

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM030452
2. Name of Operator CHESAPEAKE OPERATING INC		6. If Indian, Allottee or Tribe Name
Contact: LYNDEE SONGER E-Mail: lyndee.songer@chk.com		7. If Unit or CA/Agreement, Name and/or No 891000303X
3a. Address OKLAHOMA CITY, OK 73154-0496	3b. Phone No. (include area code) Ph: 405-935-2411	8. Well Name and No PLU BIG SINKS 23-24-30 USA 1H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 23 T24S R30E NWNE Lot B 100FNL 1980FEL		9. API Well No 30-015-39633-00-X1
		10. Field and Pool, or Exploratory WILDCAT
		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Disturbance
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Chesapeake has buried a production flowline from the PLU Big Sinks 23-24-30 USA 1H tank battery to the PLU Big Sinks 22 Federal 1H tank battery. The steel pipe is 12,674.5^{feet} in length and 2 7/8^{inches} wide. The pipe was buried 36^{inches} deep. Attached are the plats showing the flowline.

(CHK PN 640120) Proposed route will follow existing roads

Analyzed in EA-11-1404 Jfast

Accepted for record
NMOC

RECEIVED

FEB 28 2012

NMOC ARTESIA


Bureau of Land Management
RECEIVED

FEB 08 2012

Carlsbad Field Office

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #130323 verified by the BLM Well Information System For CHESAPEAKE OPERATING INC, sent to the Carlsbad Committed to AFMSS for processing by JAMES (JIM) HUGHES on 02/08/2012 (12JLH0430SE)	
Name (Printed/Typed) LYNDEE SONGER	Title REGULATORY COMPLIANCE ANALYST
Signature (Electronic Submission)	Date 02/07/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By 	Title AFM	Date 2/8/12
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Revisions to Operator-Submitted EC Data for Sundry Notice #130323

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	OTHER SR	DISTURB SR
Lease:	NMNM030452	NMNM030452
Agreement:	NMNM071016X	891000303X (NMNM71016X)
Operator:	CHESAPEAKE OPERATING INC PO BOX 18496 OKLAHOMA CITY, OK 73154-0496 Ph. 405-935-2411	CHESAPEAKE OPERATING INC OKLAHOMA CITY, OK 73154-0496 Ph. 405.935.8000
Admin Contact:	LYNDEE SONGER REGULATORY COMPLIANCE ANALYST E-Mail: lyndee.songer@chk.com Ph 405-935-2411	LYNDEE SONGER REGULATORY COMPLIANCE ANALYST E-Mail: lyndee.songer@chk.com Ph. 405-935-2411
Tech Contact:	LYNDEE SONGER REGULATORY COMPLIANCE ANALYST E-Mail: lyndee.songer@chk.com Ph. 405-935-2411	LYNDEE SONGER REGULATORY COMPLIANCE ANALYST E-Mail: lyndee.songer@chk.com Ph: 405-935-2411
Location: State: County:	NM EDDY	NM EDDY
Field/Pool	WILDCAT, BONE SPRING	WILDCAT
Well/Facility:	PLU BIG SINKS 23-24-30 USA 1H Sec 23 T24S R30E Mer NMP NWNE 100FNL 1980FEL	PLU BIG SINKS 23-24-30 USA 1H Sec 23 T24S R30E NWNE Lot B 100FNL 1980FEL

Boone Arch Services of NM, LLC
506 E. Chapman Road
Carlsbad, NM 88220

February 5, 2012

Chesapeake Energy Corporation
1616 W. Bender Ave.
Hobbs, NM, 88241
Attn: Toby Reid

Re: Chesapeake Flowline for the PLU Big Sinks 23-24-30 USA #1H; BASNM 08-11-50

Dear Mr. Reid,

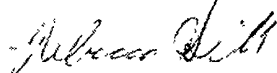
A records search was conducted on February 3, 2012 at the Bureau of Land Management Carlsbad Field Office for the Chesapeake PLU Big Sinks 23-24-30 USA #1H flowline located in T24S R30E Sections 13, 14, 22, 23, 24, 26, & 27. During the records search it was noted that the proposed project lies entirely within the boundaries of six previously surveyed areas, i.e., NMCRIS #'s 121648 and 35395 and BLM #'s 10-0290, 10-5420, 10-5178 and 09-0265. In consultation with Bruce Boeke on February 3, 2012 it was determined that no further survey is required. Chesapeake Energy's project is recommended for approval without further archaeological survey as currently staked. A copy of this letter will be forwarded to the BLM Carlsbad archaeologist.

