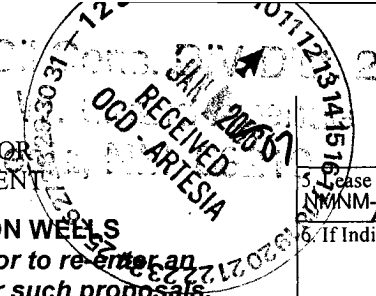


N.M. CO
1301
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007



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.

5. Lease Serial No.
NMNM-110273

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well

- Oil Well Gas Well Other

8. Well Name and No.
BIKAR FEDERAL 1

2. Name of Operator
CHESAPEAKE OPERATING, INC.

ATTN: LINDA GOOD

9. API Well No.
30-005-60588

3a. Address
P. O. BOX 18496
OKLAHOMA CITY, OK 73154-0496

3b. Phone No. (include area code)
405-767-4275

10. Field and Pool or Exploratory Area
SAND RANCH

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980 FNL & 1980 FEL, SWNE, SECTION 14, T10S, R29E

11. Country or Parish, State
CHAVES COUNTY, NEW MEXICO

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

TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="checked" 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 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 type="checkbox"/> Other _____	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon		
	<input type="checkbox"/> Convert to Injection	<input checked="checked" 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 recomplete 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must 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, respectfully, request permission to recomplete in the San Andres per the attached recompletion procedure.

(CHK PN 890384)

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)
LINDA GOOD

Title FEDERAL REGULATORY PERMITTING AGENT

Signature

Date 01/04/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ ALEXIS C. SWOBODA

PETROLEUM ENGINEER

Date JAN 08 2007

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.

(Instructions on page 2)

Bikar Federal 1
Plug Back to San Andres
Chaves County, New Mexico

GENERAL INFORMATION

Location: 1980' FNL & 1980' FEL, Sec 14 – T10S – R29E
API No.: 30-005-60588

WELL INFORMATION

<u>String OD</u>	<u>Weight & Grade</u>	<u>Depth</u>	<u>ID</u>	<u>Drift</u>	<u>Burst</u>	<u>TOC</u>
8-5/8"	24/32# K55	0' - 2900'	7.921"	7.796"	3930	0'
4-1/2"	11.6# N80	0' - 9798'	4.000"	3.875"	7780	7850'

Perforations: 9034 – 9270' (OA)

TD/PBTD: 9800'/9332'

Recommended Perforations

San Andres 3222 – 28'; 3260 – 76'

Re-Completion Procedure

1. MIRU Service Rig and requisite equipment. NU BOP. Kill well as required with 2% KCL. Release Lokset and POOH with tubing and packer.
2. MIRU Wireline Service Co. Set a CIBP at 8990'. Bail 2 sx of cement on plug. Load hole with brine and test to 1000#. Run a strip log from ~ 3600 – 2600'. Correlate to OH N/D Log dated 10/10/79.
3. Shoot two squeeze holes at 3400'. Set a cement retainer at 3375'. RDMO Wireline Service Co.
4. RIH pressure testing 2-3/8" 4.7# J55 tubing. Sting into retainer. Pressure annulus to 1000#. Break/establish circulation up 4-1/2" X 8-5/8" annulus with brine water. Pump 15 bbl of mud sweep and cement with 125 sacks of Class C cement plus additives per squeeze recommendation. Sting out of retainer, reverse clean, and POOH with tubing.
5. Run temperature log to establish TOC. WOC overnight.
6. RU lubricator and RIH w/ 3-3/8" casing gun. Perforate the San Andres w/ 2 SPF, 120 degree phasing, 23 gram charge, .37" holes from 3222 – 28' (13 holes) and 3260 – 76' (33 holes).
7. RIH w/ 4-1/2" treating packer and SN on 2-3/8" tubing. Space out with the EOT at 3276'.
8. RU Acid Service Company. Spot 100 gal of 15% HCL Acid containing 4 gpt of iron control, 1 gpt each of corrosion inhibitor, surface tension reducer, and non-emulsifier. Pull packer to ~ 3150'. Reverse circulate excess acid into tubing, set packer. Pressure test annulus to 1000#.
9. ND BOP. NU tree. Pressure annulus to 1000 psi. Displace spot acid, establish rate of 3 to 4 BPM w/ 2% KCL. (Keep KCL water usage to a minimum). Acidize w/ 1,300 gal of same acid. Displace w/ 2% KCL. Do not over-displace. Pump at 3 to 4 BPM max. Launch 60 ball sealers during job. Note rates and pressures. Note ISIP. Max pressure 4000#.
10. Flow/swab back job. Swab test zone. Re-treat if warranted with 3000 gal of Ultragel.

