

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
Permit107403

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.)		WELL API NUMBER 30-015-36998
1. Type of Well: O		5. Indicate Type of Lease S
2. Name of Operator CHESAPEAKE OPERATING, INC.		6. State Oil & Gas Lease No.
3. Address of Operator P. O. BOX 18496, OKLAHOMA CITY, OK 731540496		7. Lease Name or Unit Agreement Name PLU PIERCE CANYON 5 STATE
4. Well Location Unit Letter <u>P</u> : <u>350</u> feet from the <u>S</u> line and <u>350</u> feet from the <u>E</u> line Section <u>5</u> Township <u>25S</u> Range <u>30E</u> NMPM <u>Eddy</u> County		8. Well Number 001H
11. Elevation (Show whether DR, KB, BT, GR, etc.) 3243 GR		9. OGRID Number 147179
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> 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 <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE OF PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> Other: _____		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTER CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> Other: Spud <input checked="" type="checkbox"/>
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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.

1/2/2010 Spudded well.

Spud well 1/2/2010. Called OCD @ 5:00 AM for spud notice and left message.

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 Sr. Regulatory Compliance Specialist DATE 1/6/2010

Type or print name Bryant Arrant E-mail address bryan.arrant@chk.com Telephone No. 405-879-3782

For State Use Only:

APPROVED BY: Jacqueta Reeves TITLE District Geologist DATE 1/11/2010