

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

Oil Cons.
N.M. DIV-Dist. 2
N.M. Grand Ave
Artesia, NM 87010
5. Lease Serial No.
2 NMNM8431
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit or CA/Agreement, Name and/or No.
2. Name of Operator CHESAPEAKE OPERATING INC		8. Well Name and No. PENJACK FED 7
Contact: LINDA GOOD E-Mail: LGOOD@CHKENERGY.COM		9. API Well No. 30-005-62611-00-S1
3a. Address P O BOX 18496 OKLAHOMA CITY, OK 73154-0496	3b. Phone No. (include area code) Ph: 405.767.4275	10. Field and Pool, or Exploratory PECOS SLOPE
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 7 T10S R26E NESE 1980FSL 660FEL		11. County or Parish, and State CHAVES COUNTY, NM

RECEIVED

DEC 17 2004

ARB-ARTESIA

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Site Facility Diagram/Security Plan
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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.)

Attached is the site facility for Penjack Federal 7.

(CHK PN 890073)

14. I hereby certify that the foregoing is true and correct. Electronic Submission #51775 verified by the BLM Well Information System For CHESAPEAKE OPERATING INC, sent to the Roswell Committed to AFMSS for processing by LINDA ASKWIG on 12/13/2004 (05LA0082SE)	
Name (Printed/Typed) LINDA GOOD	Title PERMITTING AGENT
Signature (Electronic Submission)	Date 12/10/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	ARMANDO A LOPEZ Title PETROLEUM ENGINEER	Date 12/16/2004
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 Roswell

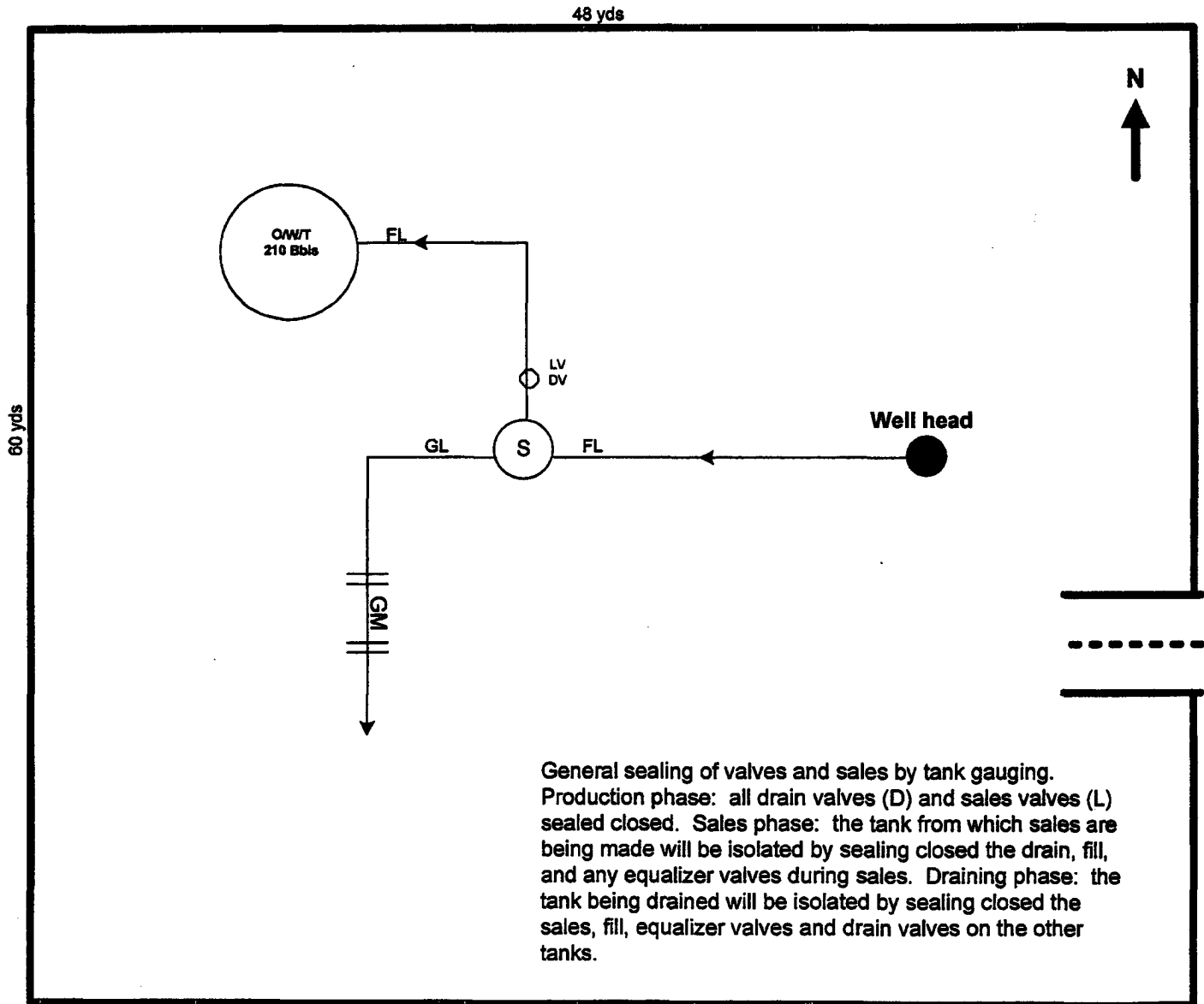
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

CHESAPEAKE OPERATING, INC.

CHK Name & Number: PENJACK FEDERAL 7 890073
API number: 30-005-62611
County: CHAVES
State: NM
Field: PECOS SLOPE
Qtr Qtr Calls: C NE SE
Sec/Twnshp/Rng: 7-10S-26E
Number of Acres: 320

Regulatory Agency: BLM
Lease Sign Type: FEDERAL
CA#: 100% BLM LEASE
APD Lease #: NMNM 8431
Federal/Indian: FEDERAL
Last Violation: NONE
District: PERMIAN
Field Office: Hobbs



PENJACK #7_890073

Direction of Flow off Site: SW

This lease is subject to
Chesapeake's Site Security Plan
located at 6100 N. Western
Oklahoma City, OK 73118

Prepared by: DEBBIE HERNANDEZ
Date: 8-13-04

Approved by:
Date: