

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.	30-015-25347
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name Government D	
8. Well Number	11
9. OGRID Number	147179
10. Pool name or Wildcat	Fenton; Delaware

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
Chesapeake Operating Inc.

3. Address of Operator
P.O. Box 11050
Midland, TX 79702-8050

4. Well Location
Unit Letter G : 1950 feet from the North line and 1980 feet from the East line
Section 12 Township 21S Range 27E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3194 GR

Pit or Below-grade Tank Application ☐ or Closure ☐

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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

Chesapeake, respectfully, request permission to plug & abandon this well per the attached procedure.

Could Not Process - SERRA
WELL

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 the OCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☒.

SIGNATURE Shay Stricklin TITLE Production/Regulatory Asst. DATE 03/14/2006
Type or print name Shay Stricklin E-mail address: sstricklin@chkenergy.com Telephone No. (432)687-2992
For State Use Only

APPROVED BY: _____ TITLE _____ DATE MAR 16 2006
Conditions of Approval (if any): _____

Government D #11
Plug and Abandonment Procedure
3-9-2006
Eddy County, New Mexico

1. Notify the BLM and/or NMOCD 24 hrs in advance prior to commencing plug and abandonment operations.
2. MIRU Well Service Unit. ND wellhead. NU BOP. Bail 2 - 3 sxs of cement on the CIBP at 2900' (35' minimum on plug). TIH w/ 2 3/8" tubing to PBTD ~2865'. Circulate 5 1/2" casing with salt gel mud containing 9.5 pound brine and 25 lbs of gel per barrel.
3. Spot a 100' Class "C" Neat cmt plug from 2500-2400' (7-5/8" shoe). Shut in for 4 hrs and tag top of cement. Spot additional cement if needed.
4. Spot a 100' Class "C" Neat cmt plug from ~2260-2160' (5-1/2" liner top). Shut in for 4 hrs and tag top of cement. Spot additional cement if needed.
5. Spot a 100' Class "C" Neat cmt plug from 1500-1400' (10-3/4" shoe). Shut in for 4 hrs and tag top of cement. Spot additional cement if needed.
6. Spot a 100' Class "C" Neat cmt plug from 1200-1100' (7-5/8" liner top). Shut in for 4 hrs and tag top of cement. Spot additional cement if needed.
7. Spot a 100' Class "C" Neat cmt plug from 550-450' (13-3/8" shoe). Shut in for 4 hrs and tag top of cement. Spot additional cement if needed.
8. Spot 60' Class "C" Neat cmt plug from 63-3'.
9. ND BOP. Cut off 13 - 3/8" and 10-3/4" casings 3' below Ground Level.
10. Weld on an ID plate. RD and release Well Service Unit. Restore location.