Legal Description: (SW ¼ SW ¼) of Section 13; (SE ¼ SE ¼) of Section 14; (NW ¼ NE ¼ SW ¼ SE ¼ of NE ¼; NW ¼ SE ¼; NW ¼ NE ¼ SW ¼) of Section 23; (NW ¼ NW ¼) of Section 26; (NE ¼ NE ¼) of Section 27 and (SE ¼ SE ¼) of Section 22 in T24S R30E of Eddy County, New Mexico

Map Reference: U.S. 7.5' Quadrangle Map Big Sinks (32103-B7)

NMCRIS # 122976

Sincerely,



Rebecca Hill
Owner/Principal Investigator
Boone Arch Services of NM, LLC

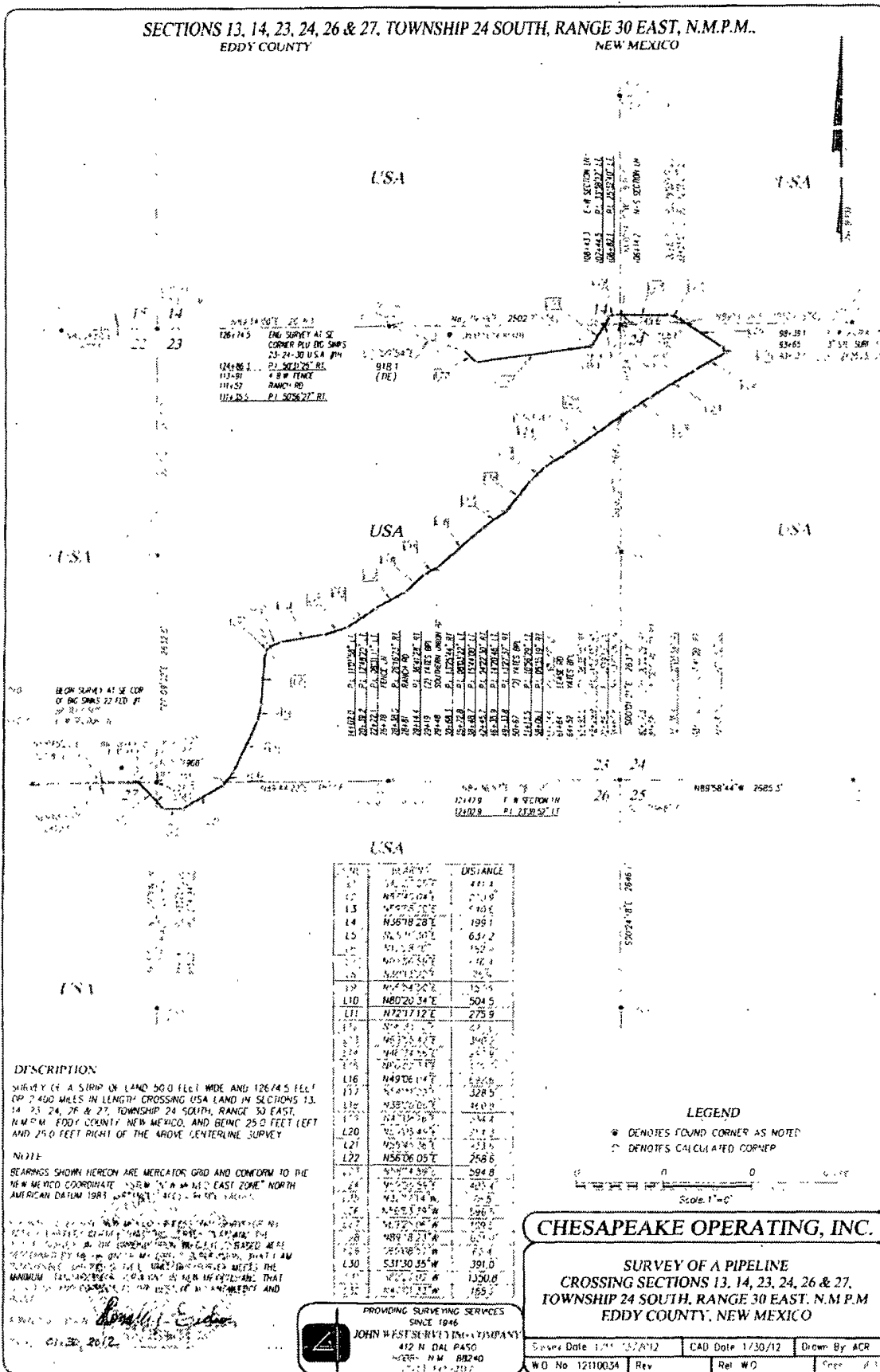
Encl: (1) project map
(2) NMCRIS Map
(3) Plat Maps

