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

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

Form C-103
May 27, 2004

WELL API NO. 30-015-30742

5. Indicate Type of Lease STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name
Esperanza

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

RECEIVED
MAY 01 2006
OCD-ARTESIA

8. Well Number 2

2. Name of Operator
Chesapeake Operating Inc.

9. OGRID Number 147179

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

10. Pool name or Wildcat
Esperanza; Delaware

4. Well Location
Unit Letter J : 1650 feet from the South line and 1650 feet from the East line
Section 4 Township 22S Range 27E NMPM County Eddy

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3097 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 ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
OTHER:Work Over ☒		OTHER: ☐	

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 work over this well per the attached procedure.

If an earthen pit(s) will be utilized in association with this work, a permit must be obtained prior to pit construction.

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 _____ TITLE Production/Regulatory Assistant DATE 04/28/2006

Type or print name Shay Stricklin E-mail address:sstricklin@chkenergy.com Telephone No. (432)687-2992

For State Use Only

APPROVED BY: BRYAN G. ARRANT DISTRICT II GEOLOGIST TITLE _____ DATE MAY 02 2006

Conditions of Approval (if any):

Esperanza #2
Eddy County, New Mexico

GENERAL INFORMATION

Location: 1650' FEL & 1650' FSL, Sec 4 – T22S – R27E
API No.: 30-015-30742

WELL INFORMATION

String OD	Weight & Grade	Depth	ID	Drift	Burst	TOC
8-5/8"	24# J55 STC	0' - 400'	8.097"	7.972"	2950	0'
5-1/2"	17# J55 LTC	0' – 5311'	4.892"	4.767"	5320	1280'

Delaware: 4036 – 4856' (OA) Proposed Delaware Perfs: 5130 – 53' TD/PBTD: 5311'/ 5212'

Workover Procedure

1. MIRU Service Rig and requisite equipment. POOH with pump and rods. NU BOP. POOH with 2-7/8" N80 tubing.

2. RIH to PBTD 5212' with 4-7/8" bit and scraper. Hydro-test tubing to 8000# in hole. POOH.

3. Perforate the Delaware via 3-3/8" casing gun from 5130 – 53' w/ 2 SPF (47 holes), 120 degree phasing, 23 gram charge, .37" hole. Correlate to Neutron/Density log dated 12/09/99.

4. RIH w/ 5-1/2" treating packer and SN on 2-7/8" tubing to 5153'. Spot 200 gal of 7-1/2% HCL Acid containing 4 gpt of iron control, 1 gpt each of corrosion inhibitor, surface tension reducer, and non-emulsifier. Pull packer to ~ 5080'. Reverse circulate excess acid into tubing, set packer.

5. ND BOP, NU tree. Acidize with an additional 1200 gal of 7-1/2% HCL Acid containing 4 gpt of iron control, 1 gpt each of corrosion inhibitor, surface tension reducer, and non-emulsifier. Displace w/ 2% KCL. Do not over-displace. Pump at 4 to 5 BPM max. Launch 70 ball sealers during job. Note rates and pressures. Note ISIP. Max pressure 6000#.

6. Flow/swab back job. Swab test zone.

7. Prep to frac. Kill well with 2% KCL if required. NU frac valve. MIRU Frac Service Company. Tie on to tubing and establish rate w/ 10,000 gal of 25# XL gel pad containing additives per frac schedule. Frac per frac schedule ramping 16/30 Ottawa from a ¼ lb/gal scour to 5 #/gal of resin coat at tail of job. Total sand 66000 lb of 16/30, 15000 lb of resin coat. Obtain rates approaching 15 - 20 BPM, max pr 8000#. Cut resin activator in last tub of sand. Displace to top perf with 2% KCL. Anticipated treating pressure ~3500#.

8. Obtain 5, 10, and 15 min SI data. RDMO Frac Service Company.

9. Flow back job.

10. Check PBTD with slickline. ND tree, NU BOP. POOH with packer.

11. Run bit and tubing (if needed) and circulate out any sand as required with foam unit. POOH.

12. RIH w/ MA, PS, SN, TAC (at ~ 3900') and 2-7/8" tubing. Space out and land w/ SN ~ 5160'.

13. Swab well in to clean up. RIH w/ 1-1/2" pump and Grade D tapered rod string. Run pump, 115 – ¾", and 91 – 7/8". Space out/seat pump. Load and test. PWOP.