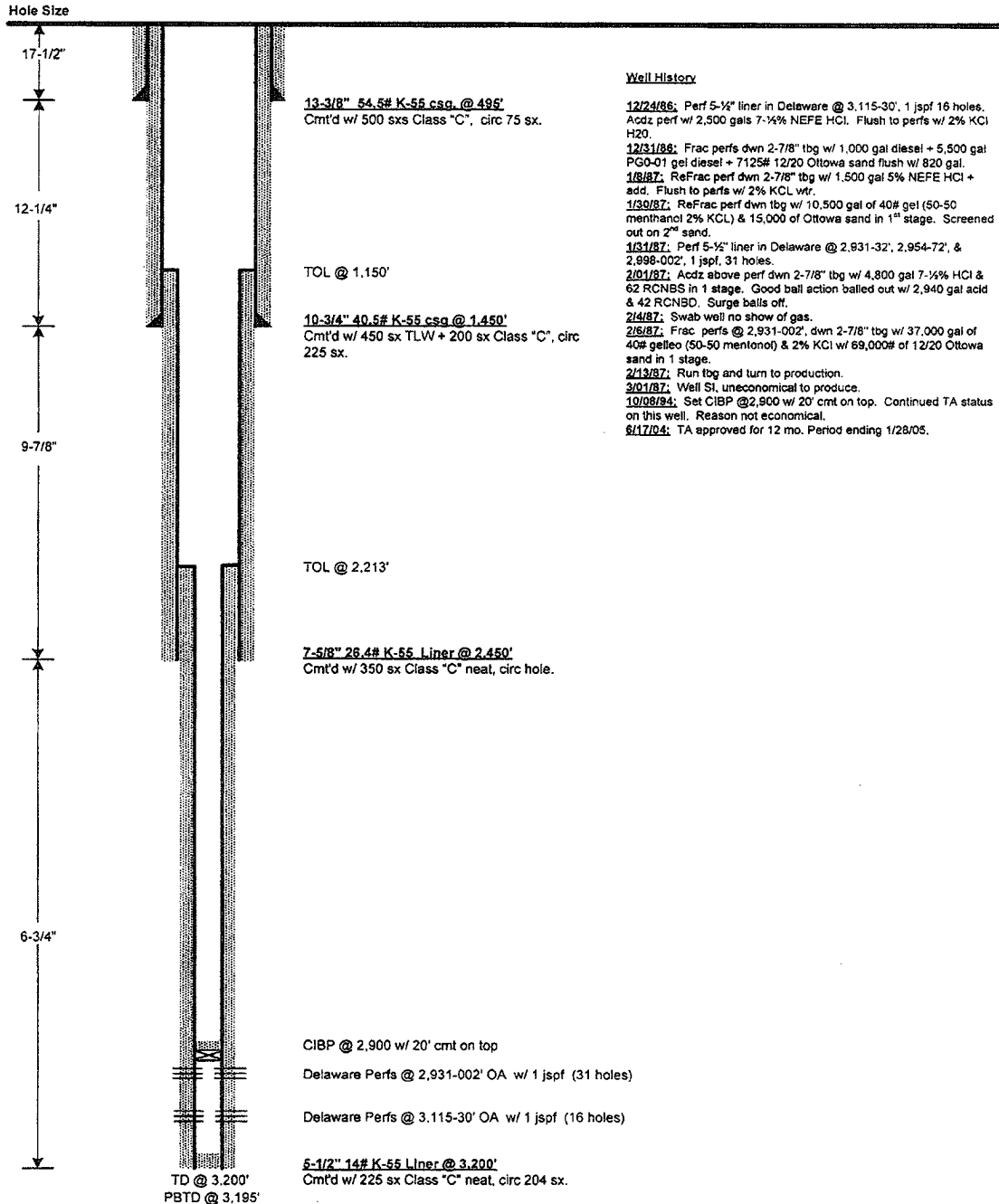
CURRENT WELLBORE SCHEMATIC

CHESAPEAKE OPERATING INC.

WELL : GOVERNMENT D #11
LOCATION : 1,950' FNL & 1,980' FEL, SEC. 12, T21S, R27E
COUNTY : EDDY STATE : NM
FIELD : FENTON-DELAWAREN
ELEVATION : 3,194' GL 3,207' KB



API #: 30-015-25347
SPUD DATE: 5/18/86
COMPL. DATE: 2/12/87
CHK # 890970



PREPARED BY: Renee Thomas

DATE: 3/15/05

UPDATED BY: _____

DATE: _____

**Government D #11
EDDY CO. NEW MEXICO
PROPOSED PLUG & ABANDONMENT**

DISCUSSION

An AFE in the amount of \$61,750 (COI net \$61,750) is attached to P & A the subject well. There are no known commercial zones remaining within this wellbore worthy of testing.

The Government Lease was acquired from Permian Resources in 2004. The #11 well was in a TA status prior to the acquisition. The BLM has advised Chesapeake to workover or plug this well.

The subject well was drilled and completed as a Delaware test in late 1986. All productive horizons within the Delaware were tested during completion. The well was shut in 1987 following completion operations having made no commercial production. There are no reserves booked to this well.

