



This Form must be Typed
Form must be Signed
All blanks must be Filled

WELL PLUGGING APPLICATION

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act,
MUST be submitted with this form.

OPERATOR: License #: _____
Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____
Contact Person: _____
Phone: (_____) _____

API No. 15 - _____
If pre 1967, supply original completion date: _____
Spot Description: _____
____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ East West
____ Feet from North / South Line of Section
____ Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: _____
Lease Name: _____ Well #: _____

Check One: Oil Well Gas Well OG D&A Cathodic Water Supply Well Other: _____
 SWD Permit #: _____ ENHR Permit #: _____ Gas Storage Permit #: _____

Conductor Casing Size: _____ Set at: _____ Cemented with: _____ Sacks
Surface Casing Size: _____ Set at: _____ Cemented with: _____ Sacks
Production Casing Size: _____ Set at: _____ Cemented with: _____ Sacks

List (ALL) Perforations and Bridge Plug Sets:

Elevation: _____ (G.L. / K.B.) T.D.: _____ PBTD: _____ Anhydrite Depth: _____
(Stone Corral Formation)

Condition of Well: Good Poor Junk in Hole Casing Leak at: _____
(Interval)

Proposed Method of Plugging (attach a separate page if additional space is needed):

Is Well Log attached to this application? Yes No Is ACO-1 filed? Yes No

If ACO-1 not filed, explain why:

Plugging of this Well will be done in accordance with K.S.A. 55-101 et. seq. and the Rules and Regulations of the State Corporation Commission

Company Representative authorized to supervise plugging operations: _____

Address: _____ City: _____ State: _____ Zip: _____ + _____

Phone: (_____) _____

Plugging Contractor License #: _____ Name: _____

Address 1: _____ Address 2: _____

City: _____ State: _____ Zip: _____ + _____

Phone: (_____) _____

Proposed Date of Plugging (if known): _____

Payment of the Plugging Fee (K.A.R. 82-3-118) will be guaranteed by Operator or Agent

Submitted Electronically

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License # _____
Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____
Contact Person: _____
Phone: (_____) _____ Fax: (_____) _____
Email Address: _____

Well Location:
____ - ____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ East West
County: _____
Lease Name: _____ Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I must provide the name and address of the surface owner by filling out the top section of this form and that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I Submitted Electronically



Chesapeake Operating, Inc.
Interoffice Memorandum

TO: Jay Stratton

CC: Walter Kennedy, John Hudson, David Lynch and Bud Neff

FROM: Doug Kathol, Sara Everett

DATE: February 13, 2014

RE: Plug and Abandon

**PERKINS B 1-32
SECTION 32-T33S-R42W
MORTON COUNTY, KS**

Property Number: 218507

Chesapeake Energy

GW: 50% NRI: 37.706%

Recommendation:

This well was producing approximately 28 MCFPD when it was shut in in November of 2012. The well was drilled in 1987 to a depth of 5,000' and completed in the Marmaton formation. Cumulative production from this well was 1,565 BO and 180 MMCF of natural gas.

Discussion:

PERKINS B 1-32
Plug & Abandon
MARMATON
VERTICAL
2/13/2014

Geologist :	Walter Kennedy
Reservoir Engineer:	John Hudson
Production Engineer :	Doug Kathol
Landman :	David Lynch
Production Sup.:	Bud Neff

WELL DATA:

Lease: PERKINS B 1-32 **WI:** 0.500000 **NRI:** 0.377060

S-T-R: 32-T33S-R42W **County, St:** MORTON, KS

Location: SE NE NE - 4290 FSL & 660 FEL OF SECTION

AFE #: 803067 **API #:** 1512920838 **Prop. #:** 218507 **IP:** 23 BOPD

PBTD: 4290 CIBF **TD:** 5,000' **Spudded:** 1/2/1987

Type: VERTICAL **Elevations** **GL:** 3,522' **KB:** 3,531' **KB-GL:** 9'

SIZE	WEIGHT	GRADE	TYPE	CEMENT	TOC	SET DEPTH	
						TOP	BTM
8 5/8	24.00#	J-55	Surface Casing	700	9'	9'	1,613'
5 1/2	15.50#	J-55	Production Casing	250	3,490'	9'	4,548'
2 3/8	4.70#	J-55	Tubing			9'	3,897'

Production Casing and Tubing Data:

SIZE	WEIGHT	GRADE	ID	DRIFT	Bbl/Ft.	Gallons/Ft.	Burst	Collapse	Jnt St
5 1/2	15.50#	J-55	4.9500"	4.8250"	0.0238	0.99700	4,180	4,010	339
2 3/8	4.70#	J-55	1.9950"	1.9010"	0.00365	0.16240	7,700	8,100	71,730

Well Driving Directions:

Go 10 miles north on Highway 27, then west into location.

