

S**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
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator **CHESAPEAKE OPERATING, INC.** ATTN: **LINDA GOOD**3a. Address
P. O. BOX 18496, OKLAHOMA CITY, OK 73154-04963b. Phone No. (include area code)
405-767-42754. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980 FNL & 710 FWL, SWNW, SECTION 18-10S-26E

5. Lease Serial No.

NMNM-114964

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Comanche Hill 18 Federal 1

9. API Well No.

30-005-63815

10. Field and Pool, or Exploratory Area

11. County or Parish, State

Chaves County, New Mexico**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recomplete 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 recompletion 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.)

Chesapeake, respectfully, request verbal permission to change the total depth from 4750' to 5750'. We plan to encounter the Wolfcamp and PreCambrian formations. We also requesting the changes per the attached proposed wellbore schematic, cementing report, and revised plat showing the spacing change from 160 to 320 stand-up (W/2). The rig has changed from United #21 to United #29.

Chesapeake plans to spud this well on Wednesday November 1, 2006.

(CHK PN 819698)

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)**LINDA GOOD**Title **PERMITTING AGENT**

Signature

Linda Good

Date

10/31/2006**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

/S/ ALEXIS C. SWOBODA**PETROLEUM ENGINEER**

Title

Date

NOV 01 2006

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 FIELD OFFICE

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.

(Instructions on page 2)



DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, SANTA FE, NM 87505

DISTRICT III
1000 Rio Brazos Road, Santa Fe, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Well Code	Und. For Ranch; Pre-Permian	
Property Code	Property Name	Well Number	
	COMANCHE HILL 18 FEDERAL	1	
OGRID No. 147179	Operator Name	Elevation	
	CHESAPEAKE OPERATING, INC.	3818'	

Surface Location

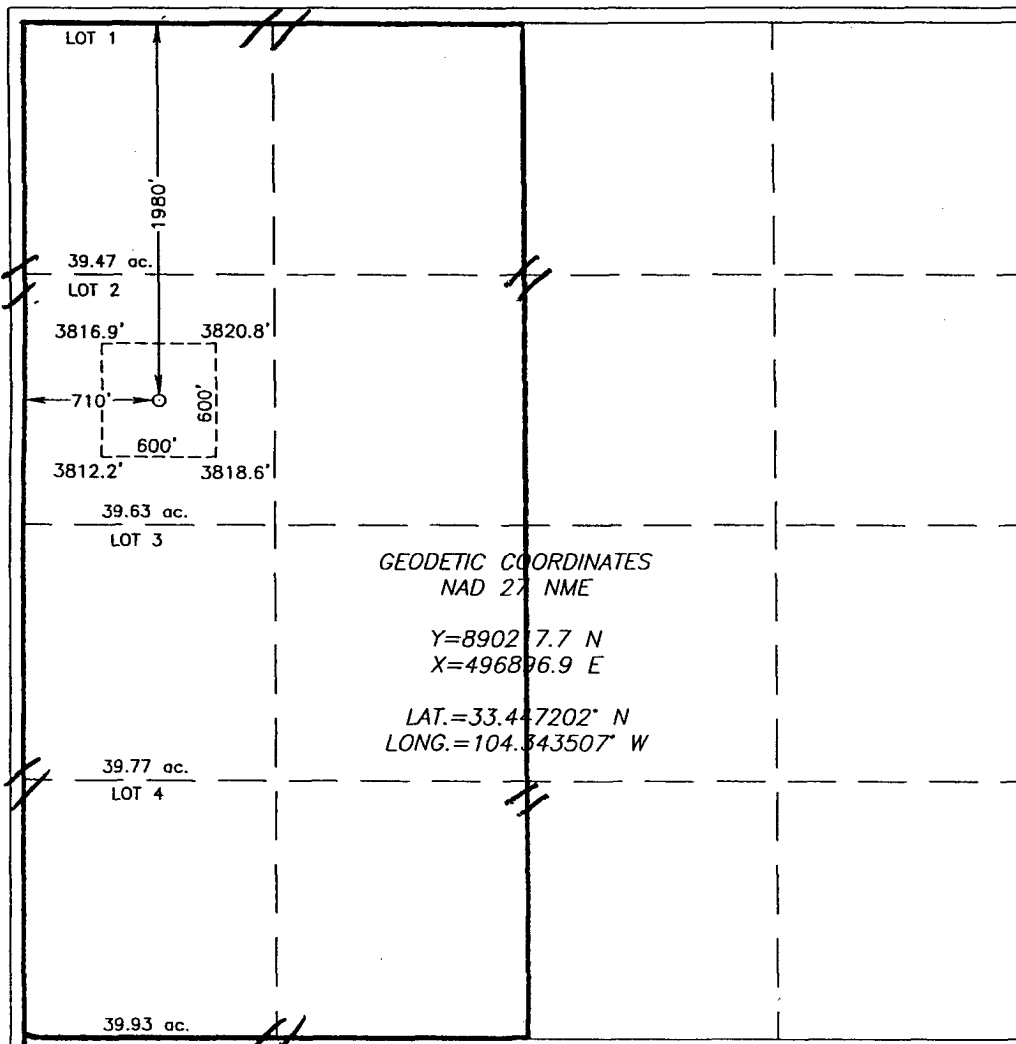
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	18	10-S	26-E		1980	NORTH	710	WEST	CHAVES

