

OPERATOR

WORKING INTEREST OWNER

NEW WELL

EXISTING WELL

APPLICATION FOR TAX REBATE

APPLICANT

Applicant Name <b>CHESAPEAKE OPERATING, INC.</b>		Phone <b>(405) 935-1419</b>
Address <b>P.O. BOX 18496</b>		Fax No. <b>(405) 849-1419</b>
City <b>OKLAHOMA CITY</b>	State <b>OKLAHOMA</b>	Zip <b>73154-0496</b>
Operator Name <b>CHESAPEAKE OPERATING, INC.</b>		OCC/ OTC No. <b>17441</b>
Address <b>P.O. BOX 18496</b>		Phone <b>(405) 935-1419</b>
City <b>OKLAHOMA CITY</b>	State <b>OKLAHOMA</b>	Zip <b>73154-0496</b>
Lease Name/No. <b>DAVID 2-26H</b>	OTC Prod Unit No. <b>137-108841</b>	API No. <b>35-137-25660-0001</b>
Location (1/4 1/4 1/4) <b>NE SE SW NW</b>	Sec. <b>26</b>	Twp. <b>1N</b>
	Rge. <b>4W</b>	County <b>STEPHENS</b>

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) <b>6/30/2011</b>	Project Completion Date (MM/DD/YR) <b>6/30/2011</b>	Orig. 1st Prod Date (MM/DD/YR) <b>2/27/2002</b>
Project description: <b>Plunger WORKOVER/SWAB/PARAFFIN TREATMENT</b>		1st Sale Date (MM/DD/YR) <b>6/30/2011</b>
		Base Prod Amt <b>SEE ATTACHED DECLINE</b>

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 work done to restore production to inactive well:	
Production Re-established (MM/DD/YR)	<div style="border: 2px solid black; padding: 5px; text-align: center;"> <p>OKLAHOMA CORPORATION COMMISSION Oil &amp; Gas Division <b>Approved</b></p> </div>	
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <p><b>RECEIVED</b> SEP 18 2012 OKLAHOMA CORPORATION COMMISSION</p> </div>		

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

OCC USE ONLY

Reviewed by <i>TR 11/28/12</i>	<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Denied	CHK PROP # <b>153916</b>
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Operated Daily Activity Report