Perf'd Formations	Depth Range	Stimulation Details
Treatable Water	300	
Stone Corral	1280	
MARMATON	3907' - 4126'	15% HCl acid
MORROW UPR	4398' - 4444'	1000 g 7.5%, 9000 g gel, 15000# 20/40 sand

NOTES: PKR @ 3889', CIBP @ 4290', anchor/catcher @ 4351', tbg @ 4320', csg leak @ 2187'



2/13/2014

Chesapeake Operating, Inc.
Estimated Plugging & Salvage Values
Deep Well (>4000' TD Apprx.)

Well Name: Perkins B 1-32	Property # 218507	GWI: 50
Location: SEC 32-T33S-R42W	API # 15-129-20838	NRI: 37.706
County, State: Morton Co., KS	AFE # 803067	

Estimated Equipment Salvage Values- Condition "C" Assumed

<u>Equipment Description</u>	<u>Salvage Value</u>	<u>Cost</u>
2,000' 5-1/2" 15.5# J-55 Casing	\$5.00/ft	\$10,000.00
4211' 2 3/8" Tubing	\$2,190.00	\$2,190.00
American 114 173 64 pump jack	\$4,105.00	\$4,105.00
Engine 20 hp	\$1,619.00	\$1,619.00
20' x 6' vert sep 250# cont emsco	\$823.00	\$823.00
Tank (143 bbl fiberglass)	\$728.00	\$728.00
2 -Tank (300 bbl steel)	\$965.00	\$1,930.00
	Gross Salvage Total:	\$21,395.00
	COI Net Salvage Total:	\$10,697.50

Estimated Plugging Expenses

<u>Description</u>	<u>Cost</u>
Cased Hole Services / Perforating	\$3,000.00
Completion Unit	\$10,000.00
Contract Labor	\$1,800.00
Cementing/Squeeze	\$5,000.00
Contingency	\$2,200.00
Plug to Abandon	\$5,000.00
Supervision	\$3,000.00
Surface Equipment Rental	\$1,000.00
Transportation	\$1,500.00
Reclamation	\$2,500.00
	Gross Plugging Expense: \$35,000.00
	COI Net Plugging Expense: \$17,500.00

Gross Total Estimated Plugging Expense: \$13,605.00
COI Net Total Estimated Plugging Expense: \$6,802.50

Current Wellbore Schematic

WELL (PN): PERKINS B 1-32 (218507)
FIELD OFFICE: GARDEN CITY
FIELD: TALOGA NORTH
STATE / COUNTY: KANSAS / MORTON
LOCATION: SEC 32-33S-42W, 4290 FSL & 660 FEL
ROUTE: GAR-KS-ROUTE 09B - DARIN BROWNING
ELEVATION: GL: 3,522.0 KB: 3,531.0 KB Height: 9.0
DEPTHS: TD: 5,000.0