Chesapeake Operating has a 100.00% WI with 82.50% NRI.

WELL DATA

See Attached Schematic

PROCEDURE

See Attached Procedure

APPROVALS

SR VP - Production

Jeff A. Fisher

Land Manager


Kevin Pfister

Geologic Manager

C. Mike Brown

District Manager

Jarvis Hensley

 3/9/06
Asset Manager

Andrew J. McCalmont

CHESAPEAKE OPERATING, INC.

-----AUTHORIZATION FOR EXPENDITURE-----

Project Area: New Mexico West
Well Name: Government D 11
Operator: Chesapeake Operating, Inc.
AFE #: 800600
Spacing Unit: Section 12-21S-27E

County, State: Eddy, New Mexico
Date: 3/9/06
Total Depth: 3,200'
Formation: Delaware
Property #: 890970

PLUG TO ABANDON

CODE	INTANGIBLE COSTS	WORK DESCRIPTION	ESTIMATED COSTS
233400	Location:	Roads, Location, Pits	\$0.00
233401		Damages	\$0.00
233402		Governmental Filings	\$0.00
233403		Title/Curative	\$0.00
233405		Reclamation	\$15,000.00
233414		Contract Labor	\$5,000.00
233416		Supplies and Utilities	\$2,500.00
233419		Drilling Fluids, Mud, Chem.	\$4,000.00
233427		Fishing	\$0.00
233428		Downhole Rental Equipment	\$4,000.00
233430	Completion:	Completion Unit	\$16,000.00
233431		Cased Hole Services/Perforating	\$0.00
233437	General:	Surface Equipment Rental	\$3,500.00
233438		Transportation	\$2,000.00
233440		Frac Fluid Hauloff	\$0.00
233442		Blowout/Emergencies	\$0.00
233443		Company Supervision/Engineering	\$5,000.00
233439		Technical Labor	\$0.00
233435		Direct Labor	\$750.00
233444		Consultants	\$0.00
233446		Company Overhead	\$0.00
233447		Insurance	\$0.00
233449		Major Construction Overhead	\$0.00
233450		Plug to Abandon	\$0.00
		Contingency	\$4,000.00
TOTAL	INTANGIBLES	Total Intangible Costs	\$61,750.00
CODE	TANGIBLE COSTS	WORK DESCRIPTION	
230108	Tubulars:	Conductor:	\$0.00
230100		Surface Casing:	\$0.00
230101		Intermediate Casing:	\$0.00
230102		Production Casing:	\$0.00
230103		Drilling Liner:	\$0.00
230109		Production Liner:	\$0.00
230104		Float Equipment	\$0.00
230105		Tubing:	\$0.00
230106	Lease Equipment:	Wellhead Equipment	\$0.00
230107		Downhole Equipment	\$0.00
230111		Artificial Lift Pumping Unit	\$0.00
230113		Production Equipment	\$0.00
230115		Compressor/Compression	\$0.00
230116		Pipeline Equipment	\$0.00
230120		Non-Controllable Equipment	\$0.00
		Contingency	\$0.00
TOTAL	TANGIBLES	Total Tangible Costs	\$0.00
		Total Costs	\$61,750.00

Prepared by: Andrew McCalmont

Approved by: _____

OPERATOR'S APPROVAL: _____ DATE: _____
Operations/Geology

OPERATOR'S APPROVAL: _____ DATE: _____
Land/Accounting

NON-OPERATOR'S APPROVAL: _____ DATE: _____

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. In executing this AFE, the participant agrees to pay its proportionate share of actual costs incurred, including legal, curative, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. The operator may contract with an affiliated entity to drill the well at prevailing rates in the area. Participant shall be covered by and billed proportionately for Operator's well control and general liability insurance unless the participant provides operator a certificate evidencing its own insurance in amounts acceptable to the operator by the date of spud.