11. ND tree, NU BOP. POOH with tubing and packer.
12. RIH w/ MA, PS, SN, TAC (at ~ 3000') and 2-3/8" tubing. Space out and land SN ~3300'. Swab to clean up.
13. RIH w/ 1-1/2" pump and API Grade D tapered rod string. Run pump, 72 – 3/4", and 60 – 7/8" (SH Couplings). Space out/seat pump. Load and test.
14. Set 114-143-64 Pumping Unit. Stroke to long hole and PWOP.

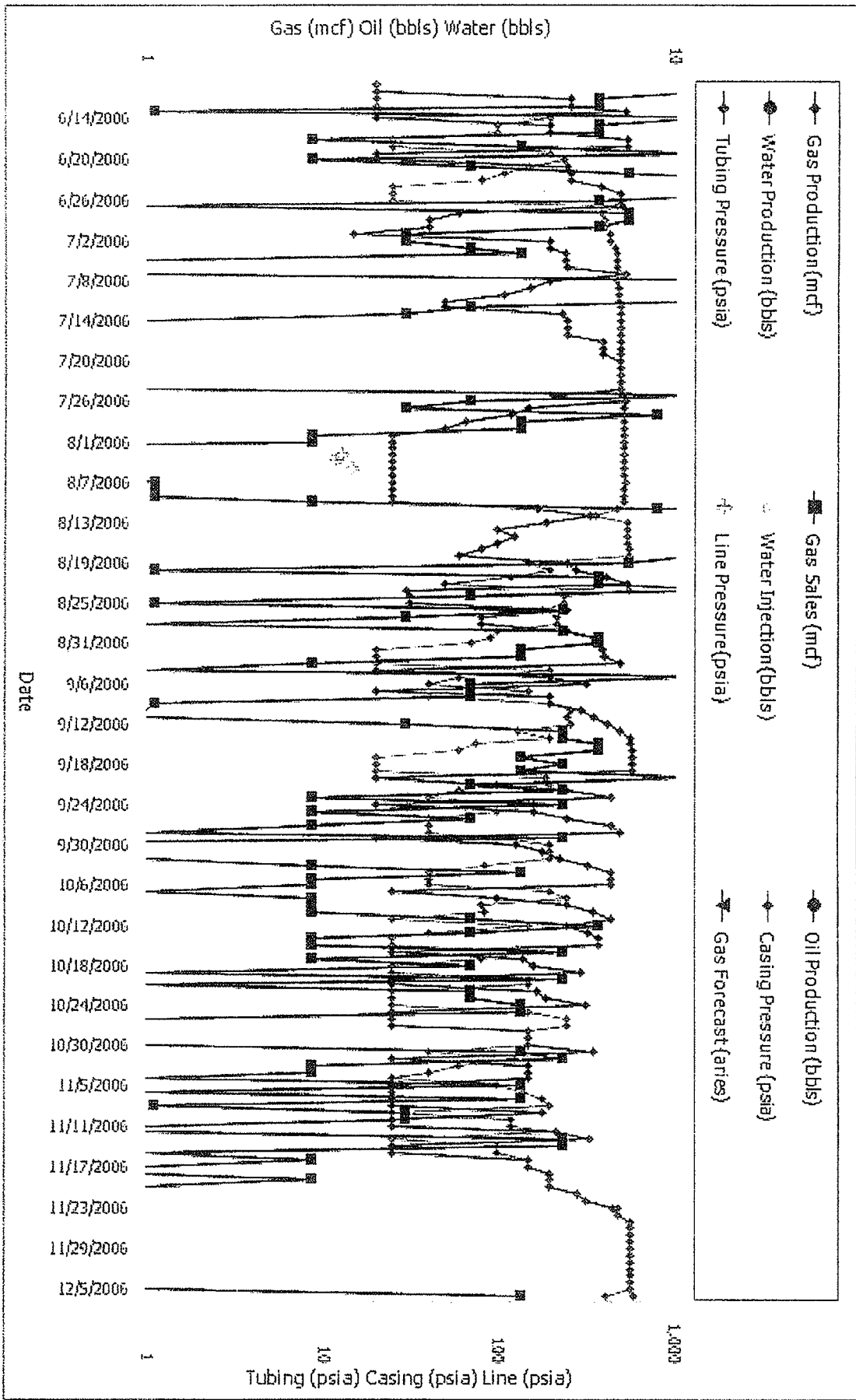


Chesapeake Energy Daily Production Report

Report Date Range
Start Date: 6/9/2006
End Date: 12/6/2006

Route: HOB-NW-Route 08-Terry Scifres
Wellname: BIKAR FEDERAL 1
Asset Manager: Andrew McCalmont

Cumulative Gas (MCF): 739
Cumulative Oil (BBL): 0
Cumulative Water (BBL): 0



Chesapeake Energy 8/8ths Production Based LOS Summary

Properties include: CHK Operated

BIKARFEDERAL
 Prop#: 290384 State: WY
 Operator #: 090020
 County: HAVES Section: A Range: 029E
 Township: 00S Reg/AS: mg F NORTHWEST SHELF/AWCCALMONT
 CHK WY % 69.41% CHK NRI % 54.09%

	3/2006	4/2006	5/2006	6/2006	7/2006	8/2006	9/2006	10/2006	11/2006	12/2006	1/2006	2/2006	12 MTTL	Cumulative
