

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

Form C-103
 March 4, 2004

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

WELL API NO.	30-025-36509
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name San Simon 21 State	
8. Well Number	002
9. OGRID Number	147179
10. Pool name or Wildcat Osudo;Morrow,South (Gas)	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	3641 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 Other

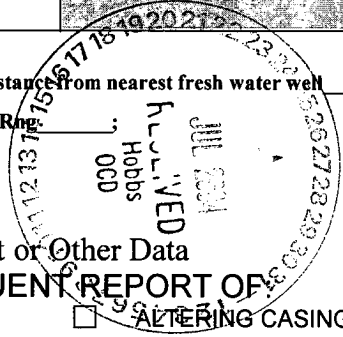
2. Name of Operator
 Chesapeake Operating, Inc.

3. Address of Operator
 P. O. Box 11050
 Midland, TX 79702-8050

4. Well Location
 Unit Letter E : 1650 feet from the North line and 990 feet from the West line
 Section 21 Township 21S Range 35E NMPM County Lea

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:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>
MULTIPLE COMPLETION <input type="checkbox"/>	OTHER: <input 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

7-01-04 Spud 17 1/2" surface hole @ 8:00 p.m.
 7-05-04 Ran 33 jts. 13 3/8" 48# H-40 STC csg. set @ 1,452'. Cmt'd w/1,000 sx Cl.C + additives; tail in w/200 sx Cl. C + additives. WOC 24 hrs. Test to 3000# - OK
 7-12-04 In 12 1/4" hole, ran 123 jts. 9 5/8" 40# K-55 LTC csg. set @ 5,400'. Cmt'd w/1,171 sx Cl. C + additives; tail in w/200 sx Cl C + additives.
 7-26-04 In 8 3/4" hole, ran 247 jts 26# N-80 LTC csg. set @ 10,800'. Cmt'd w/600 sx Poz C + additives Circ. to surface

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 07/26/2004

Type or print name Brenda Coffman E-mail address: bcoffman@chkenergy.com Telephone No. (432)685-4310

(This space for State use)

APPROVED BY Gay W. Wink TITLE OC FIELD REPRESENTATIVE II / STAFF MANAGER DATE AUG 02 2004

Conditions of approval, if any _____