

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

EC

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. NMNM69369
2. Name of Operator CHESAPEAKE OPERATING, INC. Contact: LINDA GOOD E-Mail: linda.good@chk.com		6. If Indian, Allottee or Tribe Name
3a. Address P.O. BOX 18496 OKLAHOMA CITY, OK 73154-0496	3b. Phone No. (include area code) Ph: 405-935-4275	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 1 T24S R31E SESE 740FSL 330FEL		8. Well Name and No. SUNDANCE 1 FEDERAL 4
		9. API Well No. 30-015-28176
		10. Field and Pool, or Exploratory MESA VERDE DELAWARE
		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 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 checked="" type="checkbox"/> Other Workover Operatic
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recompleate 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 recompleation 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, RESPECTFULLY, REQUESTS, PERMISSION TO WORKOVER THIS WELL PER THE FOLLOWING REVISED PROCEDURE:

1. MIRU PU. NU BOP. Unload, rack, and tally 2-7/8" 6.5# L-80 tubing.
2. RIH w/4 3/4" bit, drill collars on 2 7/8" tbq. Check PBTD of 8,555'. POH w/bit.
3. RIH w/packer to 8,200', just above perfs. Pressure test casing. If test fails, located casing leak. POH w/packer. (Note: if large section of casing is bad, consider running 4 1/2" flush joint liner. (BLM has to be notified with a sundry before liner is run).
4. RIH w/4 3/4" bit on 2 7/8" tbq. Drill out CIBP @ 8,213'. Clean out to 8,300'. POH w/bit.

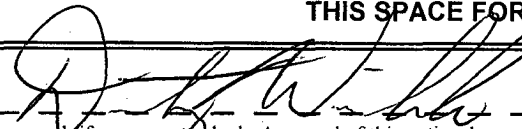
**SEE ATTACHED FOR
CONDITIONS OF APPROVAL****RECEIVED**

OCT 06 2010

NMOCD ARTESIA

14. I hereby certify that the foregoing is true and correct. Electronic Submission #91544 verified by the BLM Well Information System For CHESAPEAKE OPERATING, INC., sent to the Carlsbad	
Name (Printed/Typed) LINDA GOOD	Title SR. REGULATORY COMPLIANCE SPEC
Signature (Electronic Submission)	Date 08/20/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By 	Title	Date
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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.		

APPROVED

OCT 5 2010

/s/ Dustin Winkler

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

CJH

,Additional data for EC transaction #91544 that would not fit on the form

32. Additional remarks, continued

5. Rig up wireline co. Set CIBP @ 8,260', just above current perfs.

6. RIH w/3,675' of 4 1/2" flush joint liner w/liner hanger on 2 7/8". Set 4 1/2" from 4,585-8,260'. Cement in place w/75 sxs Class C cement. Release from liner, reverse circulate clean, POH w/tbg.

7. RIH w/4 3/4" bit to top of liner. POH w/bit laying down 2 7/8" tbg.

8. RIH w/3 7/8" bit, picking up 2 3/8" tbg. CO inside of liner down to 8,260'. POH w/bit.

9. Rig up wire line co. Perforate Brushy Canyon:
8,155-8,174' (19') (one shot every other foot) (10 holes)
8,193-8,225' (32') (one shot every other foot) (16 holes)
8,236-8,244' (8') (one shot per foot) (8 holes)

10. RIH w/4 1/2" packer to 8,250'. Pump 5 bbl 15% inhibited HCL to pickle tubing. Circulate acid out with clean 2% KCL. Spot 15% NEFE acid across perfs. Pull packer up to 8,050'. Set packer and acidize Brushy Canyon perfs w/ 5,000 gal 15% NEFE acid dropping 50 perfs balls through out job. Swab back acid and test. Drop packer down through perfs to knock off perf balls. POH w/packer.