Beg. Bal.	391,995	220	228	322	104	187	128	78	41	113	59	394	2,042	394,037
ENERGIA GAS SALES	0	0	0	0	0	0	0	0	0	0	0	0	0	793
ENERGIA OIL SALES	884,333	727	855	1,167	170	816	963	395	390	780	320	1,587	8,442	892,775
REV VALUE - GAS	-1,392	0	0	0	0	0	0	0	0	0	0	0	0	-1,392
REV VALUE - OIL	5,326	57	168	257	37	180	217	87	83	172	70	350	1,858	7,184
ROYALTY BURDEN	877,615	204	607	910	133	636	766	308	297	608	250	1,237	6,583	884,198
TOTAL REVENUE	81,501	24	79	108	16	75	91	36	35	72	30	146	778	82,279
SEV TAX - GAS	-116	0	0	0	0	0	0	0	0	0	0	0	0	-116
SEV TAX - OIL	108,144	9,736	10,691	10,680	2,106	1,683	1,644	1,678	1,815	8,886	1,641	1,981	65,145	171,289
TOTAL LOE	1,363	0	0	0	0	0	0	0	0	0	0	0	0	1,363
TOTAL CAP EXPEND	688,723	-9,236	-10,103	-9,878	-1,989	-1,122	-969	-1,406	-1,553	-8,350	-1,421	-870	-59,341	629,382
NET 8/8THS CASH >>>														

Chesapeake Energy 8/8ths Production Based LOS Summary Report Totals

	3/2006	4/2006	5/2006	6/2006	7/2006	8/2006	9/2006	10/2006	11/2006	12/2006	1/2006	2/2006	12 MTTL	Cumulative
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NET 8/8THS CASH >>>														

