

OPERATOR

WORKING INTEREST OWNER

NEW WELL

EXISTING WELL

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. JONES 2-12	OTC Prod Unit No. 051-111696	API No. 35-051-23113-0001
Location (1/4 1/4 1/4) SE SE NW SE	Sec. 12	Twp. 4N
	Rge. 7W	County GRADY

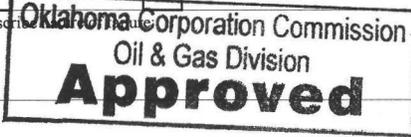
Please attach copy of 1002A.
Additional geologic and/or engineering data may be required in order to approve any application.

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

Project Start Date (MM/DD/YR) 5/3/2011	Project Completion Date (MM/DD/YR) 5/11/2011	Orig. 1st Prod Date (MM/DD/YR) 9/19/2003
Project description: WORKOVER/SLICKLINE/COILED TUBING/ACIDIZING		1st Sale Date (MM/DD/YR) 5/12/2011
		Base Prod Amt 19972 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)	Description	
Production Re-established (MM/DD/YR)		
Describe work done to restore production to inactive well:		



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COMMISSION

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 <i>09/02/2012</i>	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>TR 1/8/13</i>	<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Denied	CHK PROP # 155197
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Oklahoma Corporation Commission

Technical Department

Base production shall be:

- 1) The average of monthly amount of production for 12 month period immediately prior to the commencement of the project.
- 2) The average for 12 month period immediately prior to commencement of the project less the monthly rate of production decline for the project for each month beginning 180 days prior to commencement of the project. The monthly rate of production decline shall be equal to the average extrapolated monthly decline rate for the 12 month period immediately prior to commencement of the project based on the production history of the well.
- 3) If less than 12 full months of production prior to the filing of the application, then base production will be the average monthly production for the months during the period that the well or wells have produced.

Instruction:

- 1) Type production data in **Pink column**
- 2) Obtain the exponent in the equation and type in **pink cell**

Well	jones 2-12	
Month	GAS	
1	41390	
2	37435	
3	39979	
4	35312	
5	34920	
6	25687	19972
7	7484	19972
8	7362	19972
9	7014	19972
10	3080	19972
11	0	19972
12	0	19972

Rate

0.0000

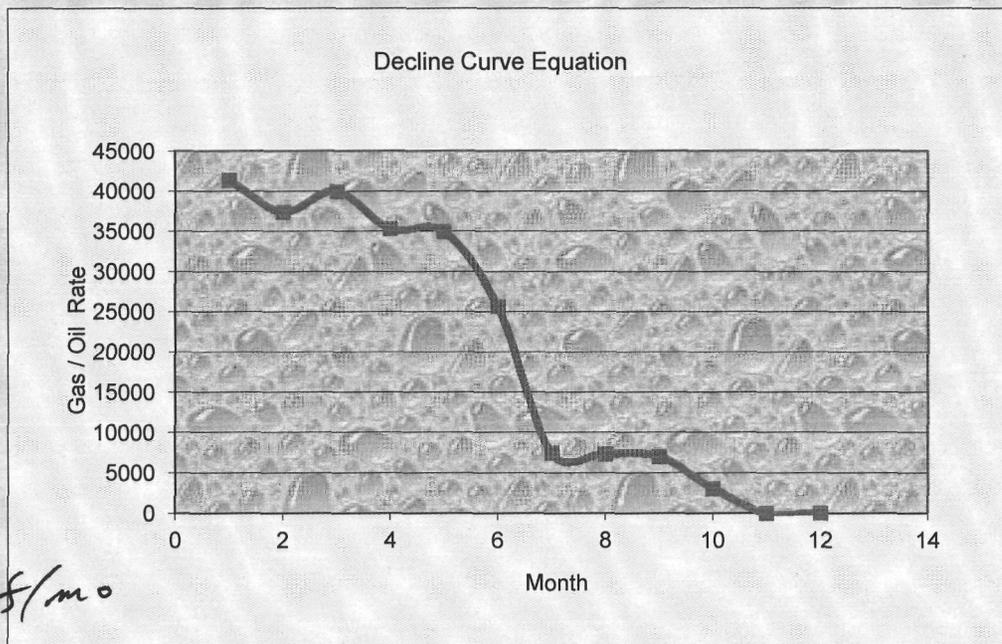
Base

19972 *mcf/mo*

Average 19972

28 Months →

19972	19972	19972	19972	19972	19972	19972	19972	19972	19972	19972	19972	19972	19972
19972	19972	19972	19972	19972	19972	19972	19972	19972	19972	19972	19972	19972	19972
19972	19972												