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify the the information
contained herein is true and complete to the
best of my knowledge and belief.

Signature

JIM BALL

Printed Name

SENIOR LANDMAN

Title

2/7/06

Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown
on this plat was plotted from field notes of
actual surveys made by me or under my
supervision, and that the same is true and
correct to the best of my belief.

JANUARY 24, 2006

Date Surveyed

JR

Signature & Seal of
Professional Surveyor

GARY E. ELLISON
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
2041
06.11.0175

Certificate No. GARY ELLISON

12841

Revised EXHIBIT A-1

Open loop

Burrito pit
150 X 100

10' x 100 steel pit

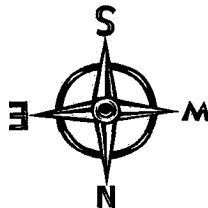
(Prevailing Winds from the
North in Winter and from the
South in Summer)

Flare Boom

SUBSTRUCTURE

Access
Ramp

Access
Ramp



150'

110'

135'

Comanche Hill 18 Federal 1

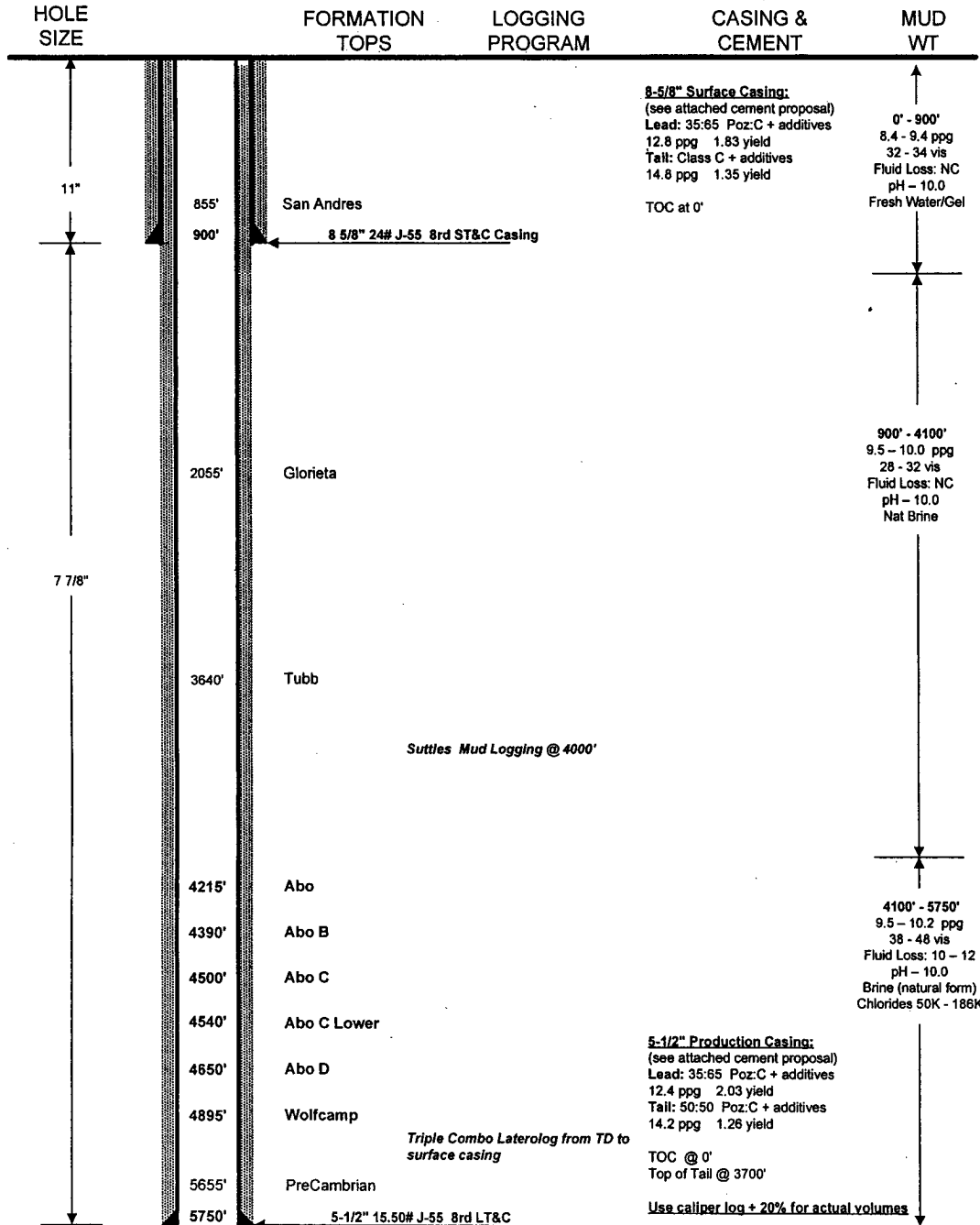
UNITED RIG #29

CHESAPEAKE OPERATING INC

Proposed Well Schematic

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WELL : Comanche Hill 18 Federal 1
 FIELD : Pecos Slope Project (Northwest Shelf)
 CATEGORY : Straight Hole
 LOCATION : Sec 18-10S-26E (1980' FNL & 710' FWL)
