

District II1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720District III1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170District IV1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462**State of New Mexico**
Energy, Minerals and Natural Resources**Oil Conservation Division**
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL API NUMBER

30-025-37294

5. Indicate Type of Lease

S

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

SIMS 13 STATE

8. Well Number

001

9. OGRID Number

147179

10. Pool name or Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:G

2. Name of Operator

CHESAPEAKE OPERATING, INC.

3. Address of Operator

P. O. BOX 18496, OKLAHOMA CITY, OK 731540496

4. Well Location

Unit Letter L : 1980 feet from the S line and 1140 feet from the W line
Section 13 Township 20S Range 35E NMPM Lea County

11. Elevation (Show whether DR, KB, BT, GR, etc.)

3660 GR.

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data**NOTICE OF INTENTION TO:**PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE OF PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

Other:

SUBSEQUENT REPORT OF:REMEDIAL WORK ☐ ALTER CASING ☐COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐CASING/CEMENT JOB ☐Other: **Drilling/Cement**☒

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.

In 17 1/2" surface hole, ran 10 jts. 13 3/8" 48# H-40 STC csg. set @ 448'. Cmt'd w/300 sx Class C + additives 1.744 yield, tail w/100 sx Cl. C + additives 1.345 yield. Circ. 142 sx. WOC 24 hrs. Tested to 1200 psi 30 mins - OK.

7/9/06 In 8 3/4" hole, ran 245 jts. 7" 26# P-110 LTC csg. set @ 11,200'. Cmt'd w/255 sx Poz Cl C 1.62 yield, 2nd stage w/700 sx 50/50 Poz Cl H 2.23 yield, tail w/200 sx Cl H 1.18 yield. Est. TOC @ 3500' **6/12/2006** Spudded well.**Casing and Cement Program**

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
06/14/06	Surf	Fresh Water	17.5	13.375	48	H40	0	448	400	1.345	C		800	0	Y
06/21/06	Int1	Cut Brine	12.25	9.625	40	J55	0	3998	1400	4.34	Cl. C		2000	0	Y
07/09/06	Int2	Cut Brine	8.75	7	26	LTC	3500	11200	1155	1.18	Cl. C		1200	0	Y

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 Electronically Signed

TITLE Regulatory Analyst

DATE 7/31/2006

Type or print name Brenda Coffman

E-mail address bcoffman@chkenergy.com

Telephone No. 432-685-4310

For State Use Only:

APPROVED BY: Paul Kautz

TITLE Geologist

DATE 8/1/2006 7:32:06 AM

Drilling Comments

OGRID: [147179] CHESAPEAKE OPERATING, INC.

Permit Number: 33234

Permit Type: Drilling

Created By	Comment	Comment Date
DMULL	Brenda, On 06/21/06 OCD approved C-103 on the Surface casing. This one added second row for the surface casing, but it is the same information. I am rejecting this for corrections.	6/29/2006
DMULL	Brenda, OK you took the second line off, but like I said before. We already have this information. This information was sent in on 06/21/06 and we approved it then. I am rejecting this again. We do not need this information in the well file twice.	6/29/2006