

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOCD Hobbs
HOBBS OCDFORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS FEB 20 2013

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

RECEIVED

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
Chestnut Exploration & Production, Inc.3a. Address
2201 N. Central Expy Ste 240 Richardson, Tx. 750803b. Phone No. (include area code)
877-412-7200

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Unit Letter B 2310 feet from the East line and 330 feet from the North line
Section 27 Township 20-S Range 34-E NMPM Lea County

5. Lease Serial No.

NM-082

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

D & E Federal

8. Well Name and No.

D & E Federal #2

9. API Well No.

30-025-08460

10. Field and Pool, or Exploratory Area
Lynch Yates (7R)

11. County or Parish, State

Lea County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|--|
| <input checked="" type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other add perms to |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | existing producing |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | zone (Yates Fm) |

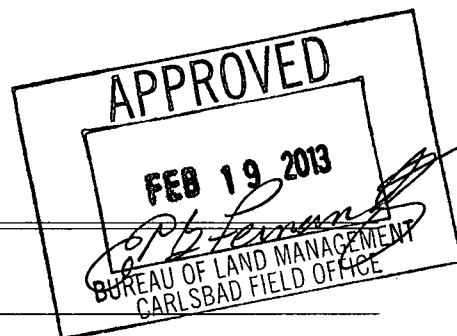
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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 recompleat 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.)

Intend to add perforations to and stimulate the existing producing Fm, Yates Fm. in March, 2013.
1-2 day duration.

Pull out of hole with 143-3/4" rods, 2"x1-1/2x12' pump and 109 jts 2-3/8" tubing.
Clean out well to PBTD at 3687'
Add perforations to Yates Fm from 3536-3558' and 3602-3618'.
Acidize perms with 500 to 1000 gal HCl.
Run in hole with tubing, pump and rod string.
Return to production.

Bond #: NMB-000560

Surface disturbance beyond the originally
approved pad must have prior approval.
Closed loop system required.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Gregory Delaune

Title Vice President

Signature

Date

01/25/2013

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 to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

FEB 21 2013

D&E Federal #2
330' FNL & 2310' FEL
Sec 27 - 20S-34E
Lea County, NM
GL = 3685'

NEW TECH ENGINEERING

Date 10/16/2008
By G. Milner

Well History

Sep-60	Drilled and completed
Apr-62	Acidize
May-62	Perf & Acidize
Oct-66	Acidize
Jul-71	Equipment check
Feb-95	Rod part
Aug-97	Replace pump
Jan-98	Rod part & replace pump
Aug-98	Replace pump
Oct-98	Rod part
Sep-99	Rod part
Jul-00	Hole in tbg
Mar-01	Hole in tbg
Mar-01	Rod part
Jun-01	Replace rods & pump
Jun-04	Acidize
Jun-04	Test tbg
Sep-04	Lower tbg
Nov-04	Rod part
Dec-04	Rod part
May-05	Rod part
Aug-05	Rod part
Feb-06	Replace pitted rods
Sep-06	Hole in tbg

8 5/8 24# @ 237'
Circulated to surface

Btm of cmt @ 1208'

TOC @ 2727'

Yates

4 holes @ 3611'

5 1/2" 14# J-55 @ 3665'

3665'- 3701' open hole

PBTD @ 3687'
TD @ 3701'

109 - 2 3/8" 4.7# J-55 Tbg @ 3400'
Baker Mod AD-1 Pkr @ 3404'
6 - 2 3/8" 4.7# J-55 Tbg @ 3587'

94- 3/4" PC steel rods & 49- 3/4" steel rods
2" x 1 1/2" x 12' RWBC pump