Detailed Production Report

Fri Jan 18, 2013

Year	Month	Oil BBLs	Gas MCF	Water BBLs	Cond Yld STB/MMCF	% Water	# of Wells	Days On
2007	AUG	321	64,685		4.967511		1	
2007	SEP	327	62,605		5.228225		1	
2007	OCT	358	62,245		5.756466		1	
2007	NOV	180	60,561		2.977210		1	
2007	DEC	329	60,621		5.432162		1	
Totals 2007		3,506	792,837					
2008	JAN	176	59,128		2.981593		1	
2008	FEB	349	53,853		6.485605		1	
2008	MAR	167	56,201		2.976477		1	
2008	APR	175	54,560		3.212478		1	
2008	MAY	351	56,560		6.210799		1	
2008	JUN	178	54,357		3.279647		1	
2008	JUL	177	55,698		3.182852		1	
2008	AUG	0	48,978				1	
2008	SEP	0	42,512				1	
2008	OCT		23,397				1	
2008	NOV		23,893				1	
2008	DEC		53,077				1	
Totals 2008		1,573	582,214					
2009	JAN	0	62,443				1	
2009	FEB	0	53,242				1	
2009	MAR	154	58,613		2.632404		1	
2009	APR	0	56,123				1	
2009	MAY	0	0					
2009	JUN	0	35,650				1	
2009	JUL	0	47,466				1	
2009	AUG	0	49,706				1	
2009	SEP	0	47,543				1	
2009	OCT	0	51,856				1	
2009	NOV	0	49,014				1	
2009	DEC	163	48,889		3.339083		1	
Totals 2009		317	560,545					
2010	JAN	181	45,085		4.019639		1	
2010	FEB	0	32,987				1	
2010	MAR	182	41,337		4.407835		1	
2010	APR	169	41,775		4.050482		1	
2010	MAY	168	41,390		4.063951		1	
2010	JUN	172	37,435		4.599631		1	
2010	JUL	175	39,979		4.382298		1	
2010	AUG	160	35,312		4.536038		1	
2010	SEP	151	34,920		4.329170		1	
2010	OCT	0	25,687				1	
2010	NOV	0	7,484				1	
2010	DEC	82	7,362		11.143278		1	
Totals 2010		1,440	390,753					
2011	JAN	0	7,014				1	
2011	FEB	0	3,080				1	
2011	MAR	0	0					
2011	APR	0	0					

Detailed Production Report

Fri Jan 18, 2013

Year	Month	Oil BBLs	Gas MCF	Water BBLs	Cond Yld STB/MMCF	% Water	# of Wells	Days On
2011	MAY	0	0					
2011	JUN	0	0					
2011	JUL	104	0				1	
2011	AUG	185	0				1	
2011	SEP	0	27,090				1	
2011	OCT	137	26,511		5.172667		1	
2011	NOV	185	24,369		7.596612		1	
2011	DEC	0	25,826				1	
Totals 2011		611	113,890					
2012	JAN	0	27,064				1	
2012	FEB	0	25,469				1	
2012	MAR	184	28,048		6.565183		1	
2012	APR	0	27,511				1	
2012	MAY	172	28,027		6.141940		1	
2012	JUN	0	22,172				1	
2012	JUL	145	22,578		6.427181		1	
2012	AUG	0	0					
2012	SEP	0	21,463				1	
2012	OCT		25,304				1	
Totals 2012		501	227,636					

Gas Tests

API Number	Well Nbr	Data Source	Test Type	Test Date	Upper Perf.	Lower Perf.	Whsip	Whfp	BHP	BHP/Z	BHP Type	Water B/D	Cond. B/D	Gas Mcf/d	Aof Mcf/d
35051231130000	2-12	PI	IP	2003-12-02	14965	15248	5380	3130	6977	6009	C			8285	
35051231130000	2-12	PI	CAP	2004-11-10	14965	15248	3070	1418	4210	4282	C			5210	
35051231130000	2-12	PI	CAP	2006-04-20	14965	15248	1865	777	2589	2801	C			3077	
35051231130000	2-12	PI	IP	2007-04-10	14965	15248	1517	563	2096	2265	C			2544	
35051231130000	2-12	PI	CAP	2007-08-28	14965	15248	1474	484	2021	2175	C			2255	
35051231130000	2-12	PI	CAP	2008-08-08	14965	15248	1334	701	1824	1959	C			1517	



Detailed Production Report

Fri Jan 18, 2013

23500203582

County, State: GRADY, OKLAHOMA

Lease: JONES Well Number: 2-12

Operator: CHESAPEAKE OPERG INC (006365)

Status: ACTIVE

Prod ID: 23500203582

Production Thru Date: Oct 31, 2012

Header Block

Data Source:	PI	Completion Date:	Sep 19, 2003
Lease Name:	JONES (1116960)	Total Depth:	15,400 FT
Operator:	CHESAPEAKE OPERATING INCORPORATED	Upper Perforation:	14,965 FT
State:	OKLAHOMA	Lower Perforation:	15,248 FT
County:	GRADY	Oil Gravity:	
Primary API:	35051231130000	Gas Gravity:	0.62 API
Regulatory:	1116960	Last Production Date:	Oct 31, 2012
First Production Date:	Sep 01, 2003	Temp Gradient:	1.05 FFT
Field:	CHITWOOD NORTHWEST	N Factor:	0.85
Reservoir Name:	SPRINGER LOWER	Prod Zone Code:	401SPRGL
Prod Zone:	SPRINGER LOWER	GOR:	
Basin Name:	ANADARKO BASIN (360)	Primary Product:	GAS
Gas Gatherer:	CHSPO	Status:	ACTIVE
Liquid Gatherer:		Data Source:	PI
Location:	12 4N 7W SE	Lat/Long Source:	IH
Latitude/Longitude	+34.83108 -97.88363		
Cum Data Source:	PI		
Cum Oil:	60,796 BBL	Cum Inj Liq:	
Cum Gas:	8,158,904 MCF	Cum Inj Gas:	
Cum Water:		Cum Inj Water:	