Report Summary

Chesapeake DOI

Print Date: 12/08/06

Well Number: 890384
 Well Name: BIKAR FEDERAL 1
 Operator: CHESAPEAKE
 Unit Description: N/2 SECTION 14-10S-29E
 DOI Formation: ALL

Target Depth: 9,790
 Target Formation: MISS/ATOKA/MORROW
 State: NM
 District: PERMIAN NORTH
 Region: NORTHWEST SHELF
 Prospect: PECOS SLOPE

County: CHAVES
 Gross Acres: 320.000000
 SPUD Date: 08/29/1979 Status: PRODUCING
 DOI Comments: CHK RUBI ACQD .347044 GWI & .270448 NWI
 FROM RUBICON OIL & GAS EFF 02/01/2005.

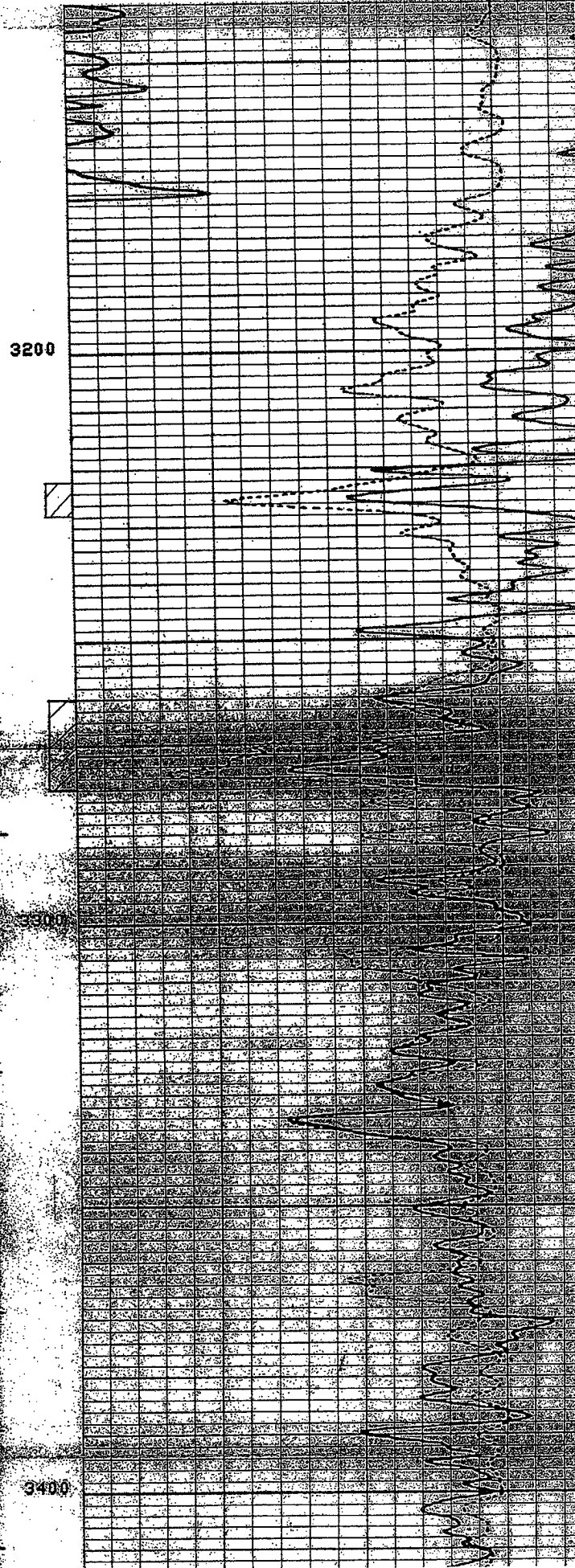
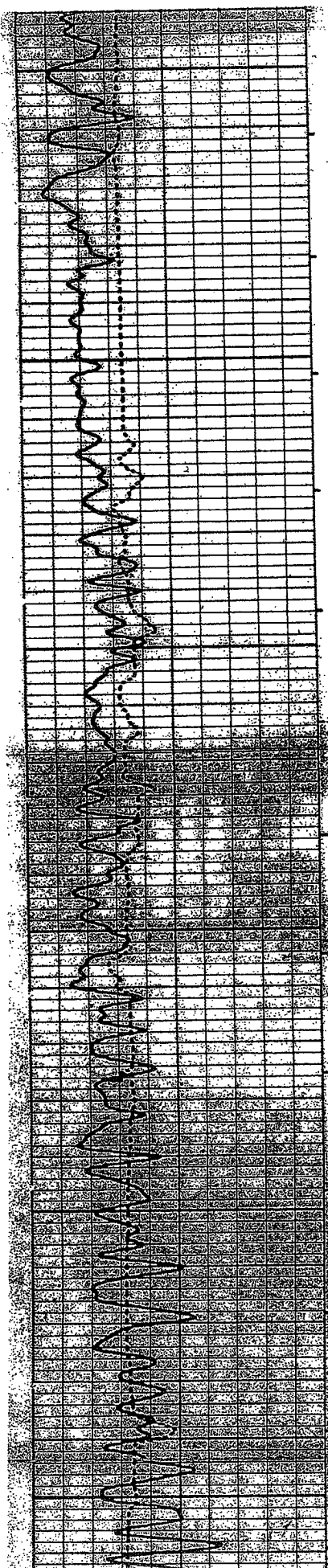
Owners	Net Acres	Gross Working Interest Percentages				Per Acre Leasehold Charge
		Before Payout		After Payout		
		Before Casingpoint	After Casingpoint	APO (1)	APO (2)	
BOB DAVIS	0.337606	0.105502%	0.105502%			
CONQUISTADOR VENTURES LTD	6.350246	1.984452%	1.984452%			
DELOYD K COOK EST	40.000000	12.500000%	12.500000%			
HUERFANO RESOURCES INC	5.274726	1.648352%	1.648352%			
IRENE TRUJILLO	2.343747	0.732421%	0.732421%			
JOE TERRY	0.587222	0.183507%	0.183507%			
MIKE NOAH	2.113206	0.660377%	0.660377%			
SALLY E MEEHAN	6.398960	1.999675%	1.999675%			
THREE FORKS RESOURCES LLC	5.274726	1.648352%	1.648352%			
THREE FORKS RESOURCES LLC	4.790045	1.496889%	1.496889%			
THREE FORKS RESOURCES LLC	12.797920	3.999350%	3.999350%			
THREE FORKS RESOURCES LLC	11.623453	3.632329%	3.632329%			
Non-Chesapeake Subtotals	97.891859	30.591206%	30.591206%			
CHESAPEAKE EXPL (PERM)	111.054070	34.704397%	34.704397%			
CHESAPEAKE PERMIAN (RUBICON)	111.054070	34.704397%	34.704397%			
Chesapeake Subtotals	222.108141	69.408794%	69.408794%			
TOTALS	320.000000	100.000000%	100.000000%			

