

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 <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>BEAVERS TRUST 1-21</b>		OTC Prod Unit No. <b>137-113471</b>	API No. <b>35-137-26043-0003</b>
Location (1/4 1/4 1/4) <b>C NE NE</b>	Sec. <b>21</b>	Twp. <b>2N</b>	Rge. <b>7W</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.

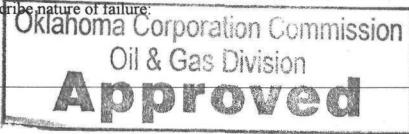
I. PRODUCTION ENHANCEMENT PROJECT 165:10-21-21 through 24

Project Start Date (MM/DD/YR) <b>5/10/2011</b>	Project Completion Date (MM/DD/YR) <b>5/27/2011</b>	Orig. 1st Prod Date (MM/DD/YR) <b>6/5/2004</b>
Project description: <b>WORKOVER/SLICKLINE/FISH/INSTALL AFL</b>		1st Sale Date (MM/DD/YR) <b>5/27/2011</b>
		Base Prod Amt <b>GAS=2782MCF/mo</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 nature of failure: <b>Compressor</b>	
Production Re-established (MM/DD/YR)		
Describe work done to restore production to inactive well:		

Attach supporting documentation for inactivity period or mechanical failure



RECEIVED

SEP 18 2012

OKLAHOMA CORPORATION COMMISSION

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>92 4/24/12</i>	<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Denied	CHK PROP # <b>153826</b>
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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:**

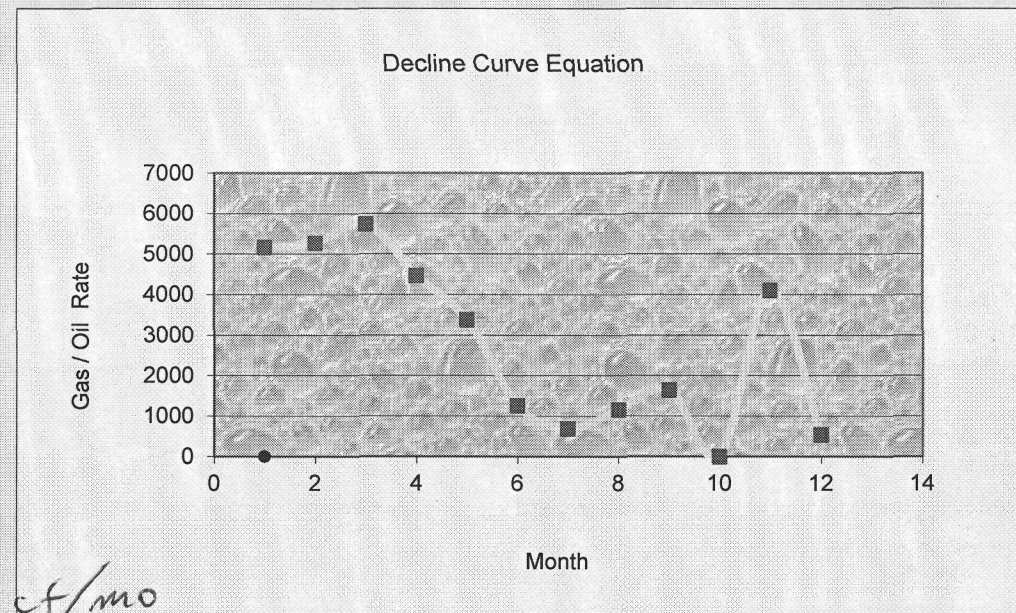
- 2) Obtain the exponent in the equation and type in pink cell

Well	BEAVERS TRUST 1-21	
<u>Month</u>	<u>GAS</u>	
1	5159✓	
2	5268✓	
3	5740✓	
4	4464✓	
5	3379✓	
6	1254✓	2782
7	689✓	2782
8	1150✓	2782
9	1640•	2782
10	0✓	2782
11	4105✓	2782
12	539✓	2782

**Dec.Rate**  
**Average**  
**Base**

2782  
2782 mcf/mo

**28 Months** →

[illegible]

