District I - (505) 393-6161
1625 N. French Dr. Hobbs, NM 88240
District II - (505) 748-1283
1301 W. Grand Avenue, Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road. Aztec, NM 87410
District IV - (505) 476-3440
1220 S. St. Francis Dr., Santa Fe, NM 87505

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505
(505) 476-3440

Form C-140
Revised 06/99

SUBMIT ORIGINAL PLUS 2 COPIES TO APPROPRIATE DISTRICT OFFICE

APPLICATION FOR WELL WORKOVER PROJECT

I. Operator and Well

Operator name & address								OGRID Number
CHESAPEAKE OPERATING INC								147179
Contact Party								Phone
GREG SMALL								(405) 879-9372
Property Name					Well Number			API Number
CHAMBERS 1-7					811888			30 025 33623
UL	Section	Township	Range	Feet From The	North/South Line	Feet From The	East/West Line	County
H	7	16S	36E	1700	NORTH	900	EAST	LEA

II. Workover

Date Workover Commenced:	Previous Producing Pool(s) (Prior to Workover):
4/19/03	SHOE BAR; STRAWN, NORTHEAST
Date Workover Completed: 4/21/03	

III. Attach a description of the Workover Procedures performed to increase production.

IV. Attach a production decline curve or table showing at least twelve months of production prior to the workover and at least three months of production following the workover reflecting a positive production increase.

V. AFFIDAVIT:

State of _____)
) ss.
County of _____)

_____, being first duly sworn, upon oath states:

1. I am the Operator, or authorized representative of the Operator, of the above-referenced Well.
2. I have made, or caused to be made, a diligent search of the production records reasonably available for this Well.
3. To the best of my knowledge, this application and the data used to prepare the production curve and/or table for this Well are complete and accurate.

Signature Greg Small Title TAX MANAGER Date 7/15/03

SUBSCRIBED AND SWORN TO before me this 15 day of July, 2003.

Notary Public

My Commission expires: 5/14/06

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a Well Workover Project and the Division hereby verifies the data shows a positive production increase. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that this Well Workover Project was completed on 2/24/03

Signature District Supervisor	OCD District	Date
Paul F. Kautz	1	8/01/03

VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: _____

NM-Route 06- Chad Jeter

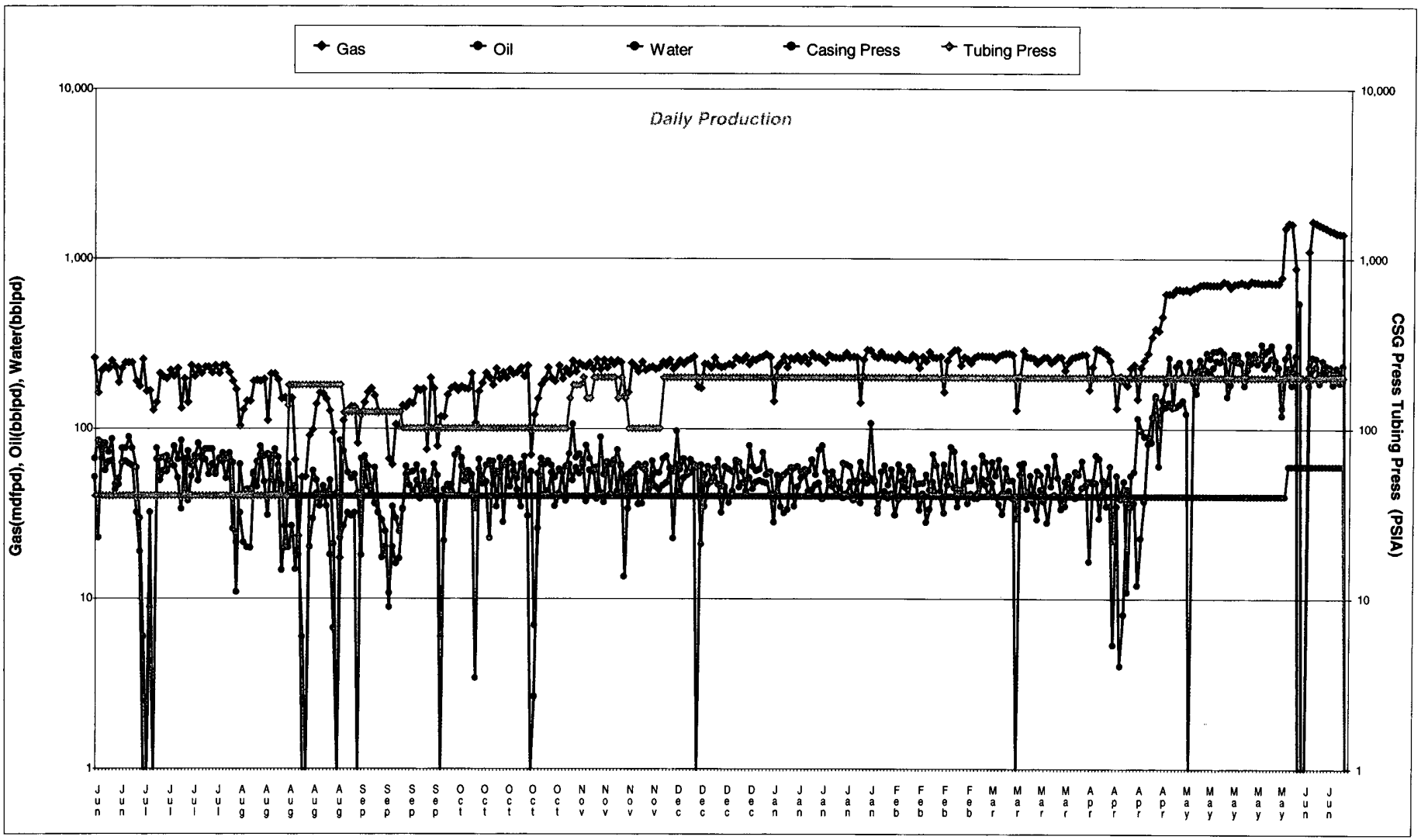
Well Bore: CHAMBERS 1-7

Report Date Range
Start Date: 12/31/02
End Date: 06/18/03

Completions:

Chambers 1-7

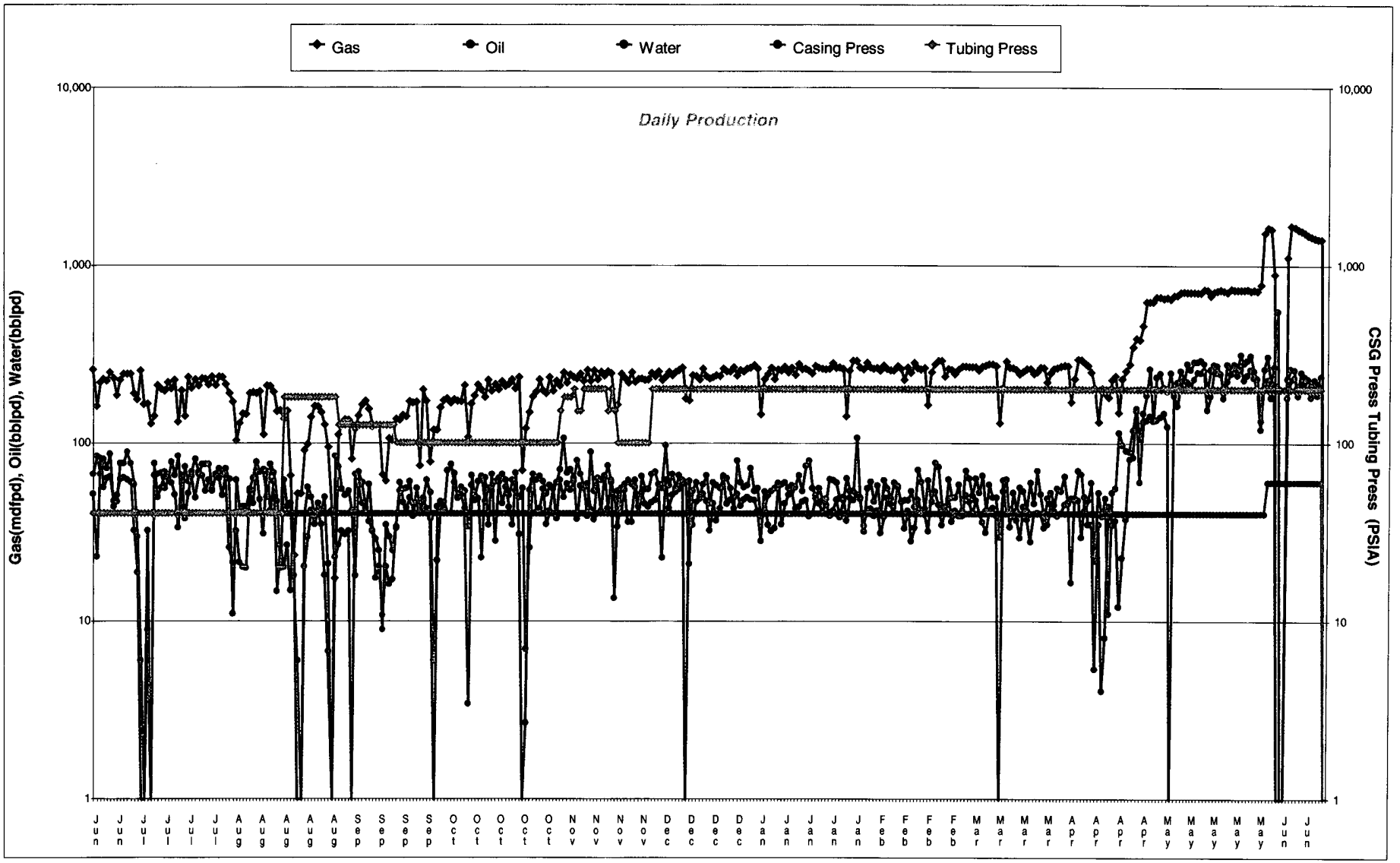
Cumulative Gas (MCF): 1,001,439
Cumulative Oil (BBL): 426,707
Cumulative Water (BBL): 129,859



