

Submit 3 Copies To Appropriate District Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-103 March 4, 2004

WELL API NO. 30-015-33412
5. Indicate Type of Lease STATE [ ] FEE [X]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Esperanza 4
8. Well Number 004
9. OGRID Number 147179
10. Pool name or Wildcat Carlsbad;Morrow,South (Pro Gas)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3134 GR

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well [ ] Gas Well [X] Other
2. Name of Operator Chesapeake Operating, Inc.
3. Address of Operator P. O. Box 11050 Midland, TX 79702-8050
4. Well Location Unit Letter N : 660 feet from the South line and 1530 feet from the West line Section 4 Township 22S Range 27E NMPM County Eddy

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL Sect Twp Rng Pit type Depth to Groundwater Distance from nearest fresh water well
Distance from nearest surface water Below-grade Tank Location UL Sect Twp Rng ; feet from the line and feet from the line

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK [ ] PLUG AND ABANDON [ ]
TEMPORARILY ABANDON [ ] CHANGE PLANS [ ]
PULL OR ALTER CASING [ ] MULTIPLE COMPLETION [ ]
OTHER: [ ]

SUBSEQUENT REPORT OF:

REMEDIAL WORK [ ] ALTERING CASING [ ]
COMMENCE DRILLING OPNS. [X] PLUG AND ABANDONMENT [ ]
CASING TEST AND CEMENT JOB [X]
OTHER: [ ]

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6-18-04 Spud 17 1/2" hole on 6/17/04. RIH w/10 jts. 13 3/8" 48# H-40 STC casing set @ 460'. Cmt'd w/500 sx Cl. C + additive. Circ. 80 sx cmt. to pit. WOC 24 hrs. Tested csg to 600# - ok
6-30-04 In 12 1/4" hole ran 121 jts. 9 5/8" 40# K-55 LTC csg set @ 5,310'. Cmt'd w/1,000 sx 50:50 Poz + additives; tail in w/300 sx Cl. C + additive. WOC 24 hrs. TOC @ 820'. Top out w/450 sx Cl. C Neat + additive, 14.8 ppg, 1.34 yield, did not circ cmt. TOOH, LD 1" tbg. WOC, TIH w/1" tbg., cmt w/150 sx Cl. C Neat + additive, full returns, circ 15 sx to pit. TOOH w/1" tbg. & LD.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines [ ], a general permit [ ] or an (attached) alternative OCD-approved plan [ ].

SIGNATURE Brenda Coffman TITLE Regulatory Analyst DATE 07/21/2004
Type or print name Brenda Coffman E-mail address: bcoffman@chkenergy.com Telephone No.(432)685-4310

(This space for State use)

APPROVED BY [Signature] TITLE District Supervisor DATE MAY 28 2004
Conditions of approval, if any: