

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(505) 393-6161 Fax:(505) 393-0720  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
Phone:(505) 748-1283 Fax:(505) 748-9720  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
District IV  
1220 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

Form C-103  
Permit 63060

|                                                                                                                                                                                                                                                                                                                                         |  |                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------------------------------------|
| SUNDRY NOTICES AND REPORTS ON WELLS<br>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFRENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)                                                                                                                                   |  | WELL API NUMBER<br>30-015-35708                            |
| 1. Type of Well:G                                                                                                                                                                                                                                                                                                                       |  | 5. Indicate Type of Lease<br>S                             |
| 2. Name of Operator<br>CHESAPEAKE OPERATING, INC.                                                                                                                                                                                                                                                                                       |  | 6. State Oil & Gas Lease No.                               |
| 3. Address of Operator<br>P. O. BOX 18496 , OKLAHOMA CITY , OK 731540496                                                                                                                                                                                                                                                                |  | 7. Lease Name or Unit Agreement Name<br>BEGGS 21 STATE COM |
| 4. Well Location<br>Unit Letter A : 760 feet from the N line and 760 feet from the E line<br>Section 21 Township 25S Range 27E NMPM Eddy County                                                                                                                                                                                         |  | 8. Well Number<br>001                                      |
| 11. Elevation (Show whether DR, KB, BT, GR, etc.)<br>3112 GR                                                                                                                                                                                                                                                                            |  | 9. OGRID Number<br>147179                                  |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/><br>Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____<br>Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____ |  | 10. Pool name or Wildcat                                   |

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.  
10/16/07. Run 206 jts 9 5/8 46# P-110 csg set @ 9050. Cmtd w/550 sx + additives, tail in w/500 sx 50:50 Poz Prem Plus + additives.  
WOC 18 hrs. Ran 50 sx to surface. Tested cmt to 3500 psi for 30 mins-OK.9/7/2007 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 |
|----------|--------|------------|-----------|----------|--------------|-------|---------|----------|-------|-------|------------|---------|-----------|-----------|-----------|
| 09/09/07 | Surf   | FreshWater | 26        | 20       | 94           | K-55  | 0       | 375      | 885   | 2.03  | Halib Lite |         | 500       | 0         | Y         |
| 09/14/07 | Int1   | Brine      | 17.5      | 13.375   | 54.5         | J-55  | 0       | 2100     | 1840  | 2.01  | C          |         | 500       | 0         | Y         |
| 10/16/07 | Int2   | Brine      | 12.25     | 9.625    | 46           | P-110 | 0       | 9050     | 1050  | 2.01  | Poz prem p |         | 3500      | 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 RegulatoryComp. Spec.

DATE 10/22/2007

Type or print name Brenda Coffman

E-mail address bcoffman@chkenergy.com

Telephone No. 817-556-5825

For State Use Only:

APPROVED BY: Bryan Arrant

TITLE Geologist

DATE 10/22/2007 11:48:17 AM