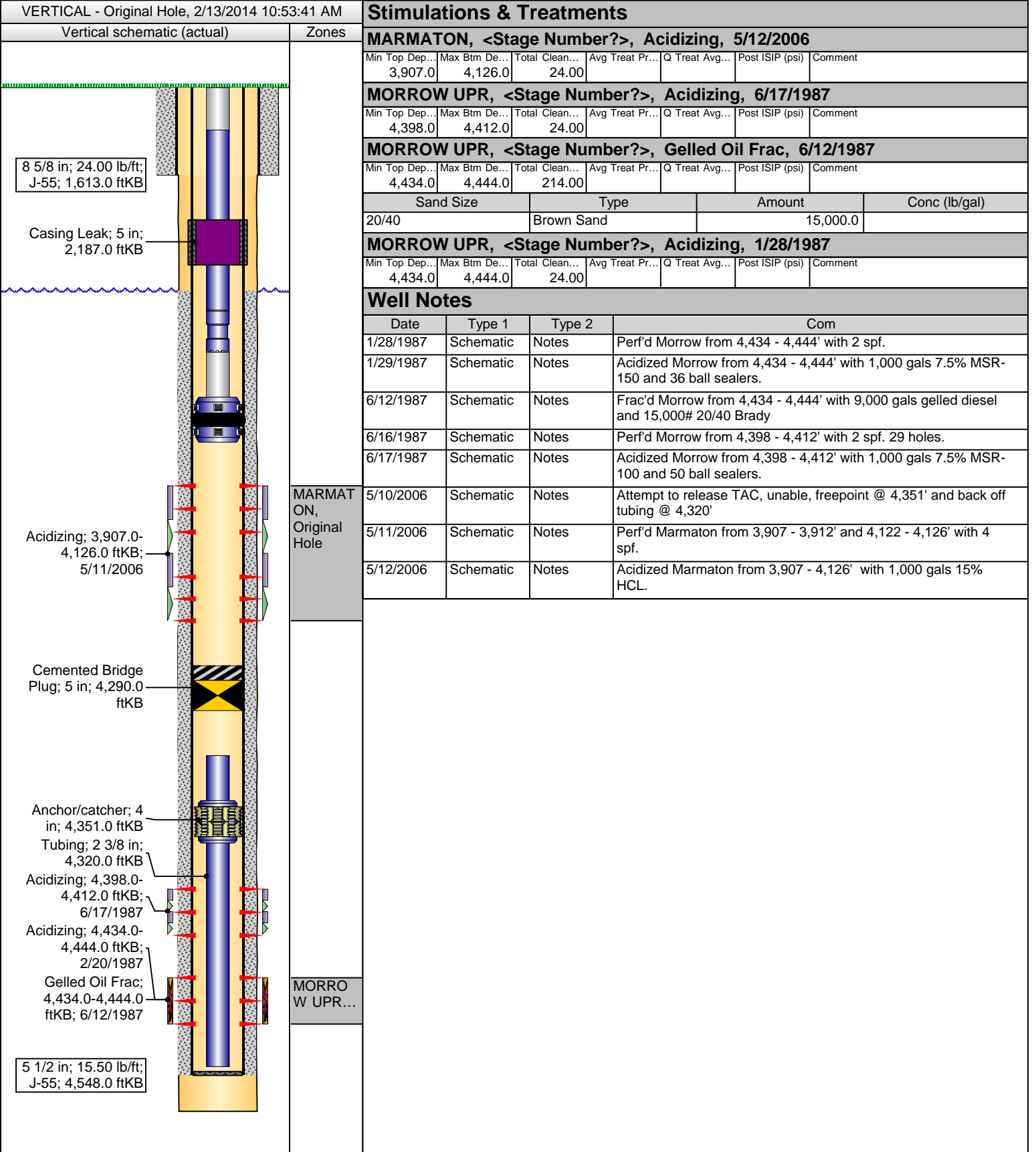
API #: 1512920838
Serial #:
SPUD DATE: 1/2/1987
RIG RELEASE: 1/14/1987
1ST SALES GAS: 11/1/1987
1ST SALES OIL: 3/1/1987
Current Status: SHUTIN

VERTICAL - Original Hole, 2/13/2014 10:53:41 AM		Pumping Units										
Vertical schematic (actual)	Zones	Type	Make	Model	SPM	SL (in)	Install Date					
		Conventional Crank	American	11417364		64.00	3/1/1987					
	Surface Casing; Set @ 1,613.0 ftKB ; Original Hole											
			Set Tension (kips)		Mud Weight		Cut Pull Date		Depth Cut Pull (ftKB)			
	Item Des	OD (in)	ID (in)	Drift (in)	Wt (lb/ft)	Grade	Top Thread	Top (ftKB)	Btm (ftKB)	Len (ft)		
	Casing Joints	8 5/8	8.097		24.00	J-55		9.0	1,612.0	1,603.00		
	Float Shoe	8 5/8						1,612.0	1,613.0	1.00		
	Production Casing; Set @ 4,548.0 ftKB ; Original Hole											
			Set Tension (kips)		Mud Weight		Cut Pull Date		Depth Cut Pull (ftKB)			
	Item Des	OD (in)	ID (in)	Drift (in)	Wt (lb/ft)	Grade	Top Thread	Top (ftKB)	Btm (ftKB)	Len (ft)		
	Casing Joints	5 1/2	4.950		15.50	J-55		9.0	4,547.0	4,538.00		
Float Shoe	5 1/2						4,547.0	4,548.0	1.00			
Description: Surface Casing Cement												
9.0-1,613.0												
Top of Cement (ftKB): 9.0 Top Measurement Method: Returns to Surface												
Fluid	Pump Start Date	Amount (sacks)	Class	Dens (lb/gal)	Vol Pumped (bbl)	Yield (ft ³ /sack)						
		700										
Description: Production Casing Cement												
3,490.0-4,548.0												
Top of Cement (ftKB): 3,490.0 Top Measurement Method: Cement Bond Log												
Fluid	Pump Start Date	Amount (sacks)	Class	Dens (lb/gal)	Vol Pumped (bbl)	Yield (ft ³ /sack)						
		250										
Description: Cement Squeeze												
2,187.0-2,986.0												
Top of Cement (ftKB): 2,187.0 Top Measurement Method:												
Fluid	Pump Start Date	Amount (sacks)	Class	Dens (lb/gal)	Vol Pumped (bbl)	Yield (ft ³ /sack)						
		300										
Tubing String: Tubing - Production												
Set Depth (ftKB)	Wellbore	Run Date	Pull Date	Cut Pull Date	Depth Cut Pull (ft...)							
3,897.0	Original Hole											
Item Des	OD (in)	ID (in)	Drift (in)	Wt (lb/ft)	Grade	Top (ftKB)	Btm (ftKB)	Len (ft)	Jts			
Tubing Sub	2 3/8					9.0	17.0	8.00				
Tubing	2 3/8			4.70		17.0	3,875.9	3,858.89				
On-Off Tool	2 3/8					3,875.9	3,877.6	1.71				
Tubing Sub	2 3/8					3,877.6	3,889.6	12.00				
Packer	4 1/2					3,889.6	3,897.0	7.40				
Perforations												
Date	Zone	Top (ftKB)	Btm (ftKB)	Shot Dens (shots/ft)	Current Status							
5/11/2006	MARMATON, Original Hole	3,907.0	3,912.0	4.0	Open							
5/11/2006	MARMATON, Original Hole	4,122.0	4,126.0	4.0	Open							
6/12/1987	MORROW UPR, Original Hole	4,398.0	4,412.0	2.0	Isolated							
1/28/1987	MORROW UPR, Original Hole	4,434.0	4,444.0	2.0	Isolated							

