

**District I**  
1625 N. French Dr., H... 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

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

WELL API NO.	30-015-32410
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	STATE IE
8. Well Number	2
9. OGRID Number	147179
10. Pool name or Wildcat	HAPPY VALLEY; MORROW (GAS)

**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  
2010 Rankin Hwy  
Midland, TX 79701

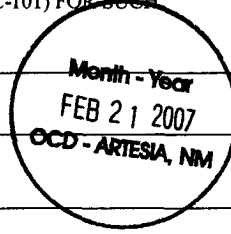
4. Well Location  
Unit Letter M : 660 feet from the SOUTH line and 660 feet from the WEST line  
Section 16 Township 22S Range 26E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3447 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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input 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: RE-COMplete TO CANYON ZONE <input checked="" 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 RECOMPLETE THIS WELL IN THE CANYON ZONE PER THE ATTACHED.

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 Shay Stricklin TITLE Regulatory Tech. DATE 02/20/2007

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

**For State Use Only**

APPROVED BY: **DENIED** TITLE \_\_\_\_\_ DATE FEB 26 2007

Conditions of Approval (if any): Please see attached email

**State IE Com #2  
Plug Back to Canyon  
Eddy County, New Mexico**



**GENERAL INFORMATION**

Location: 660' FSL & 660' FWL, Sec 16 – T22S – R26E  
API No.: 30-015-32410

**WELL INFORMATION**

<u>String OD</u>	<u>Weight &amp; Grade</u>	<u>Depth</u>	<u>ID</u>	<u>Drift</u>	<u>Burst</u>	<u>TOC</u>
13-3/8"	48# H40 STC	0' – 760'	12.715"	12.559"	1730	0'
9-5/8"	40# J55 STC	0' - 2525'	8.835"	8.679"	3950	0'
5-1/2"	17# S95/N80	0' - 11750'	4.892"	4.767"	7740	3100'

Morrow Perforations: 11126 – 11378' (OA)

TD/PBTD: 11750'/11631'

**Recommended Perforations**

Canyon Lime 9955 - 68'

**Re-Completion Procedure**

1. MIRU Service Rig and requisite equipment. Kill well as required with 2% KCL. NDWH, NU BOP. Release M1-X 10K packer and POOH laying down 2-7/8" N80 tubing.
2. MIRU Wireline Service Unit. Set a 5-1/2" CIBP at 11080'. Bail 2 sx of cement on 5-1/2" plug. Correlate to CBL/GR/CCL dated 12/09/2002.
3. Load hole with 2% KCL and pressure test casing and plug to 1500#.
4. RIH w/ casing gun. Perforate the Canyon Lime w/ 4 SPF, 23 gram charge, .37" holes, 90 deg. phasing, from 9955' - 68' (53 holes). Correlate to same CBL.
5. RIH w/ 5-1/2" treating packer and SN picking up tested and inspected 2-3/8" N80 tubing as follows: Re-entry guide, 4' sub, 'XN' nipple, 10' sub, Arrow Set packer, on/off tool w/ 'X' profile nipple. Space out with the EOT at 9968'.
6. RU Acid Service Company. Spot 200 gal of 15% HCL Acid containing 4 gpt of iron control, 1 gpt each of corrosion inhibitor, surface tension reducer, and non-emulsifier. Pull packer to ~9900'. Reverse circulate to ensure packer is clear of acid, set packer. Pressure test annulus to 1000#.
7. ND BOP. NU tree. Pressure annulus to 1000 psi. Displace spot acid, establish rate of 4 to 5 BPM w/ 2% KCL. (Keep KCL water usage to a minimum). Acidize w/ 2,300

gal of same acid. Displace w/ 2% KCL. Do not over-displace. Pump at 4 to 5 BPM max. Launch 60 ball sealers during job. Note rates and pressures. Note ISIP. Max pressure 6000#.

8. Flow/swab back job. Swab/flow test zone.
9. Re-treat as warranted. Pressure backside to 1000# and retreat with 10,000 gal of 20% gelled NeFe HCL acid containing 4 gpt of iron control, 2 gpt each of corrosion inhibitor, surface tension reducer, and non-emulsifier. Treat via 2-3/8" production tubing at 10 - 12 BPM. Maximum pressure 8000#.
10. Flow back job. Swab to clean up and test.
11. Put well to sales. RDMO.