Operated Daily Activity Report

NORTHERN  
ANADARKO  
PRODUCING

5/6/2010	0'	\$2,735	18 HRS ON 11 BO; 4 BW; 106 MCFG; 74# LP; 381# SITP; 680# SICP;
	11,406'	\$2,735	HELD SAFETY MEETING W/ PJSAMIRU SWAB UNIT IP= TBG 530# CSG 500#, BLED DOWN WELL, IFL 6000' SCATTERED TO 12000', REC 4 BO, PLUNGER FOLLOWED UP, FFL SCATTERED TO 12800', DROP NEW PLUNGER, RDMO SWAB UNIT, POL, DROP REPORT
9/14/2010	0'	\$3,130	18 HRS ON 11 BO; 3 BW; 264 MCFG; 56# FTP; 56# LP; 700# SICP;
	11,406'	\$3,130	HELD SAFETY MEETING W/ PJSAMIRU SWAB UNIT, IP= TBG 100# CSG 875#, IFL 6500' PF 8000', REC 11 BO 0 BW, PLUNGER FOLLOWED UP, FFL 6500' PF 8000', DROP NEW PLUNGER, RUN CYCLE, RAN IN 13 MINS, END TBG 725# CSG 775#, RDMO SWAB UNIT, POL, DROP REPORT
9/20/2010	0'	\$2,495	17 HRS ON 25 BO; 3 BW; 354 MCFG; 60# FTP; 58# LP; 400# SICP;
	11,406'	\$2,495	SAFWTY MEETING W/ PJSAMIRU SWAB UNIT, IP= TBG 120# CSG 900#, IFL 7200' PF 9300', SWAB 16 BO, PLUNGER FOLLOWED UP, FLOW TO TANKS TO UNLOAD, FFL 6300' PF 9300', DROP PLUNGER, RUN CYCLE, END PRESSURE TBG 460# CSG 700#, RDMO SWAB UNIT, POL, DROP REPORT
9/29/2010	0'	\$2,370	14 HRS ON 15 BO; 3 BW; 149 MCFG; 55# LP; 689# SITP; 700# SICP;
	11,406'	\$2,370	SAFETY MEETING W/ PJSAMIRU SWAB UNIT, IP= TBG 500# CSG 950#, BLED DOWN TBG, IFL 9500' PF 11000', PLUNGER FOLLOWED UP, FLOW TO TANK, REC 11 BO 3 BW, DROP PLUNGER, RUN CYCLE, ARRIVED IN 18 MINS, END TBG 400# CSG 825#, RDMO SWAB UNIT, 8 CYCLES W/ 8 ARRIVALS THIS AM, DROP REPORT
10/7/2010	0'	\$3,990	10 HRS ON 7 BO; 3 BW; 193 MCFG; 313# SITP; 400# SICP;
	11,406'	\$6,360	SAFETY MEETING WITH PJSA, RU SWAB, BD WELL, ITP=325 ICP=775, RIH WITH SWAB, MADE 3 SWAB RUNS PLUNGER DID NOT FOLLOW, RIH WITH FISHING TOOL AND FISH PLUNGER, MADE 1 MORE SWAB RUN AND DROPPED NEW PLUNGER, FINAL PRESSURES 280/325 RECOVERED 18BO AND 1BW POL, DROPPED REPORT.
<u>5/10/2011</u>	0'	\$3,700	
	11,406'	\$3,700	PJSA. MIRU GREAT WHITE SLICK LINE. RIH FISH PLUNGER. RIH W/PRESSURE GRADIENT, STOPPING EVERY 2000' TO BOTTOM 12771'. POOH MAKING STOPS EVERY 2000'. SW RDMO S.L.TEMPORARY DROP FROM REPORT
<u>5/27/2011</u>	0'	\$2,000	15 HRS ON 64/64 58 BO; 5 BW; 504 MCFG; 74# FTP; 415 # FCP; 53# LP;
	11,406'	\$5,700	<u>INSTALL COMP FOR GAS LIFT. STARTED UP COMP @ 3:00 P.M.</u>
5/28/2011	0'	\$2,000	24 HRS ON 64/64 38 BO; 3 BW; 429 MCFG; 67# FTP; 355 # FCP; 56# LP;
	11,406'	\$7,700	GAS LIFT DAY 1
5/29/2011	0'	\$1,000	GAS LIFT
	11,406'	\$8,700	GAS LIFT DAY 2. DROP DAY BEHIND
5/30/2011	0'	\$1,000	24 HRS ON 64/64 32 BO; 5 BW; 374 MCFG; 64# FTP; 330 # FCP; 52# LP;
	11,406'	\$9,700	GAS LIFT DAY 3
5/31/2011	0'	\$1,000	24 HRS ON 64/64 28 BO; 3 BW; 348 MCFG; 64# FTP; 320 # FCP; 54# LP;
	11,406'	\$10,700	GAS LIFT DAY 4
6/1/2011	0'	\$1,000	24 HRS ON 64/64 30 BO; 3 BW; 300 MCFG; 64# FTP; 309 # FCP; 53# LP;
	11,406'	\$11,700	GAS LIFT DAY 5
6/2/2011	0'	\$1,000	24 HRS ON 26 BO; 3 BW; 276 MCFG; 63# FTP; 300 # FCP; 53# LP;
	11,406'	\$12,700	GAS LIFT DAY 6
6/3/2011	0'	\$1,000	24 HRS ON 20 BO; 2 BW; 271 MCFG; 63# FTP; 294 # FCP; 53# LP;
	11,406'	\$13,700	GAS LIFT DAY 7
6/4/2011	0'	\$1,000	24 HRS ON 18 BO; 2 BW; 262 MCFG; 62# FTP; 294 # FCP; 54# LP;
	11,406'	\$14,700	GAS LIFT DAY 8.
6/5/2011	0'	\$1,000	24 HRS ON 19 BO; 3 BW; 262 MCFG; 65# FTP; 286 # FCP; 54# LP;
	11,406'	\$15,700	GAS LIFT DAY 9.