Current Wellbore Schematic

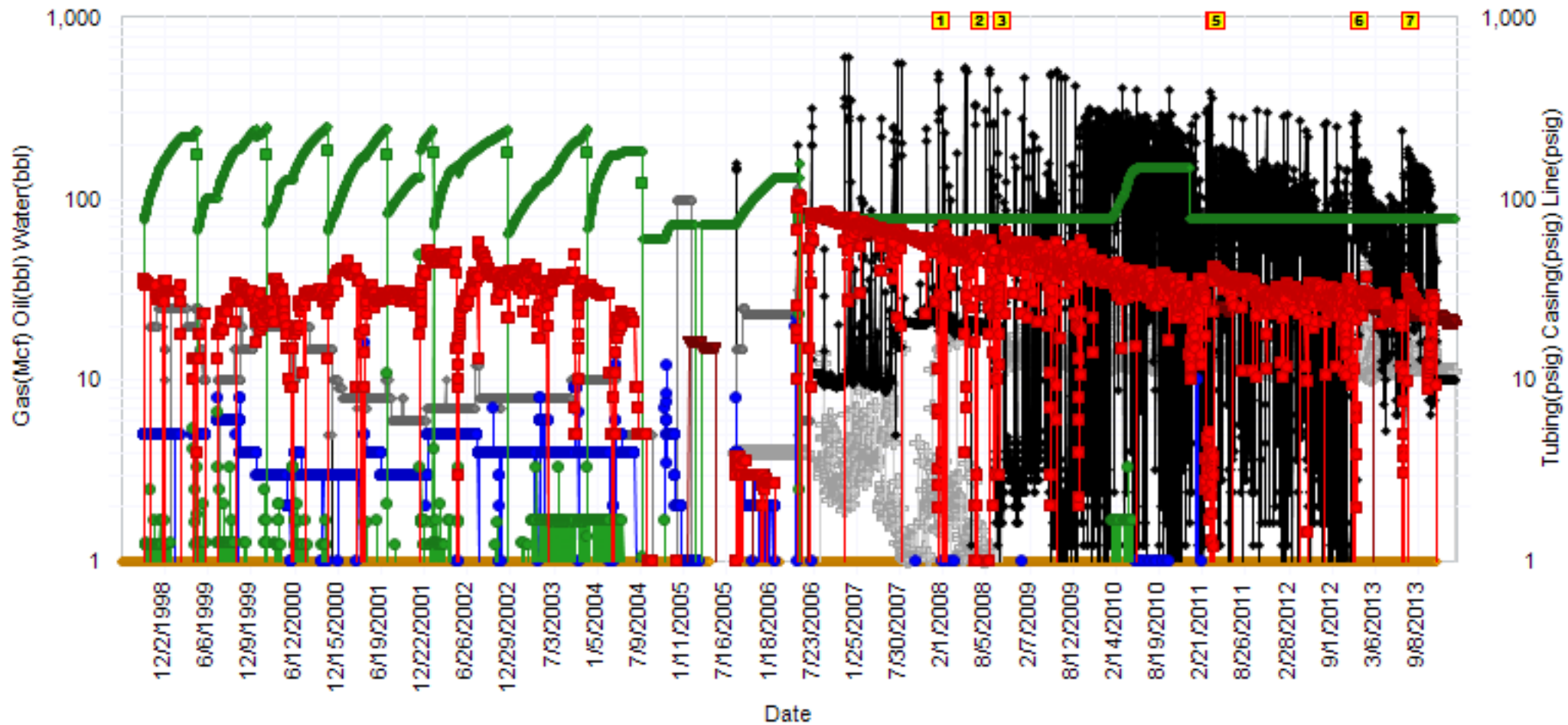
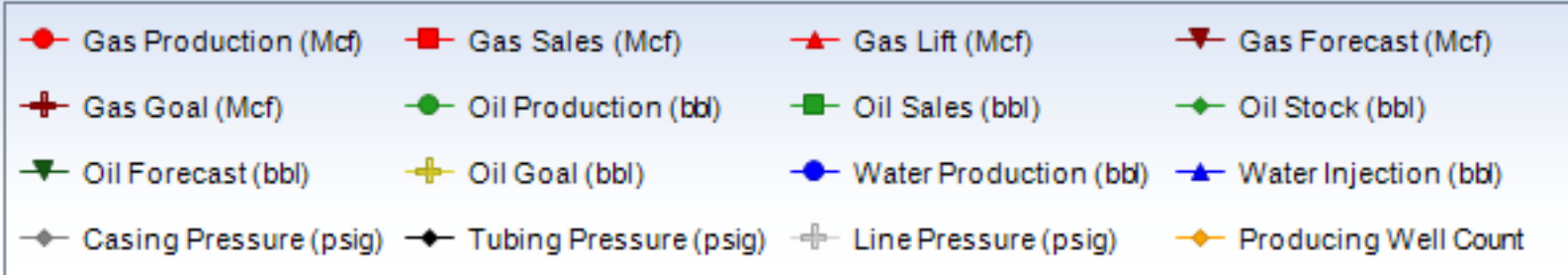
WELL (PN): PERKINS B 1-32 (218507)
FIELD OFFICE: GARDEN CITY
FIELD: TALOGA NORTH
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LOCATION: SEC 32-33S-42W, 4290 FSL & 660 FEL
ROUTE: GAR-KS-ROUTE 09B - DARIN BROWNING
ELEVATION: GL: 3,522.0 KB: 3,531.0 KB Height: 9.0
DEPTHS: TD: 5,000.0