Report Summary

Report Date Range
Start Date: 01/01/03
End Date: 12/31/02

Cumulative Gas (MCF): 1,001,439
Cumulative Oil (BBL): 426,707
Cumulative Water (BBL): 129,859



CHAMBERS 1-7

8. **FOR A WELL WITHIN A THREE-DIMENSIONAL SEISMIC SHOOT:**
spud date: N/A
date of first sale: N/A
duration of exemption (18 or 28 months as applicable): N/A

9. The Commission finds that pursuant to Order No. 387223, issued in Cause RM 940000012 on October 20, 1994, it was determined that the tax credit for enhanced oil recovery under 1994 Okla. Sess. Laws Chapter 311, known as Senate Bill No. 841, amending 68 O.S., Section 1001, would be interpreted as follows: "If a well receives a tax credit for enhanced oil recovery under Section 1 (d) of the Act, Section 1 (l) of the act prohibits the well from claiming an additional credit under Section 1 (e) - (h) of the Act, and it requires the operator to elect between credits."

ORDER

Based on the foregoing findings the well and production are eligible for tax credit, as provided in 68 O.S. Section 1001, and **IT IS SO ORDERED.**

CORPORATION COMMISSION OF OKLAHOMA

BOB ANTHONY, CHAIRMAN

DENISE A. BODE, VICE CHAIRMAN

ED APPLE, COMMISSIONER

DONE AND PERFORMED THIS 24 DAY OF April 2001.
BY ORDER OF THE COMMISSION:

Peggy Mitchell, Secretary

REPORT OF THE TECHNICAL DEPARTMENT

The foregoing findings and order incorporate the recommendation of the Technical Department.

Manager Technical Department — Date 4-19-01

Technical Department Staff — Date 04/19/01

CHESAPEAKE OPERATING, INC.

P. O. Box 18496
OKLAHOMA CITY, OKLAHOMA 73154-0496
405/848-8000
405/879-9573 FAX

Operated Daily Activity Report

Well-CHAMBERS 1-7;

Status: **WORKOVER**

CHESAPEAKE OPERATING, INC.