 COUNTY : Chaves STATE: New Mexico
 ELEVATION : GL: 3818' (John West survey, 1/24/06) KB: 3830' (est. 12' RKB)



PREPARED BY: RLP
 REVISED BY:

DATE Revised 10/31/06
 DATE



Proposal No: 180267329A

**Chesapeake Operating
COMANCHE HILL 18 FED 1**

United 29 Rig
API # 30-005-63815-0000
PECOS SLOPE Field
18-10S-26E
Chaves County, New Mexico
October 30, 2006

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Well Recommendation

Prepared for:

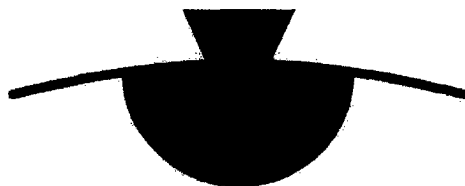
Mr. Randy Patterson

Email: rpatterson@chkenergy.com

Prepared by:

Tanya Gonzalez

Specifications Writer



POWERVISION®

POWERPRO • POWERTRAX • POWERLINK

Service Point:

Artesia

Bus Phone: (505) 746-3140

Fax: (505) 746-2293

Service Representatives:

Brent Barbour

Executive Account Manager

Bus Phone: (432) 683-2781

Fax: (432) 683-5947

Operator Name: Chesapeake Operating
 Well Name: COMANCHE HILL 18 FED 1
 Job Description: 8-5/8" Surface Casing
 Date: October 30, 2006



Proposal No: 180267329A

WELL DATA

ANNULAR GEOMETRY

ANNULAR ID (in)	DEPTH (ft)	
	MEASURED	TRUE VERTICAL
11.000 HOLE	900	900

SUSPENDED PIPES

O.D. (in)	I.D. (in)	WEIGHT (lbm)	DEPTH (ft)	
			MEASURED	TRUE VERTICAL
8.625	8.097	24	900	900

