

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

| | | |
|--|---|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMLC069514B |
| 2. Name of Operator CHESAPEAKE OPERATING INC | | 6. If Indian, Allottee or Tribe Name |
| Contact: ERIN CARSON E-Mail: erin.carson@chk.com | | 7. If Unit or CA/Agreement, Name and/or No. 891000303X |
| 3a. Address OKLAHOMA CITY, OK 73154-0496 | 3b. Phone No. (include area code) Ph: 405-935-2896 | 8. Well Name and No PLU PHANTOM BANKS 4-26-31 USA 1H |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 4 T26S R31E SESW 300FSL 2180FWL | | 9. API Well No. 30-015-39847-00-X1 |
| | | 10. Field and Pool, or Exploratory UNKNOWN |
| | | 11. County or Parish, and State EDDY COUNTY, NM |

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 checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Deepen |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Fracture Treat |
| | <input checked="" type="checkbox"/> New Construction |
| | <input type="checkbox"/> Plug and Abandon |
| | <input type="checkbox"/> Plug Back |
| | <input type="checkbox"/> Production (Start/Resume) |
| | <input type="checkbox"/> Reclamation |
| | <input type="checkbox"/> Recomplete |
| | <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Water Disposal |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Well Integrity |
| | <input type="checkbox"/> Other |

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.)

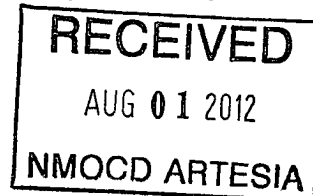
CONFIDENTIAL

PERF AND FRAC

CLEAN FLUID - 58,575 BBLs

ACID - 31,870 GAL

PROPPANT - 2,615,298 LBS

Carlsbad 8/3/12
Accepted for record
NMOCD

6/18/2012 600 SICPHELD PJSA. TEST LINES, ATTEMPT TO FRAC ST. 1 LOWER AVALON SHALE FROM 13,158'-13,639'. PUMPED PRE PAD, ACID, 1121 BBLs. SLICK WATER PAD AND STARTED SAND. PUMPED 1/4 PPG 100 MESH SAND, 1/2 PPG 100 MESH SAND AND STARTED ON 1 PPG 100 MESH SAND AND PUMPS WENT DOWN. FLUSHED WELL @ 30 BPM @ 8100 PSI AND STARTED 25# LINEAR GEL. PUMPED 3050 BBLs W/ 3000 LBS. SLUG AND

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| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #143803 verified by the BLM Well Information System For CHESAPEAKE OPERATING INC, sent to the Carlsbad Committed to AFMSS for processing by BEVERLY WEATHERFORD on 07/26/2012 (12BMW0407SE) | |
| Name (Printed/Typed) ERIN CARSON | Title AUTHORIZED REPRESENTATIVE |
| Signature (Electronic Submission) | Date 07/24/2012 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------------------------------------|-----------------|
| Approved By ACCEPTED | JAMES A AMOS Title SUPERVISOR EPS | Date 07/30/2012 |
| 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 Carlsbad |

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.

Additional data for EC transaction #143803 that would not fit on the form

32. Additional remarks, continued

FORMATION DID NOT BREAK. SWITCH TO 25# X-LINK GEL W/ 3900 LBS. SLUG AND FORMATION DID NOT BREAK. @ 46 BPM @ 8000 PSI. FLUSHED WELL. PUMPED 60 BBLS. ACID FOLLOWED BY 25# LINEAR GEL AND FORMATION BROKE. PUMPED 10,000 LBS. 100 MESH SAND AND 42,800 LBS. 30/50 OTTAWA SAND @ 61 BPM @ 7800 PSI. FRAC PUMPS STARTED OVER HEATING, LOST 6 OUT OF 11 PUMPS. FLUSHED WELL. SISD. TOTAL SAND PUMPED 80,298 LBS. FLUID TO RECOVER-11,835 BBLS.

6/19/2012 789 SICP. HELD PJSA, TEST LINES AND CONT. FRACING ST. 1 LOWER AVALON SHALE FROM 13,158'-13,639' AS PER REMAINING SAND. PERFORATE ST. 2 12,582'-13,063' FRAC ST. 2 AS PER FRAC DESIGN. PERFORATE ST. 3 12,006'-12,487' SISD. LOAD TO REC.-

6/20/2012 880 SICP. HELD PJSA, TEST LINES, FRAC ST. 3 LOWER AVALON SHALE FROM 12,006'-12,487' AS PER FRAC DESIGN. PERFORATE ST. 4-11,430'-11,911' PERFORATE ST. 5-10,854'-11,335' PERFORATE ST. 6-10,278'-10,759' FRAC ST. 4 AS PER FRAC DESIGN. FRAC ST. 5 AS PER FRAC DESIGN SISD. SHUT DOWN 2 HRS. BETWEEN STAGES 3 & 4 DUE TO ELECTRICAL PROBLEMS BETWEEN BLENDER AND FRAC VAN. NO SPILLS TO REPORT. FRAC PIT LEVEL DROPPED DOWN BELOW SUCTION LINES. WILL HAUL IN AT LEAST AN ADDITIONAL 25,000 BBLS. FRESH WATER.

6/21/2012 806 SICP. HELD PJSA. TEST LINES. FRAC ST. 6 AS PER FRAC DESIGN. FRAC ST. 7 AS PER FRAC DESIGN. FRAC ST. 8 AS PER FRAC DESIGN. PERFORATE LOWER AVALON ST. 7-9702'-10,183' ST. 8-9126'-9607' RD 1/2 OF TRICAN FRAC EQUIP. SISD. TOTAL LOAD TO RECOVER-62,535 BBLS. HAULED ADDITIONAL 34,840 BBLS. FRESH WATER TO PIT TO FINISH FRACING, FILL TANKS FOR COIL TBG. CLEAN OUT AND HOLD DOWN PIT LINER.

CHK PN 641197