P. O. Box 18496
OKLAHOMA CITY, OKLAHOMA 73154-0496
405/848-8000
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Operated Daily Activity Report
Well-CHAMBERS 1-7;

Status: WORKOVER

CHAMBERS 1-7 7-16S-36E Permian
Well #: 811888 AFE: 400029 LEA, NM
WI: 65.187500 NRI: 47.912812

Date	Day	Footage Depth	Cost Cum Cost	Present Operation
01/18/01		0'	$1,256	Swab 2 run, IFL 3,700', 20 BO, left open to tank on 28/64"
		0'	$1,256	RU swab unit, made 2 runs cutting paraffin, IFL 3,700', 20 BO, FFL 6,800', left well to tanks on 28/64".
				Swab Well
01/19/01		0'	$2,000	Swab & flow 10 hrs, IFL 6,800', 37 BO, 5 BW, turn thru separator on 28/64"
		0'	$3,256	
01/20/01		0'	$2,100	Swab, IFL 4,000', FFL 5,800', flow on 28/64", 21 BO, TP 175#
		0'	$5,356	RDMO swab unit, return well to production, FINAL REPORT.
07/07/01		0'	$4,250	PU bit & scraper, RIH w/ 2 7/8" workstring
		0'	$4,250	Kill wll w/ 40 BW, ND wellhead, NU BOP, release pkr, POOH w/ tbg, PU 4 3/4" bit and scraper, RIH w/ 50 jts 2 7/8" workstring.
				Prepare to Acidize Perforations
07/08/01		0'	$0	SD 24 hrs, no activity
		0'	$4,250	
07/09/01		0'	$8,000	Leave pkr swinging @ 11,350'
		0'	$12,250	RIH w/ 368 jts, RU AES, pump 440 GALS Xylene, flush w/ 68 BBLS 2% KCLW, POOH w/ bit and scraper, PU RIH w/ collar location, PPI tools and SN, leave pkr swinging @ 11,350', SIW.
07/10/01		0'	$3,900	RIH w/ bit & scraper & tbg to 11,540', start OOH w/ tbg
		0'	$16,150	TP 100#, blow well down, RIH w/ bit and scraper, 370 jts 2 7/8" tbg to 11,540', start out of hole w/ tbg.
07/11/01		0'	$15,350	POOH w/ pkr
		0'	$31,500	RIH w/ collar locator @ 11,510', set pkr, RU AES, test 1000#, drop FCV, release pkr, RIH to 11,480', test FCV, open 3000#, holding 1200#, spot acid to tool, set pkr, start treatment from 11,480' - 11,392', 4' spacing, 23 setting, 4.76 BBLS per setting, release pkr, pump 100 BBLS down annulus, RD AES, POOH w/ pkr.
07/12/01		0'	$3,900	RIH w/ swab, FL @ 8,500', swab back 5 BBLS
		0'	$35,400	TP 200#, blow well down, finish POOH w/ tbg and BHA, RIH w/ 2 7/8" x 5 1/2" Model pkr, SN and 356 jts 2 7/8" tbg, set pkr @ 11,340', ND BOPs, NU tbg flange, RIH w/ swab, tag paraffin @ 5,500', cut paraffin to 8,500', RIH w/ swab, FL @ 8,500', swab back 5 BBLS.
07/13/01		0'	$11,000	SD 24 hrs
		0'	$46,400	
07/14/01		0'	$3,000	SITP 500#, bleed off, FL 8,500', swab 75 BLW, FFL 6,500'
		0'	$49,400	
07/15/01		0'	$2,700	SITP 550#, bleed off, FL 5,500', swab 60 BLW in 10 runs, FFL SN
		0'	$52,100	Leave well open to battery.
07/16/01		0'	$0	SD 24 hrs, no activity
		0'	$52,100	
07/17/01		0'	$13,040	Swab & flow on 36/64", 4 BO, 40 BW, SD
		0'	$65,140	TP 0#, IFL 4000', made 7 runs, FFL 8,500' and scattered to 10,500', well will flow and lift fluid for 20 mins before dying, swab and flow on 36/64", 4 BO, 40 BW, turn well through separator and treater, SDFN.
07/18/01		0'	$2,690	Swab & flow 10 hrs, 6 BO, 59 BW, left well to separator & treater on 32/64"
		0'	$67,830	
07/19/01		0'	$2,890	Swab & flow 10 hrs, 45 BO, left well to separator & treater on 27/64"
		0'	$70,720	IFL @ 7,000', swab and flow 10 hrs, 45 BO, FFL 8,000' scattered, well will flow approximately 45 mins between swab runs, left well to separator and treater or 27/64".