Float Collar set @ 860 ft
 Mud Density 8.40 ppg
 Est. Static Temp. 85 ° F
 Est. Circ. Temp. 80 ° F

VOLUME CALCULATIONS

663 ft	x	0.2542 cf/ft	with	100 % excess	=	337.3 cf
237 ft	x	0.2542 cf/ft	with	100 % excess	=	120.3 cf
40 ft	x	0.3576 cf/ft	with	0 % excess	=	14.3 cf (inside pipe)
TOTAL SLURRY VOLUME					=	471.9 cf
					=	84 bbls

Operator Name: Chesapeake Operating
Well Name: COMANCHE HILL 18 FED 1
Job Description: 8-5/8" Surface Casing
Date: October 30, 2006



Proposal No: 180267329A

FLUID SPECIFICATIONS

<u>FLUID</u>	<u>VOLUME CU-FT</u>	<u>VOLUME FACTOR</u>	<u>AMOUNT AND TYPE OF CEMENT</u>
Lead Slurry	337	/ 1.8	= 185 sacks (35:65) Poz (Fly Ash):Class C Cement + 6% bwoc Bentonite + 2% bwoc Calcium Chloride + 93.6% Fresh Water
Tail Slurry	135	/ 1.3	= 100 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 56.3% Fresh Water

Displacement 54.8 bbls Displacement

CEMENT PROPERTIES

	SLURRY NO. 1	SLURRY NO. 2
Slurry Weight (ppg)	12.80	14.80
Slurry Yield (cf/sack)	1.83	1.35
Amount of Mix Water (gps)	9.76	6.35
Estimated Pumping Time - 70 BC (HH:MM)	3:56	2:56

COMPRESSIVE STRENGTH

24 hrs @ 80 ° F (psi)	1257
72 hrs @ 80 ° F (psi)	2137

RHEOLOGIES

<u>FLUID</u>	<u>TEMP</u>	<u>600</u>	<u>300</u>	<u>200</u>	<u>100</u>	<u>6</u>	<u>3</u>
Lead Slurry	@ 80 ° F	134	120	112	103	41	31
Tail Slurry	@ 80 ° F	70	53	45	39	28	18

Operator Name: Chesapeake Operating
 Well Name: COMANCHE HILL 18 FED 1
 Job Description: 5-1/2" Production Casing
 Date: October 30, 2006



Proposal No: 180267329A

S

WELL DATA

ANNULAR GEOMETRY

ANNULAR ID (in)	DEPTH (ft)	
	MEASURED	TRUE VERTICAL
8.097 CASING	900	900
7.875 HOLE	5,750	5,750

SUSPENDED PIPES

O.D. (in)	I.D. (in)	WEIGHT (lbs/ft)	DEPTH (ft)	
			MEASURED	TRUE VERTICAL
5.500	4.950	15.5	5,750	5,750

Float Collar set @ 5,710 ft
 Mud Density 9.50 ppg
 Est. Static Temp. 115 ° F
 Est. Circ. Temp. 108 ° F

VOLUME CALCULATIONS

900 ft	x	0.1926 cf/ft	with	0 % excess	=	173.3 cf
2,800 ft	x	0.1733 cf/ft	with	50 % excess	=	727.7 cf
2,050 ft	x	0.1733 cf/ft	with	50 % excess	=	532.8 cf
40 ft	x	0.1336 cf/ft	with	0 % excess	=	5.3 cf (inside pipe)
TOTAL SLURRY VOLUME					=	1439.1 cf
					=	257 bbls

Operator Name: Chesapeake Operating
Well Name: COMANCHE HILL 18 FED 1
Job Description: 5-1/2" Production Casing
Date: October 30, 2006