Annual Production

Data Source:	PI			
(9 years)		Oil BBLs	Gas MCF	Water BBLs
Beginning Cum:				
2003		9,565	718,133	
2004		27,357	2,289,465	
2005		11,961	1,472,853	
2006		3,965	1,010,578	
2007		3,506	792,837	
2008		1,573	582,214	
2009		317	560,545	
2010		1,440	390,753	
2011		611	113,890	
2012		501	227,636	
TOTALS		60,796	8,158,904	

Monthly Production

Data Source:	PI							
(Most recent 110 of 110 months)								
Year	Month	Oil BBLs	Gas MCF	Water BBLs	Cond Yld STB/MMCF	% Water	# of Wells	Days On
2003	SEP	0	18,850				1	
2003	OCT	3,098	229,998		13.474683		1	

Detailed Production Report

Fri Jan 18, 2013

Year	Month	Oil BBLs	Gas MCF	Water BBLs	Cond Yld STB/MMCF	% Water	# of Wells	Days On
2003	NOV	3,469	239,902		14.465072		1	
2003	DEC	2,998	229,383		13.074844		1	
Totals 2003		9,565	718,133					
2004	JAN	3,155	246,925		12.782159		1	
2004	FEB	2,778	224,080		12.402358		1	
2004	MAR	2,940	223,972		13.131641		1	
2004	APR	2,639	210,587		12.536638		1	
2004	MAY	2,224	203,902		10.912201		1	
2004	JUN	2,323	187,785		12.375530		1	
2004	JUL	2,127	185,563		11.467415		1	
2004	AUG	2,288	178,274		12.839177		1	
2004	SEP	1,954	165,936		11.780624		1	
2004	OCT	1,784	162,498		10.983597		1	
2004	NOV	1,699	149,192		11.393010		1	
2004	DEC	1,446	150,751		9.596976		1	
Totals 2004		27,357	2,289,465					
2005	JAN	1,440	154,873		9.302941		1	
2005	FEB	1,059	129,811		8.163014		1	
2005	MAR	902	140,657		6.417763		1	
2005	APR	1,077	129,981		8.290827		1	
2005	MAY	1,265	130,383		9.707185		1	
2005	JUN	1,251	122,183		10.243740		1	
2005	JUL	1,072	121,667		8.815935		1	
2005	AUG	1,031	117,755		8.760467		1	
2005	SEP	874	110,103		7.943022		1	
2005	OCT	872	109,542		7.965417		1	
2005	NOV	415	103,006		4.033892		1	
2005	DEC	703	102,892		6.837407		1	
Totals 2005		11,961	1,472,853					
2006	JAN	899	98,164		9.163143		1	
2006	FEB	532	86,976		6.121630		1	
2006	MAR	703	94,271		7.462224		1	
2006	APR	697	86,080		8.102119		1	
2006	MAY	695	88,869		7.825500		1	
2006	JUN	358	83,343		4.300502		1	
2006	JUL	0	84,467				1	
2006	AUG	81	82,762		0.983710		1	
2006	SEP	0	78,694				1	
2006	OCT	0	78,057				1	
2006	NOV		72,885				1	
2006	DEC		76,010				1	
Totals 2006		3,965	1,010,578					
2007	JAN	164	75,054		2.190094		1	
2007	FEB	73	67,226		1.090889		1	
2007	MAR	261	72,199		3.620009		1	
2007	APR	359	66,662		5.390377		1	
2007	MAY	325	66,825		4.868449		1	
2007	JUN	340	66,457		5.121090		1	
2007	JUL	469	67,697		6.932929		1	

SUBMITTING
COMPANY
NAME

Chesapeake Operating

NUMBER OF
APPLICATIONS

35

OKLA CORP COM
RECEIPT 1302160027
Date: 09/28/2012 Time: 10:01
Case: 000000000 Cashier: YWS
Payor: CHESAPEAKE OPERATING
Check: 1880578 \$1,200.00
56 TAX EXEMPTION APP

DATE
RECEIVED

RECEIVED

SEP 25 2012

OKLAHOMA CORPORATION
COMMISSION

CHECK RECEIPT #

OKLA CORP COM
RECEIPT 1302160025
Date: 09/28/2012 Time: 10:00
Case: 000000000 Cashier: YWS
Payor: CHESAPEAKE OPERATING
Check: 1880577 \$1,100.00
56 TAX EXEMPTION APP

OKLA CORP COM
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Date: 09/28/2012 Time: 10:00
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Payor: CHESAPEAKE OPERATING
Check: 1880579 \$1,200.00
56 TAX EXEMPTION APP