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Operated Daily Activity Report
Well-CHAMBERS 1-7;

Status: **WORKOVER**

CHAMBERS 1-7 7-16S-36E Permian
Well #: 811888 AFE: 400029 LEA, NM
WI: 65.187500 NRI: 47.912812

Date	Day	Footage Depth	Cost Cum Cost	Present Operation
07/20/01		0'	$2,625	Swab & flow 8 hrs, 65 BO, turn to frac tank on 27/64", RTP, FINAL REPORT
		0'	$62,345	TP 40#, drop 3 soap sticks, SI 2 hrs, SITP 225#, open on 38/64" to tanks, flow 10 BO, IFL 3,000', swab and flow 8 hrs, 65 BO, FFL 6,500', turn to frac tank oi 27/64", RDMO, FINAL REPORT.
08/31/01		0'	$4,200	Pull 144 hr BHP bomb, TP 900#, CP 0#, open to system
		0'	$4,200	
09/01/01		0'	$0	24 hrs on 32/64", 28 BO, 2 BW, 97 MCFG, FTP 100#, CP 0#
		0'	$4,200	
09/02/01		0'	$0	24 hrs on 30/64", 18 BO, 0 BW, 68 MCFG, FTP 100#, CP 0#
		0'	$4,200	
09/03/01		0'	$0	24 hrs on 28/64", 16 BO, 0 BW, 57 MCFG, FTP 100#, CP 0#
		0'	$4,200	
09/04/01		0'	$0	24 hrs on 30/64", 16 BO, 0 BW, 53 MCFG, FTP 100#, CP 0#
		0'	$4,200	FINAL REPORT.
11/02/01		0'	$3,395	Swab down and cut paraffin
		0'	$3,395	MIRU, acidize w/ 2,500 GALS 15% HCL acid, drop 400 ball sealers, displace w/ 83 BBLS 1% slick water, SI 30 min, max PSI 30#, avg PSI 28#, avg rate 7.3 BPM, ISIP 0#, total load 143 BBLS, RU swab, unable to get swab down due to paraffin build up, start to cut paraffin.
				Acid Treatment
11/03/01		0'	$2,150	Swab 7 hrs, IFL 7,200', 10 B0, 48 BW, FFL 5,800'
		0'	$5,545	SITP 50#, unable to get paraffin knife down, hot oil tbg w/ 20 BBLS, start swab IFL 7,200', swab 7 hrs, 10 BO, 48 BW, FFL 5,800'.
11/04/01		0'	$1,325	Swab 8 hrs, IFL 5,400', 83 BW, FFL 7,800', put well on line 32/64", 141 BW
		0'	$6,870	
11/05/01		0'	$0	SI 24 hrs, no activity, SITP 425#, SICP 0#, FINAL REPORT
		0'	$6,870	
11/13/01		0'	$2,730	TOOH w/ 362 jts 2 7/8" tbg and pkr
		0'	$9,600	RUPU, kill well w/ 60 BBLS 2% KCL, ND wellhead, release pkr, NU BOP, TOOH w/ 362 jts 2 7/8" tbg and pkr.
11/14/01		0'	$25,345	NW wellhead
		0'	$34,945	TIH w/ mud jt, perf sub, SN, 3 jts 2 7/8" tbg, TA and 356 jts 2 7/8" tbg, test in hole to 7000#, ND BOP, set anchor w/ 16,000# tension, NU wellhead, rebuilt wellhead and csg connections to flowline, electrification complete.
11/15/01		0'	$80,300	PU TIH w/ pump and rods
		0'	$115,245	PU TIH w/ 2 1/2" x 1 1/2" x 24' pump, j-slot on/off tool, 295 - WCN 97 - 3/4" rods and 80 - WCN - 97 - 7/8" rods, 359 jts total, SN @ 11,231', anchor @ 11,134'.
11/16/01		0'	$1,550	RIH w/ rods, hang on, press to 400, RTP, FIN RPT
		0'	$116,795	TIH w/ 71 - WCN-97 - 7/8" rods, space out w/ 1 - 8', 1 - 6' and 1 - 2' - 7/8" subs hang on, load w/ 43 BW, pressure to 400#, bled back to 200#, pump up to 400#, OK, RTP.
07/06/02		0'	$4,671	RIH w/ rebuilt pump & rods, RTP, FINAL REPORT
		0'	$4,671	RUPU, POOH w/ rods and pump, RIH w/ rebuilt 2 1/2 x 1 1/2 x 24' RHBC pump, RIH w/ 295 - 3/4" rods, 151 - 7/8" rods, hang well on, load w/ 42 BPW, pressure to 500#, well pumping OK, RDMOPU, FINAL REPORT.
				Pump Change