NORTHERN  
ANADARKO  
PRODUCING

5/11/2010	0'	\$2,300	24 HRS ON 13 BO; 4 BW; 108 MCFG; 165# SITP; 422# SICP;
	12,050'	\$2,300	HELD SAFETY MTG W/PJSA, MIRU WILDCAT SWAB UNIT, IFL 8000', PLUNGER FOLLOWED SWAB, FFL SCAT, DROP VIPER PLUNGER, CYCLE, PLUNGER RAN IN 10 MIN, RD SWAB UNIT. PRODUCE WELL 16 HRS. PLUNGER MADE 6 CYCLES; 6 ARRIVALS. DROP FROM REPORT.
10/19/2010	0'	\$2,570	24 HRS ON 13 BO; 1 BW; 106 MCFG; 18# LP; 207# SITP; 444# SICP;
	12,050'	\$2,570	HELD SAFETY MEETING W/PJSA, MIRU SWABBING JOHN'S, IFL 3000', FFL 5300', SWAB 5 BO, PLUNGER FOLLOWED SWAB, DROP NEW PLUNGER, CYCLE, SDFN. THIS A.M. SITP 207#, SICP 444#. NO ARRIVALS.
10/20/2010	0'	\$3,300	24 HRS ON 50 BO; 57 MCFG; 20# LP; 69# SITP; 384# SICP;
	12,050'	\$5,870	HELD SAFETY MEETING W/PJSA, IFL 6500', FFL SCAT, SWAB & FLOW 39 BO, DROP PLUNGER, CYCLE, RDMO SWAB UNIT. PLUNGER MADE 3 CYCLES; 3 ARRIVALS. DROP FROM REPORT.
11/4/2010	0'	\$3,445	16 HRS ON 21 BO; 1 BW; 67 MCFG; 24# LP; 305# SITP; 448# SICP;
	12,050'	\$3,445	SAFETY MEETING WITH PJSA, MIRU SWABBING UNIT, MADE 2 SWAB RUNS PLUNGER DID NOT FOLLOW UP SWAB, RIH WITH FISHING TOOL, FISHED PLUNGER, MADE 2 GW RUNS, DROPPED NEW PLUNGER, S/I 1 HR, PLUNGER RAN IN 15 MIN, POL, RDMO SWABBING RIG, DROP REPORT
1/18/2011	0'	\$3,655	16 HRS ON 40 BO; 8 BW; 66 MCFG; 32# LP; 200# SITP; 450# SICP;
	12,050'	\$3,655	SAFETY MEETING WITH PJSA, MIRU SWABBING UNIT, RIH WITH SWAB, IFL 5000, PF 8000, PLUNGER DID NOT FOLLOW UP SWAB, RIH WITH FISHING TOOL, FISHED PLUNGER, MADE 2 MORE SWAB RUNS, REC 5 BO AND 5 BW, DROPPED NEW PLUNGER, S/I 1 HR, PLUNGER RAN IN 12 MIN, RDMO SWABBING UNIT, POL, DROP REPORT.
6/30/2011	0'	\$3,990	34 BO; 10 BW; 41 MCFG; 27# FTP; 10# LP; 460# SICP;
	12,050'	\$3,990	HELD SAFETY MEETING W/PJSA. MIRU SWABBING JOHN'S, RIH W/CUPS, STACK OUT ON PARAFFIN AT 100', CUT PARRAFFIN, SWAB IFL 6000', FFL SCAT, SWAB 23 BO 5 BW, PLUNGER FOLLOWED SWAB, DROP NEW PLUNGER, CYCLE, SDFN. DROP FROM REPORT.
9/1/2011	0'	\$2,945	24 HRS ON 32 BO; 1 BW; 56 MCFG; 188# FTP; 10# LP; 496# SICP;
	12,050'	\$2,945	SAFETY MEETING WITH PJSA, MIRU SWABBING UNIT, RIH WITH SWAB, STACK OUT ON PARRIFIN @ 40FT, POH, RIH AND CUT PARRIFIN, WELL KICKED OFF, FLOWED BACK 32 BO, PLUNGER DID NOT ARRIVE, PUT WELL THROUGH SYSTEM AND INTERMITTED THOUGH THE NIGHT.
9/2/2011	0'	\$3,510	24 HRS ON 20 BO; 4 BW; 68 MCFG; 10# LP; 203# SITP; 436# SICP;
	12,050'	\$6,455	SAFETY MEETING WITH PJSA, BD WELL, RIH WITH SWAB, IFL-6000 PF-8000, PLUNGER FOLLOWED UP SWAB, MADE 7 TOTAL SWAB RUNS, REC 18 BO, DROPPED NEW PLUNGER, S/I WELL FOR 1 HR, POL, PLUNGER RAN IN 10 MIN, RDMO SWABBING UNIT, DROP REPORT
10/14/2011	0'	\$4,760	12 HRS ON 15 BO; 2 BW; 82 MCFG; 25# LP; 145# SITP; 448# SICP;
	12,050'	\$4,760	HELD SAFETY MEETING W/PJSA, MIRU SWABBING JOHN'S, ITP 120#, ICP 520#, SWAB, IFL 3000', TIH RECOVER PLUNGER, SWAB 15 BBL, FFL SCAT TO SN, RDMO SWAB UNIT, MIRU GREAT WHITE, TIH BROACH & CLEAN UP TIGHT SPOTS AT 7975', 8188', 8210', TAG SPRING, TOOH, RDMO SLICKLINE, DROP NEW PLUNGER, POL. DROP FROM REPORT.
2/2/2012	0'	\$6,860	
	12,050'	\$6,860	PJSA. HOT OIL TUBING W/25 BLO. HOT OIL FLOW LINE W/5 BLO. MIRU GREAT WHITE SLICK LINE. RIH LATCH AND PULL PLUNGER. RIH LATCH AND PULL SV AND SPRING. DROP SV. MIRU MORGAN W.S. LOAD TUBING W/25 BT2%, PRESSURE UP TO 500#, HOLD FOR 10 MIN. OK. RIH LATCH AND PULL SV. PLUMB IN FLOW LINE AND CASING. SW SD
2/3/2012	0'	\$44,900	PREPARE TO RUN RODS
	12,050'	\$51,760	PJSA. UNLOAD RODS. PU 2" X 1 1/4" X 20' X 24' BURLESON PUMP. CLEAN, DOPE AND CARD RODS W/ROD TECH AS DESIGNED. TAG BOTOM. SECURE WELL W/POLISH ROD. SD
2/4/2012	0'	\$0	PU RODS
	12,050'	\$51,760	SI NO ACTIVITY