API #: 1512920838
Serial #:
SPUD DATE: 1/2/1987
RIG RELEASE: 1/14/1987
1ST SALES GAS: 11/1/1987
1ST SALES OIL: 3/1/1987
Current Status: SHUTIN



Zone: PERKINS B 1-32 (MARMATON)
 in Route: GAR-KS-Route 09B - Darin Browning
 Production Engineer: Doug Kathol
 Production Foreman: BRAD RALSTIN

Date Range Cum Gas Prod (Mcf): 170,689
 Date Range Cum Oil Prod (bbl): 1,565
 Date Range Cum Water Prod (bbl): 8,591
 Production Setting: Flowing Well - Flowing





Chesapeake Energy Corporation

CST Production Monitor Export

PERKINS B 1-32 (MARMATON)

1/1/1900 - 2/12/2014 | Gross Volumes | Operated Wells | 14.65 Pressure Base

Marker #	Date	Annotation	Created By	Created Date
1	1/17/2008	Workover/Wireline/Slickline	WellviewJobInfo	4/8/2009
2	6/27/2008	Workover/Swab/Swab	WellviewJobInfo	4/8/2009
3	10/6/2008	Workover/Swab/Swab	WellviewJobInfo	4/8/2009
4	4/4/2011	Workover/Swab/Swab	WellviewJobInfo	4/4/2011
5	4/12/2011	Workover/Swab/Swab	WellviewJobInfo	4/12/2011
6	12/18/2012	Workover/Swab/Swab	WellviewJobInfo	12/18/2012
7	7/23/2013	Workover/Swab/Swab	WellviewJobInfo	7/23/2013



Chesapeake Energy Corporation

CST Operations 8/8ths LOS Report

LOS MAIN

12/2012 - 11/2013 Gross Volumes | Operated Wells

Name	Property	Gas Price	Oil Price	NGL Price	Royalty Burden	Revenue	MCFE	Total LOE	LOE/MCFE	Ad Val	Compression	Overhead	R&M	SWD	Subsurface	Utilities	Workover	All Other	Sev Tax	Op Cash Flow	Capital	Net Cash Flow
PERKINS B 1-32	218507	\$2.01	\$91.63	\$0.00	4,587	14,068	9,336	34,884	\$3.74	290	0	14,816	451	217	6,355	0	0	12,755	938	21,753	1,261	23,014
Totals		\$2.01	\$91.63	\$0.00	4,587	14,068	9,336	34,884	\$3.74	290	0	14,816	451	217	6,355	0	0	12,755	938	21,753	1,261	23,014