Summary Chesapeake Corporate Interests at First Production	WI	69.408797%
	NRI	54.981869%
	NRI FACTOR	79.214554%

Well/Formation Comments:	Approvals	Initial	Date
ACQ CONCHO EFF 2/04; ACQD RUBICON EFF 2/05	AKM		
	WWB		

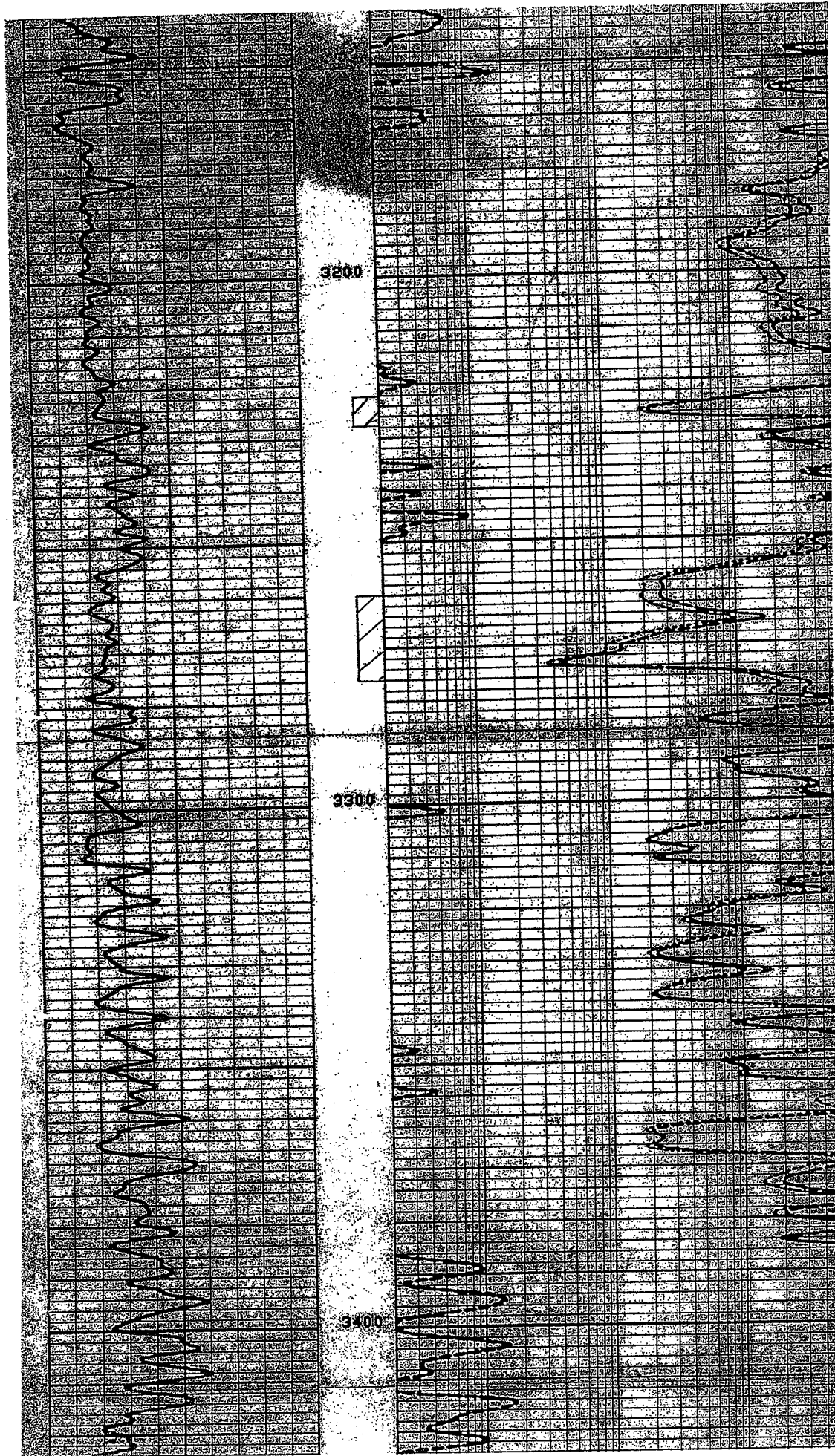
Land Manager Kevin Pfister
 Landman Jim Ball