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Well-CHAMBERS 1-7;

Status: WORKOVER

CHAMBERS 1-7 7-16S-36E Permian
Well #: 811888 AFE: 400029 LEA, NM
WI: 65.187500 NRI: 47.912812

Date	Day	Footage Depth	Cost Cum Cost	Present Operation
08/22/02		0'	$5,550	RIH w/ pump & rods, pressure to 500#
		0'	$5,550	RUPU, POOH w/ 22 - 7/8" rods, well trying to flow, pump 50 BPW down tbg, POOH w/ 129 - 7/8" rods and 295 - 3/4" rods, RIH w/ new 2 1/2 x 1 1/4 x 20 x 24' RHBC pump, 295 - 3/4" rods and 151 - 7/8" rods, hang well on, load and test w/ 42 BPW, pressure to 500#, well pumping OK, RDPU.
				Change Pump
08/23/02		0'	$0	24 hrs, 38 BO, 59 BW, 114 MCFG, TP 40#, CP 40#, FIN RPT
		0'	$5,550	
08/31/02		0'	$2,810	Well pumping OK, RDPU, release BOP, FINAL REPORT
		0'	$2,810	RUPU, POOH w/ 151 - 7/8" rods and 295 - 3/4" rods and 2 1/2 x 1 1/4 x 20' x 24' RHBC pump, sent pump in, found seat, top cage badly chipped and worn, replaced ball and seat and top cage, install equalizer valve, RIH w/ 2 1/2 x 1 1/ x 20' x 24' RHBC pump, 295 - 3/4" rods and 151 - 7/8" rods, hang well on, load and test w/ 43 BPW, pressure to 500#, well pumping OK, RDPU, release BOP.
04/17/03		0'	$462	RDPU, SDFN
		11,828'	$462	
				Pump Change & Acid Stimulation
04/18/03		0'	$9,961	Dump Acitol & 25 BPW down csg, RIH w/ new pump, test tbg, RTP
		11,828'	$10,423	RU Cudd Pumping Services, load tbg w/ 2 BBLS, pressure up on tbg to 300# w/ pump in place, tie into csg and pump 48 BBLS Acidtol down csg, flush w/ 25 BLW, avg rate 3 BPM, avg PSI 0#, max PSI 40#, csg on vacuum, RD Cudd unhang well, unseat pump, POOH w/ 153 - 7/8" rods, 295 - 3/4" rods and 2 1/2 x 1 1/4" x 24' RHBC pump, prepare to run tbg, ND wellhead, release TAC, PU jts tbg and add to string, set SN @ 11,481', set 5 1/2" TAC @ 11,384', PS, BPMJ, EOT @ 11,517', NU wellhead, prepare to run rods, PU RIH w/ 2 1/2" x 1/4" x 24' RHBC pump and 295 - 3/4" rods and 161 - 7/8" rods, 8', 6', 2' x 7/8" rod subs, respace well and hang well on, load and test w/ 45 BPW, pressure tc 500#, good pump action, RDMOPU, RTP.
04/19/03		0'	$0	24 hrs, 13 BO, 115 BW, 150 MCFG, TP 200#, CP 40#
		11,828'	$10,423	
04/20/03		0'	$0	24 hrs, 22 BO, 98 BW, 230 MCFG, TP 200#, CP 40#
		11,828'	$10,423	
04/21/03		0'	$0	24 hrs, 38 BO, 91 BW, 255 MCFG, TP 200#, CP 40#, FIN RPT
		11,828'	$10,423	