Chesapeake Energy Corporation

CST Operations 8/8ths LOS Report

PERKINS B 1-32

12/2012 - 11/2013 Gross Volumes | Operated Wells



Name	Property	Gas Price	Oil Price	NGL Price	Royalty Burden	Revenue	MCFE	Total LOE	LOE/MCFE	Ad Val	Compression	Overhead	R&M	SWD	Subsurface	Utilities	Workover	All Other	Sev Tax	Op Cash Flow	Capital	Net Cash Flow
PERKINS B 1-32	218507	\$2.01	\$91.63	\$0.00	4,587	14,068	9,336	34,884	\$3.74	290	0	14,816	451	217	6,355	0	0	12,755	938	21,753	1,261	23,014

Line Item	12/2012	01/2013	02/2013	03/2013	04/2013	05/2013	06/2013	07/2013	08/2013	09/2013	10/2013	11/2013	Total
Gas Revenue Volume	508	940	900	1,008	910	758	748	461	983	871	681	568	9,336
Gas Sales	508	940	900	1,008	910	758	748	461	983	871	681	568	9,336
Gas Value	\$1,027	\$1,643	\$1,559	\$1,754	\$2,011	\$2,406	\$1,742	\$885	\$1,792	\$1,580	\$1,196	\$1,060	\$18,655
Gas Price	\$2.02	\$1.75	\$1.73	\$1.74	\$2.21	\$3.17	\$2.33	\$1.92	\$1.82	\$1.81	\$1.76	\$1.87	\$2.01
Oil Revenue Volume	0	0	0	0	0	0	0	0	0	0	0	0	0
Oil Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Oil Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Oil Price	\$82.41	\$88.99	\$90.59	\$89.49	\$86.01	\$88.96	\$89.97	\$99.13	\$100.70	\$100.40	\$94.72	\$88.16	\$91.63
Royalty Burden	253	404	383	431	494	592	428	217	441	389	294	261	4,587
Royalty Percent	0.24587720	0.24587720	0.24587720	0.24587720	0.24587720	0.24587720	0.24587720	0.24587720	0.24587720	0.24587720	0.24587720	0.24587720	0.24587720
Revenue	775	1,239	1,176	1,322	1,517	1,815	1,314	667	1,351	1,192	902	799	14,068
MCFE	508	940	900	1,008	910	758	748	461	983	871	681	568	9,336
LOE Total	7,425	2,593	1,827	2,164	2,339	1,964	2,557	4,741	2,184	2,392	2,350	2,348	34,884
LOE Per MCFE	\$14.62	\$2.76	\$2.03	\$2.15	\$2.57	\$2.59	\$3.42	\$10.28	\$2.22	\$2.75	\$3.45	\$4.13	\$3.74
Ad Valorem Tax	290	0	0	0	0	0	0	0	0	0	0	0	290
Audit Charges	0	0	0	0	0	0	0	0	0	0	0	0	0
Company Labor	620	170	174	178	179	180	548	192	197	198	204	202	3,042
Compression	0	0	0	0	0	0	0	0	0	0	0	0	0
Contract Serv/Equip Rental	0	0	0	0	0	0	0	0	0	0	0	0	0
Field Facilities	23	53	37	32	41	40	40	35	35	38	42	29	445
Fuel Water Lube	0	0	0	0	0	0	0	0	0	0	0	0	0
Gas Processing	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	0	140	0	0	0	0	0	0	0	314	0	0	454
Oil Processing	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	4	2	4	4	15	4	15	1	1	1	1	0	52
Overhead	1,176	1,176	1,176	1,176	1,264	1,264	1,264	1,264	1,264	1,264	1,264	1,264	14,816
Pumping Service	439	491	434	601	499	473	513	512	666	513	499	496	6,136
Regulatory	5	0	0	0	0	0	0	0	0	0	0	0	5
Rents And Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Repairs & Maintenance	0	0	0	100	0	0	0	0	0	0	0	351	451
Salt Water Disposal	217	0	0	0	0	0	0	0	0	0	0	0	217
Salt Water Processing	0	0	0	0	0	0	0	0	0	0	0	0	0
Subsurface Repairs	3,981	0	0	0	0	0	0	2,374	0	0	0	0	6,355
Supplies	2	3	2	1	48	3	1	1	21	1	9	6	98
Telemetry	131	0	0	72	0	0	176	69	0	63	38	0	549
Transportation	0	0	0	0	0	0	0	0	0	0	0	0	0
Treating Expenses	537	558	0	0	293	0	0	293	0	0	293	0	1,974
Utilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Workover	0	0	0	0	0	0	0	0	0	0	0	0	0
Gas Severance Tax	52	84	80	90	100	115	86	45	91	80	61	54	938
Oil Severance Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Severance Tax	52	84	80	90	100	115	86	45	91	80	61	54	938
IDC Monthly	0	0	0	0	0	0	0	0	0	0	0	0	0
WEQ Monthly	0	4	0	0	0	0	1,235	0	0	0	0	22	1,261
NRI	0.37706140	0.37706140	0.37706140	0.37706140	0.37706140	0.37706140	0.37706140	0.37706140	0.37706140	0.37706140	0.37706140	0.37706140	0.37706140
GWV	0.50000000	0.50000000	0.50000000	0.50000000	0.50000000	0.50000000	0.50000000	0.50000000	0.50000000	0.50000000	0.50000000	0.50000000	0.50000000
Operating Cash Flow	(6,702)	(1,438)	(731)	(931)	(922)	(264)	(1,329)	(4,119)	(924)	(1,281)	(1,509)	(1,602)	(21,753)
Capital	0	4	0	0	0	0	1,235	0	0	0	0	22	1,261
Net Cash Flow	(6,702)	(1,442)	(731)	(931)	(922)	(264)	(2,564)	(4,119)	(924)	(1,281)	(1,509)	(1,624)	(23,014)