Proposal No: 180267329A

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FLUID SPECIFICATIONS

FLUID	VOLUME CU-FT	VOLUME FACTOR	AMOUNT AND TYPE OF CEMENT
Lead Slurry	901	/ 2.0	= 445 sacks (35:65) Poz (Fly Ash):Class C Cement + 2% bwow Sodium Chloride + 6% bwoc Bentonite + 107.9% Fresh Water
Tail Slurry	538	/ 1.2	= 430 sacks (50:50) Poz (Fly Ash):Class C Cement + 0.25 lbs/sack Cello Flake + 2% bwoc Bentonite + 0.4% bwoc FL-52A + 56.6% Fresh Water

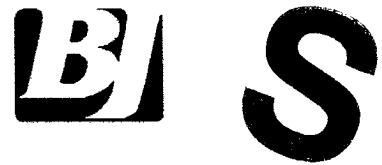
Displacement 135.9 bbls Displacement

CEMENT PROPERTIES

	SLURRY NO. 1	SLURRY NO. 2
Slurry Weight (ppg)	12.40	14.20
Slurry Yield (cf/sack)	2.03	1.26
Amount of Mix Water (gps)	11.26	5.70
Estimated Pumping Time - 70 BC (HH:MM)	3:45	2:25
Free Water (mls) @ ° F @ 90 ° angle		0.0
Fluid Loss (cc/30min) at 1000 psi and ° F		208.0
COMPRESSIVE STRENGTH		
24 hrs @ 125 ° F (psi)	81	
72 hrs @ 125 ° F (psi)	261	
12 hrs @ 140 ° F (psi)		899
24 hrs @ 140 ° F (psi)		1850

RHEOLOGIES

FLUID	TEMP	600	300	200	100	6	3
Lead Slurry	@ 80 ° F	75	65	60	56	29	22
Tail Slurry	@ 80 ° F	180	134	115	93	56	44



CONDITIONS

BJ Services' performance of services and sale of materials is expressly conditioned upon the applicability of the Terms and Conditions contained in the current BJ Services Price Book. The Terms and Conditions include, among other things, an indemnity in favor of BJ Services from Customer for damage to the well bore, reservoir damage, loss of the hole, blowouts and loss of control of the well, even if caused by the negligence or other fault of BJ Services. The Terms and Conditions also limit the warranties provided by the BJ Services and the remedies to which Customer may be entitled in the event of a breach of warranty by BJ Services. For these reasons, we strongly recommend that you carefully review a copy of the Terms and Conditions. If you do not have a copy of the BJ Services Price Book, you can view the Terms and Conditions on BJ Services Web Site, www.bjservices.com. By requesting that BJ Services perform the services described herein, Customer acknowledges that such Terms and Conditions are applicable to the services. Further, by requesting the services, Customer warrants that its representative on the well location or other service site will be fully authorized to acknowledge such Terms and Conditions by executing a Field Receipt or other document presented by BJ Services containing such Terms and Conditions.

In the event that Customer and BJ Services have executed a Master Services Agreement covering the work to be performed, such Master Services Agreement shall govern in place of the Terms and Conditions. If you are interested in entering into Master Services Agreement with BJ Services, please contact us through the "Go BJ" button on the BJ Services Web Site.

Operator Name: Chesapeake Operating
Well Name: COMANCHE HILL 18 FED 1
Date: October 30, 2006



Proposal No: 180267329A

PRODUCT DESCRIPTIONS

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Bentonite

Commonly called gel, it is a clay material used as a cement extender and to control excessive free water.

Calcium Chloride

A powdered, flaked or pelletized material used to decrease thickening time and increase the rate of strength development.

Calcium Chloride

A powdered, flaked or pelletized material used to decrease thickening time and increase the rate of strength development.

Cello Flake

Graded (3/8 to 3/4 inch) cellophane flakes used as a lost circulation material.

Class C Cement

Intended for use from surface to 6000 ft., and for conditions requiring high early strength and/or sulfate resistance.

FL-52A

A water soluble, high molecular weight fluid loss additive used in medium to low density slurries. It is functional from low to high temperature ranges.

Poz (Fly Ash)

A synthetic pozzolan, (primarily Silicon Dioxide). When blended with cement, Pozzolan can be used to create lightweight cement slurries used as either a filler slurry or a sulfate resistant completion cement.

Sodium Chloride

At low concentrations, it is used to protect against clay swelling. At high concentrations, it is used to increase the