

Submit 1 Copy 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

Form C-103
October 13, 2009

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

WELL API NO. 30-015-36775
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name PLU Ross Ranch 31 Federal
8. Well Number 1H
9. OGRID Number 147179
10. Pool name or Wildcat Corral Canyon; Bone Spring, South
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3115' 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-103) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	RECEIVED MAR 02 2010 NMOCD ARTESIA
2. Name of Operator Chesapeake Operating, Inc.	
3. Address of Operator P.O. Box 18496 Oklahoma City, OK 73154-0496	
4. Well Location Unit Letter O : 350' feet from the South line and 2290' feet from the East line Section 31 Township 25S Range 30E NMPM County Eddy	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: OLS/OLM <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

This filing is a lease commingling where the production is from the same pool and although there are two different state leases, all categories of owners are the same with the same percentages. Thus no notice is required. Attached is a certification by Chesapeake's landman same to common ownership and percentages.

The storage and measuring facility is to be located at the:

PLU Ross Ranch 6 Federal # 1H

Unit O, Sec. 6, T-25-S R-30-E

350' FSL & 1880' FEL

Eddy Co., N.M.

30-015-36883

NM Lease # 102035

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Bryan Arrant TITLE Senior Regulatory Compl Sp. DATE 02/22/2010

Type or print name Bryan Arrant E-mail address: bryan.arrant@chk.com PHONE: (405)935-3782

For State Use Only

APPROVED BY: Lewis R. Davis TITLE Dist II Supervisor DATE 03/08/2010

Conditions of Approval (if any):

CERTIFICATION

I, Craig B. Barnard hereby certify that I am a practicing petroleum landman, and that:

A. I am responsible for and involved in preparing the necessary land and ownership documents for submittal to the New Mexico Oil Conservation Division for matter

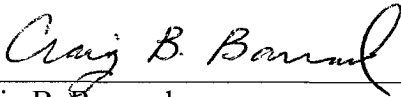
B. I am personally knowledgeable and familiar with the facts and circumstances of this case and the following factual statements.

(1) the production from the Ross Ranch 31 Federal 1H (API # 30-015-36775) is not measured until it arrives at the Ross Ranch 6 Federal 1H Well's Tank Battery (API # 30-015-36883) where there is a separate meter continuously measuring for each well's production including as individual separators before the production is commingled.

(2) Although Ross Ranch 31 Federal 1H Well is on a spacing unit consisting of the W/2E/2 Sec 31 with a different lease number from the Ross Ranch 6 Federal 1H well in the W/2E//2 of Sec 6, both spacing units have the same working interest owners with the same percentages. See WIO enclosures.

(3) The royalty is 12.5 % to the USA (BLM) for each of these two leases.

(4) There are no overriding royalty owners for either lease.



Craig B. Barnard


§§§

Notary

ACKNOWLEDGMENT

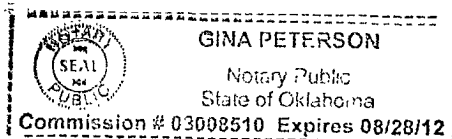
Given under my hand and seal the day and year last above written.

ar last above written.



Notary Public

8/28/12



Print Date 02/10/2010
Prepared By: qpeterson

DOI Description: ALL

DOI Comments: POOLED UNIT. D/O'S WERE MAILED TODAY.

Prospect. SE EDDY

BLM/BIA/State

		Gross Working Interest Percentages			
		Before Payout		After Payout	
Owners	Wellbore Net Acres	Before Tanks	After Tanks	APO (1)	APO (2)
CTV O&G NM LLC	46.000000	0.000000 %	28.750000 %		
GOLIAD O&G NM LLC	2.000000	0.000000 %	1.250000 %		
KEYSTONE O&G NM LLC	15.000000	0.000000 %	9.375000 %		
THRU LINE O&G NM LLC .	15.000000	0.000000 %	9.375000 %		
WD O&G NM LLC	2.000000	0.000000 %	1.250000 %		
Non-Chesapeake Subtotals	80.000000	0.000000 %	50.000000 %		
CHESAPEAKE EXPL LLC (CELP)	76.000000	97.500000 %	47.500000 %		
CHESAPEAKE INVESTMENTS	4.000000	2.500000 %	2.500000 %		
Chesapeake Subtotals	80.000000	100.000000 %	50.000000 %		
TOTALS	160.000000	100.000000 %	100.000000 %		

Summary Chesapeake Corporate Interests at First Production	AKM Unit WI	2.500000%	WI	47 500000%	RI/ORI
	AKM Unit NRI	2.000000%	NRI	36 812500%	
	Per Acre Leasehold Charge:	\$1,450.86	NRI FACTOR	77.500000%	
	Unit Net Acres.	4.000000			
	Unit Total Leasehold Charge:	\$5,803.44			

Well/Formation Comments:	Approvals	Initial	Date
SOURCE: BASS; PENDING AFE 9/24/2008	AKM		
	HJH		
	DTM		

Land Manager Jim Wimmier
Landman Craig Barnard

Print Date: 02/10/2010
Prepared By: qpeterson

BLM/BIA/State

Well/Formation Comments:	Approvals	Initial	Date
SOURCE: BASS PENDING AFE 9/23/2008	AKM		
	HJH		
	DTM		

THE INFORMATION IN THIS REPORT IS PROPRIETARY, CONFIDENTIAL AND NOT FOR PUBLIC DISSEMINATION. THIS INFORMATION MAY NOT BE SHARED WITH UNAUTHORIZED PERSONS WITHOUT THE WRITTEN CONSENT OF CHESAPEAKE