Chesapeake Energy Corporation

CST Operations 8/8ths LOS Report

Totals

12/2012 - 11/2013 Gross Volumes | Operated Wells



Name	Property	Gas Price	Oil Price	NGL Price	Royalty Burden	Revenue	MCFE	Total LOE	LOE/MCFE	Ad Val	Compression	Overhead	R&M	SWD	Subsurface	Utilities	Workover	All Other	Sev Tax	Op Cash Flow	Capital	Net Cash Flow
Totals		\$2.01	\$91.63	\$0.00	4,587	14,068	9,336	34,884	\$3.74	290	0	14,816	451	217	6,355	0	0	12,755	938	21,753	1,261	23,014
Line Item	12/2012	01/2013	02/2013	03/2013	04/2013	05/2013	06/2013	07/2013	08/2013	09/2013	10/2013	11/2013	Total									
Gas Revenue Volume	508	940	900	1,008	910	758	748	461	983	871	681	568	9,336									
Gas Sales	508	940	900	1,008	910	758	748	461	983	871	681	568	9,336									
Gas Value	\$1,027	\$1,643	\$1,559	\$1,754	\$2,011	\$2,406	\$1,742	\$885	\$1,792	\$1,580	\$1,196	\$1,060	\$18,655									
Gas Price	\$2.02	\$1.75	\$1.73	\$1.74	\$2.21	\$3.17	\$2.33	\$1.92	\$1.82	\$1.81	\$1.76	\$1.87	\$2.01									
Oil Revenue Volume	0	0	0	0	0	0	0	0	0	0	0	0	0									
Oil Sales	0	0	0	0	0	0	0	0	0	0	0	0	0									
Oil Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Oil Price	\$82.41	\$88.99	\$90.59	\$89.49	\$86.01	\$88.96	\$89.97	\$99.13	\$100.70	\$100.40	\$94.72	\$88.16	\$91.63									
Royalty Burden	253	404	383	431	494	592	428	217	441	389	294	261	4,587									
Royalty Percent	0.24587720	0.24587720	0.24587720	0.24587720	0.24587720	0.24587720	0.24587720	0.24587720	0.24587720	0.24587720	0.24587720	0.24587720	0.24587720									
Revenue	775	1,239	1,176	1,322	1,517	1,815	1,314	667	1,351	1,192	902	799	14,068									
MCFE	508	940	900	1,008	910	758	748	461	983	871	681	568	9,336									
LOE Total	7,425	2,593	1,827	2,164	2,339	1,964	2,557	4,741	2,184	2,392	2,350	2,348	34,884									
LOE Per MCFE	\$14.62	\$2.76	\$2.03	\$2.15	\$2.57	\$2.59	\$3.42	\$10.28	\$2.22	\$2.75	\$3.45	\$4.13	\$3.74									
Ad Valorem Tax	290	0	0	0	0	0	0	0	0	0	0	0	290									
Audit Charges	0	0	0	0	0	0	0	0	0	0	0	0	0									
Company Labor	620	170	174	178	179	180	548	192	197	198	204	202	3,042									
Compression	0	0	0	0	0	0	0	0	0	0	0	0	0									
Contract Serv/Equip Rental	0	0	0	0	0	0	0	0	0	0	0	0	0									
Field Facilities	23	53	37	32	41	40	40	35	35	38	42	29	445									
Fuel Water Lube	0	0	0	0	0	0	0	0	0	0	0	0	0									
Gas Processing	0	0	0	0	0	0	0	0	0	0	0	0	0									
Insurance	0	140	0	0	0	0	0	0	0	314	0	0	454									
Oil Processing	0	0	0	0	0	0	0	0	0	0	0	0	0									
Other Expenses	4	2	4	4	15	4	15	1	1	1	1	0	52									
Overhead	1,176	1,176	1,176	1,176	1,264	1,264	1,264	1,264	1,264	1,264	1,264	1,264	14,816									
Pumping Service	439	491	434	601	499	473	513	512	666	513	499	496	6,136									
Regulatory	5	0	0	0	0	0	0	0	0	0	0	0	5									
Rents And Fees	0	0	0	0	0	0	0	0	0	0	0	0	0									
Repairs & Maintenance	0	0	0	100	0	0	0	0	0	0	0	351	451									
Salt Water Disposal	217	0	0	0	0	0	0	0	0	0	0	0	217									
Salt Water Processing	0	0	0	0	0	0	0	0	0	0	0	0	0									
Subsurface Repairs	3,981	0	0	0	0	0	0	2,374	0	0	0	0	6,355									
Supplies	2	3	2	1	48	3	1	1	21	1	9	6	98									
Telemetry	131	0	0	72	0	0	176	69	0	63	38	0	549									
Transportation	0	0	0	0	0	0	0	0	0	0	0	0	0									
Treating Expenses	537	558	0	0	293	0	0	293	0	0	293	0	1,974									
Utilities	0	0	0	0	0	0	0	0	0	0	0	0	0									
Workover	0	0	0	0	0	0	0	0	0	0	0	0	0									
Gas Severance Tax	52	84	80	90	100	115	86	45	91	80	61	54	938									
Oil Severance Tax	0	0	0	0	0	0	0	0	0	0	0	0	0									
Severance Tax	52	84	80	90	100	115	86	45	91	80	61	54	938									
IDC Monthly	0	0	0	0	0	0	0	0	0	0	0	0	0									
WEQ Monthly	0	4	0	0	0	0	1,235	0	0	0	0	22	1,261									
NRI	0.37706140	0.37706140	0.37706140	0.37706140	0.37706140	0.37706140	0.37706140	0.37706140	0.37706140	0.37706140	0.37706140	0.37706140	0.37706140									
GW	0.50000000	0.50000000	0.50000000	0.50000000	0.50000000	0.50000000	0.50000000	0.50000000	0.50000000	0.50000000	0.50000000	0.50000000	0.50000000									
Operating Cash Flow	(6,702)	(1,438)	(731)	(931)	(922)	(264)	(1,329)	(4,119)	(924)	(1,281)	(1,509)	(1,602)	(21,753)									
Capital	0	4	0	0	0	0	1,235	0	0	0	0	22	1,261									
Net Cash Flow	(6,702)	(1,442)	(731)	(931)	(922)	(264)	(2,564)	(4,119)	(924)	(1,281)	(1,509)	(1,624)	(23,014)									

