. ETP LB ECP 80#
5/13/2010		0'	\$900	SWAB WELL
		12,890'	\$2,365	ITP 400# ICP 400# BT TO SALES, IFL 2100' PULL FROM 5800' WELL STARTED FLOWING, REC. 2 BBL WATER, RTP RDMO SWAB UNIT
5/26/2010		0'	\$0	SL & PL
		12,890'		MIRU WAGES SL RAN 1.925 BROACH TO SN @ 12036 TOH W/ 1.5 SB TO PBTD @ 12547 TOOH TIH SET BHA W /SL @ 12036 TOOH DROP PLUNGER TIH SET STAGE TOOL @ 7359 RD SL . INSTALL PL TELEMETRY IN PLACE 6 HR SITP 525 SICP 660 PPLUNGER UP 13 MIN W/ NO FLUID SIOA W/ 371# / 584# SET CONTROL PARAMETERS P.O.L. LAG PROD. 1 DAY.
5/27/2010		0'	\$0	24 HRS ON 2 BW; 62 MCFG; 372# FTP; 221# LP; 568# SICP;
		12,890'		1 OF 10
5/28/2010		0'	\$0	24 HRS ON 2 BW; 95 MCFG; 447# FTP; 210# LP; 503# SICP;
		12,890'		2 OF 10
5/29/2010		0'	\$0	24 HRS ON 2 BW; 87 MCFG; 360# FTP; 195# LP; 429# SICP;
		12,890'		3 OF 10
5/30/2010		0'	\$0	24 HRS ON 3 BW; 78 MCFG; 322# FTP; 178# LP; 427# SICP;
		12,890'		4 OF 10
5/31/2010		0'	\$0	24 HRS ON 2 BW; 87 MCFG; 341# FTP; 203# LP; 396# SICP;
		12,890'		5 OF 10
6/1/2010		0'	\$0	24 HRS ON 3 BW; 86 MCFG; 326# FTP; 195# LP; 380# SICP;
		12,890'		6 OF 10
6/2/2010		0'	\$0	24 HRS ON 2 BW; 90 MCFG; 314# FTP; 188# LP; 369# SICP;
		12,890'		7 OF 10
6/3/2010		0'	\$0	24 HRS ON 2 BW; 84 MCFG; 315# FTP; 191# LP; 366# SICP;
		12,890'		8 OF 10