Leasehold
Bill
Re-Bill
Re-Bill
Re-Bill
Re-Bill



3200

3400

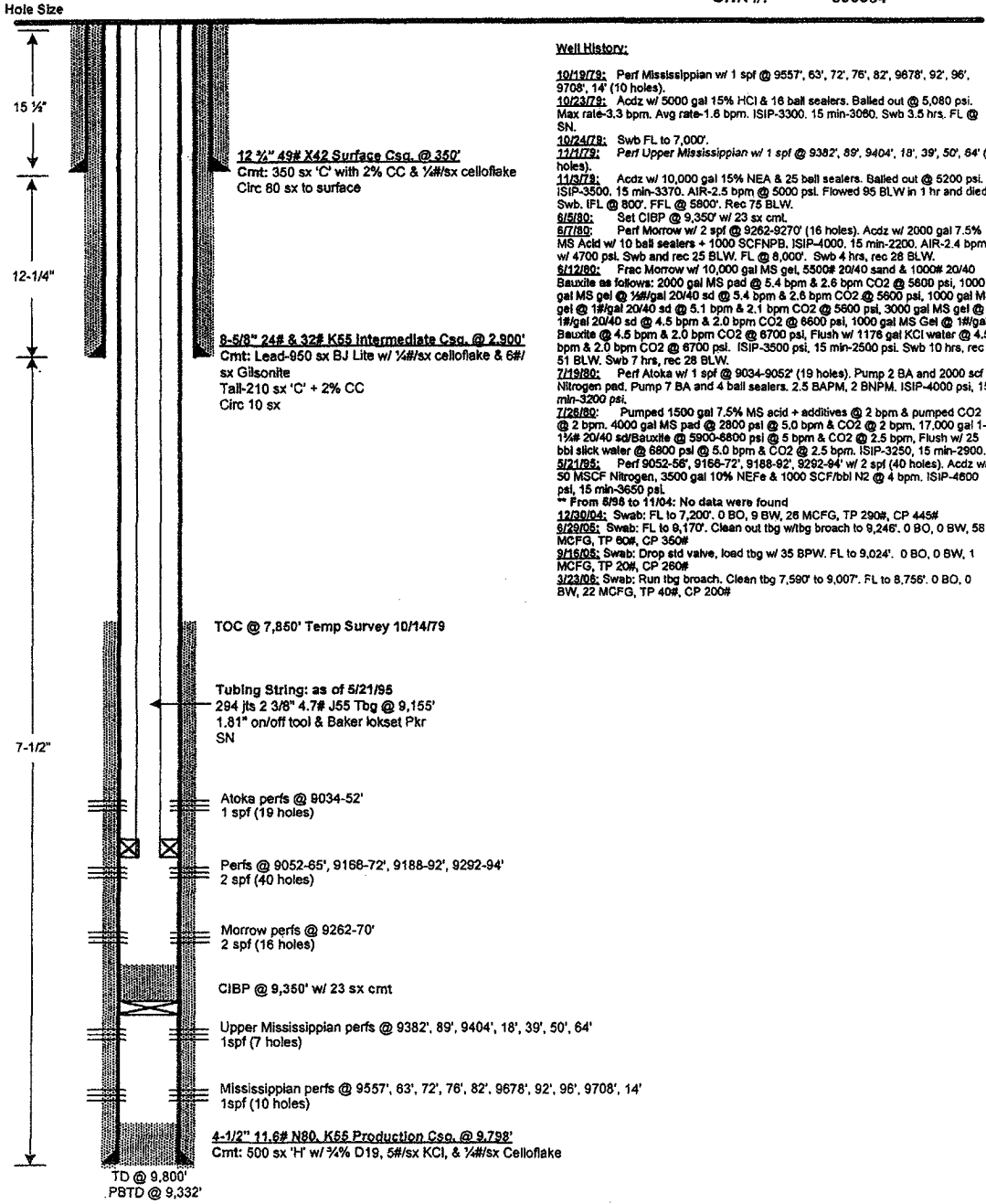


CURRENT WELLBORE SCHEMATIC CHESAPEAKE OPERATING INC.



WELL : BIKAR FEDERAL #1
LOCATION : 1980' FNL & 1980' FEL, SEC. 14-10S-29E
COUNTY : CHAVES **STATE :** NM
FIELD : SAND RANCH MISSISSIPPIAN
ELEVATION : 3,975' GL 3,986' KB

API #: 30-005-60588
SPUD DATE: 8/28/79
COMPL. DATE: 11/26/79
CHK #: 890384



PREPARED BY: Karen L. Gonzales
UPDATED BY: Myo Htoon

DATE: 7/11/05
DATE: 4/26/06