Office: 575-885-1352

Cell: 575-361-1353

Fax: 575-887-7667

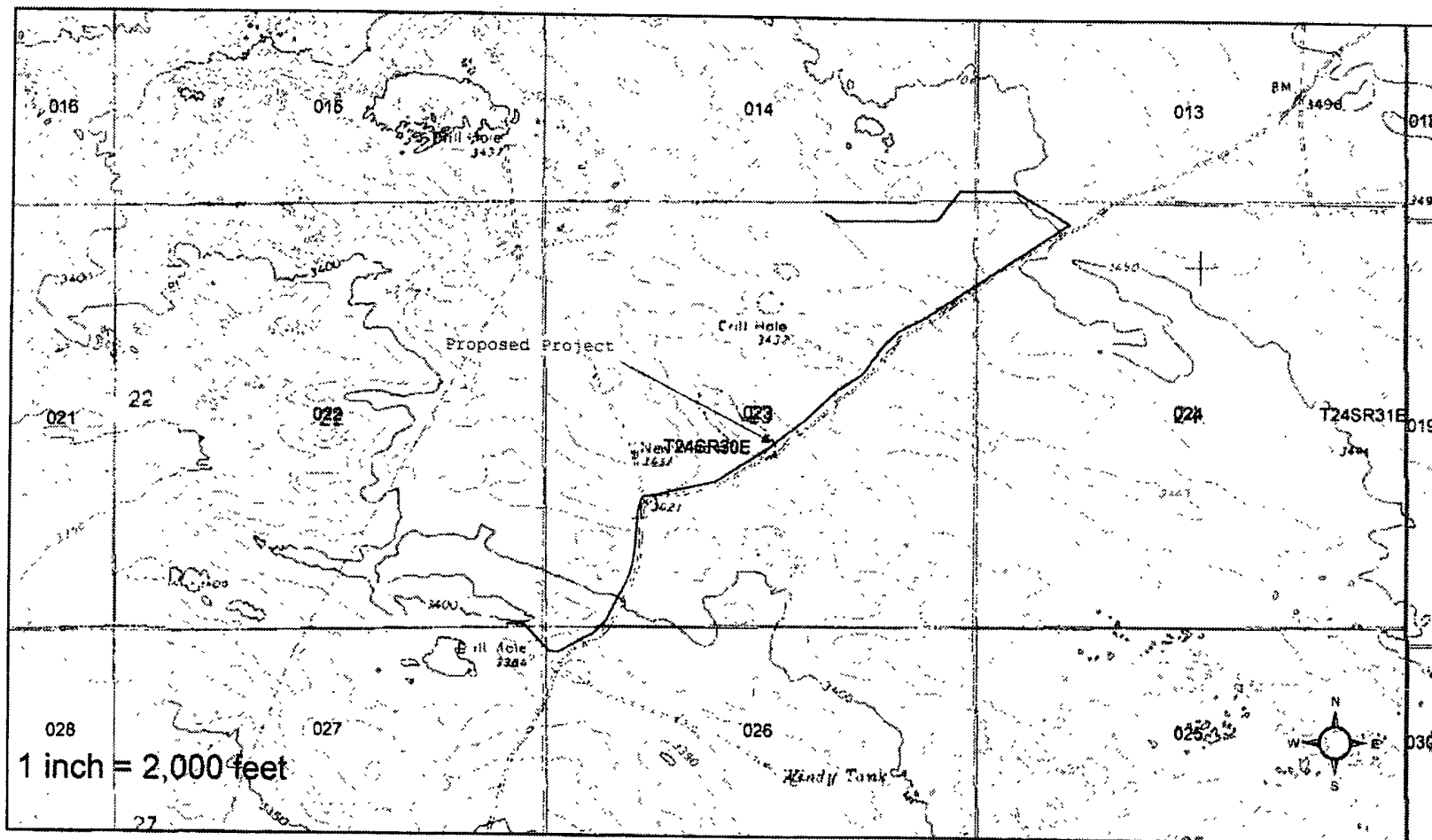
SECTIONS 13, 14, 23, 24, 26 & 27, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY NEW MEXICO



Chesapeake Energy

PLU Big Sinks 23-24-30 USA #1H

Flow line



Legend			
	Flowline		NPS
	BLM		Private
	BOR		NM State Trust Lands
	DOE		NM State Game & Fish
	Forest Service		NM State Park
	BOI		

Big Sinks
32103-B7
T24S R30E Sections 13, 14, 22,, 23, 24, 26 & 27

1:24,000

PLU Big Sinks 23-24-30 #1H buried flowline
BLM LEASE NUMBER: NMNM 030452
COMPANY NAME: Chesapeake Operating Inc

BURIED PIPELINE STIPULATIONS

A copy of the, Grant and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.
6. The pipeline will be buried with a minimum cover of **36** inches between the top of the pipe and ground level.
7. The maximum allowable disturbance for construction in the buried pipeline right-of-way from the PLU Big Sinks 23-24-30 USA #1 to the tank battery on the PLU Big Sinks 22 Fed Com #1H shall be **25** feet when paralleling county maintained roads and **15** feet when paralleling existing lease roads:
 - Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed **10** feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
 - Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed **20** feet when following county roads and **15** feet when following lease roads. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)

The remaining area of the right-of-way shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)

8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.
9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.
11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

- | | |
|--|--|
| <input type="checkbox"/> seed mixture 1 | <input type="checkbox"/> seed mixture 3 |
| <input checked="" type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4 |
| <input type="checkbox"/> seed mixture 2/LPC | <input type="checkbox"/> Aplomado Falcon Mixture |

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

17. Special Stipulations:

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.