11. If warranted, frac Brushy Canyon per frac recommendation (anticipate 30 BPM down 3 1/2" frac string, 100,000# of sand).

12. RIH w/bit & collars on 2 3/8" tbg. Clean out to new PBTD of 8,260'. POH w/bit.

13. RIH w/production tbg & rods. POP from new Brushy Canyon perfs 8,155-8,244'. RD MO.

(CHK PN 890549)

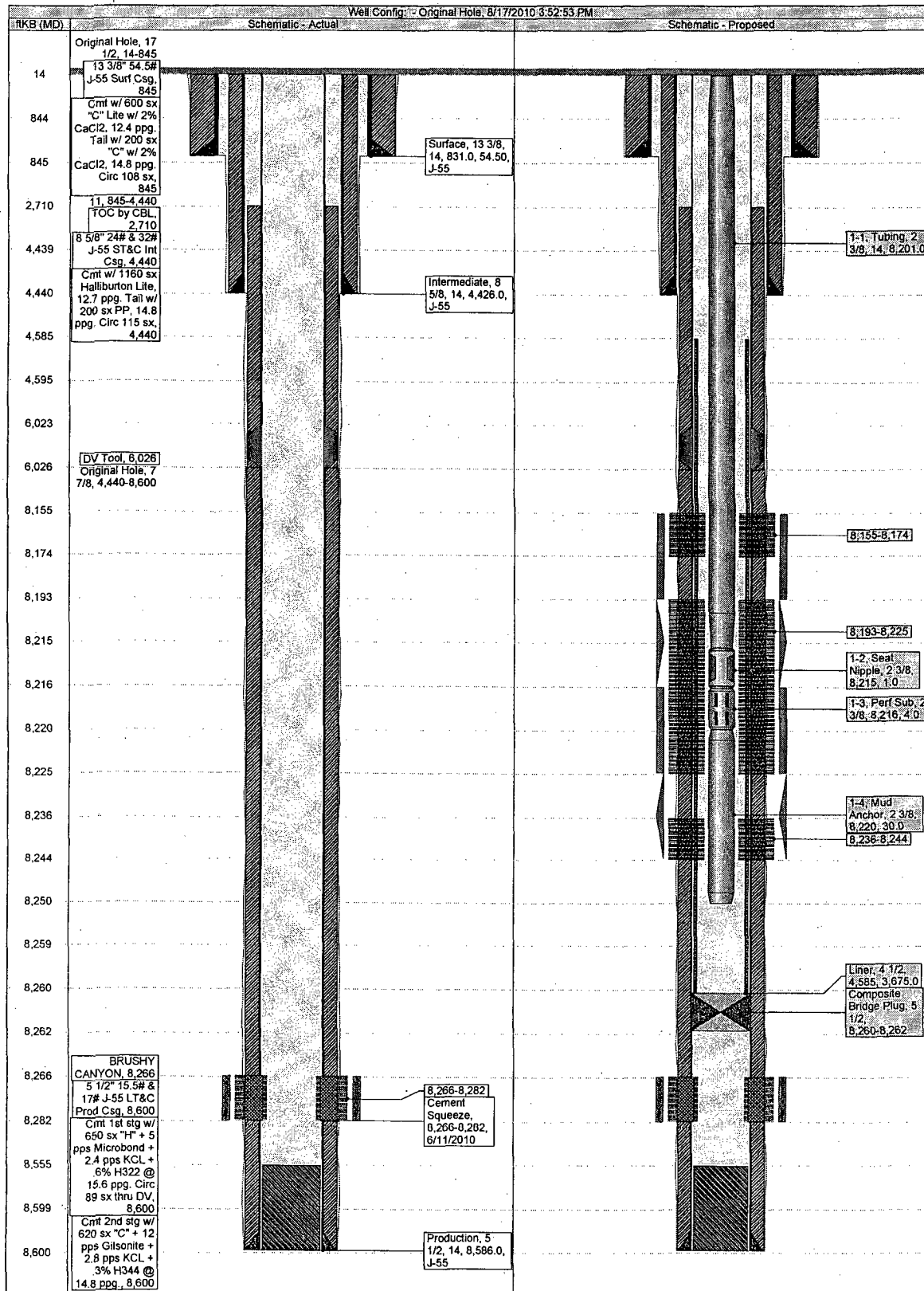


Proposal for Workover

SUNDANCE FEDERAL 1-4

Field: Mesa Verde Delaware
County: EDDY
State: NEW MEXICO
Location: SEC 1, -24S-31E, &
Elevation: GL 3,534.00 KB 3,548.00
KB Height: 14.00

Spud Date: 12/2/1996
Initial Compl. Date:
API #: 3001528176
CHK Property #: 890549
1st Prod Date: 12/31/1996
PBDT: Original Hole - 8555.0
TD: 8,600.0



**Sundance Federal 1-4
Eddy County, New Mexico
Recompletion Procedure**

Date: August 17, 2010

Location: 740' FSL & 330' FEL Sec. 1-T24S-R31E

Production Casing: 5 1/2" 15.5# & 17# J-55 LT&C, 0-8,600', ID-4.892", Drift-4.767", Burst-4,810#

PBTD/TD: 8,213' (CIBP)/ 8,600'

Current Perfs: Brushy Canyon 8,266-82'

Proposed Perfs: Brushy Canyon (Basal A) 8,155-8,174'
Brushy Canyon (Upper B) 8,193-8,225'
Brushy Canyon (Basal B) 8,236-8,244'

Recommended Procedure:

1. MIRU PU. NU BOP. Unload, rack, and tally 2-7/8" 6.5# L-80 tubing.
2. RIH w/ 4 3/4" bit, drill collars on 2 7/8" tbg. Check PBTD of 8,555'. POH w/ bit.
3. RIH w/ packer to 8,200', just above perfs. Pressure test casing. If test fails, located casing leak. POH w/ packer. (Note: if large section of casing is bad, consider running 4 1/2" flush joint liner. BLM has to be notified with a sundry before liner is run).