Conservation Division
Finney State Office Building
130 S. Market, Rm. 2078
Wichita, KS 67202-3802



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Shari Feist Albrecht, Chair
Thomas E. Wright, Commissioner
Jay Scott Emler, Commissioner

Sam Brownback, Governor

March 27, 2014

Sarah Rodriguez/Doug Kathol
Chesapeake Operating, Inc.
6200 N WESTERN AVE
PO BOX 18496
OKLAHOMA CITY, OK 73118-1046

Re: Plugging Application
API 15-129-20838-00-02
PERKINS B 1-32
NE/4 Sec.32-33S-42W
Morton County, Kansas

Dear Sarah Rodriguez/Doug Kathol:

This letter is to notify you that the Conservation Division has received your plugging proposal, form CP-1, for the above well and has reviewed the proposal for completeness. The central office will now forward your CP-1 to the district office listed below for review of the proposed plugging method. **Please contact the district office for approval of your proposed plugging method at least five (5) days before plugging the well, pursuant to K.A.R. 82-3-113(b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the use of the pit in accordance with K.A.R. 82-3-600.**

The Conservation Division's review of form CP-1, either in the central or district office, does not include an inquiry into well ownership or the filing operator's legal right to plug the well. This notice in no way constitutes authorization to plug the above well by persons not having legal rights of ownership or interest in the well.

This notice is void after September 23, 2014. The CP-1 filing does not bring the above well into compliance with K.A.R 82-3-111 with regard to the Commission's temporary abandonment requirements.

Sincerely,
Production Department Supervisor

cc: District 1

(620) 225-8888