4. RIH w/ 4 3/4" bit on 2 7/8" tbg. Drill out CIBP @ 8,213'. Clean out to 8,300'. POH w/ bit.
5. Rig up wireline co. Set CIBP @ 8,260', just above current perfs.
6. RIH w/ 3,675' of 4 1/2" flush joint liner w/ liner hanger on 2 7/8". Set 4 1/2" from 4,585-8,260'. Cement in place w/ 75 sxs Class C cement. Release from liner, reverse circulate clean, POH w/ tbg.
7. RIH w/ 4 3/4" bit to top of liner. POH w/ bit laying down 2 7/8" tbg.
8. RIH w/ 3 7/8" bit, picking up 2 3/8" tbg. CO inside of liner down to 8,260'. POH w/ bit.
9. Rig up wire line co. Perforate Brushy Canyon:
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11. If warranted, frac Brushy Canyon per frac recommendation (anticipate 30 BPM down 3 1/2" frac string, 100,000# of sand).
12. RIH w/ bit & collars on 2 3/8" tbg. Clean out to new PBTD of 8,260'. POH w/ bit.
13. RIH w/ production tbg & rods. POP from new Brushy Canyon perfs 8,155-8,244'. RD MO.

Chesapeake Operating, Inc.
NM-69369: Sundance 1 Federal #4
API: 30-015-28176
Eddy County, New Mexico

RE: Recomplete – Conditions of Approval

There is to be no surface disturbance beyond the originally approved pad. A closed loop system is to be used. H2S monitoring and protection equipment is to be on site.

Contact the appropriate BLM office at least 24 hours prior to liner cementing operations. For wells in Eddy County, call 575-361-2822.

~~2000 (2M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall~~ comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.

Submit subsequent report and completion report once work is completed.

DHW 092810