# CURRENT WELLBORE SCHEMATIC

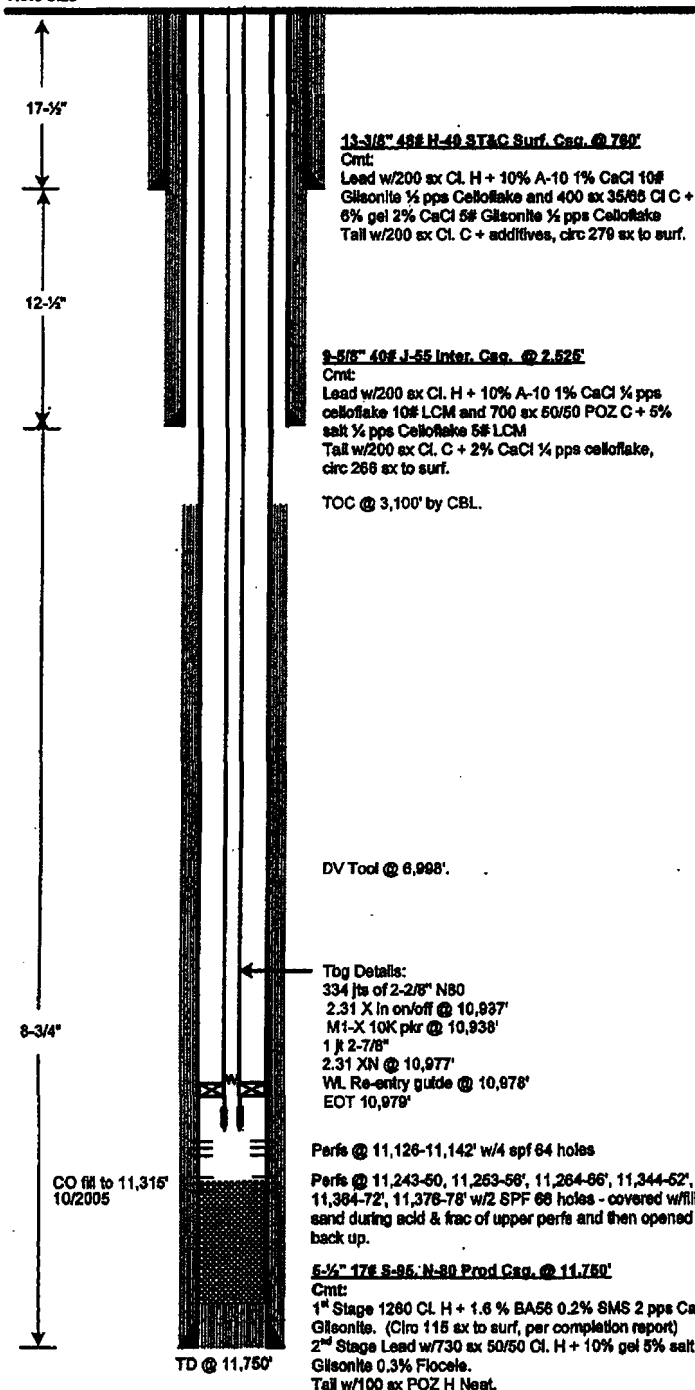
## CHESAPEAKE OPERATING INC.



WELL : STATE "IE" #2  
 SURF. LOC. : 660' FSL & 660' FWL OF SEC. 16-R22S-T26E.  
 COUNTY : EDDY STATE : NM  
 FIELD : HAPPY VALLEY (MORROW GAS)  
 ELEVATION : 3,447' GL 3,457 KB

API #: 30-015-32410  
 SPUD DATE: 10/15/02  
 COMPL DATE: 02/06/78  
 CHK Property #: 890593

Hole Size



### Well History Highlights:

12/13/02 Acidz perfs 11,243-378' w/4500 gal 7-1/2% Morrow acid + methanol w/193,050 SCF N2 90 BS.  
 12/18/02 Frac perfs 11,243-378' w/6,000 gal 70Q binary foam. 71,000# 20/40 Interprop - flush w/binary foam. FB.  
 2/6/03 Ran thru-tbg gun & shot Morrow @ 11,126-42' w/4 spf. Tstd 180 mcf/pt 18 bw, FTP 400#.  
 2/13/03 Sand back to 11,200'. Trtd perfs 11,126-142 w/2500 gal 7-1/2% Morrow acid w/20% methanol 104,000 SCF N2 pad & 80 BS, no bell out. Prod after treatment tstd 500 mcf/pt, no wtr. CO w/CTU to 11,475'.  
 3/24/03 Well stabilized flwg from perfs 11,243-378' & 11,126-142' w/130 FTP on 64/64/ck, no oil, 595 MCFGPD, 18 BW.  
 6/12/04 MRU Key swab unit, TP 500#, compressor down, IFL 5,100', make 9 swab runs, rec 30 BW, FFL 10,200', start compressor.  
 7/28/04 MRU Key swab unit, compressor down, TP 800#, IFL 5,500', 11 runs, 18 bbbs. TP 300#, RTP, 349 MCFG.  
 8/24/04 MRU Key swab unit, TP 480#, make 8 swab runs, IFL 5,100', 20 BF.  
 8/25/04 Swab, IFL 6,500', make 10 runs, rec 24 BW, TP 150#, 262 MCFG.  
 08/26/04 TP 520#, compressor down, LP 504#, IFL 7,100', make 9 runs, rec 18 BF.  
 8/27/04 Compressor down, 79 MCFG, start compressor.  
 8/28/04 24 hrs, 0 BO, 5 BW, 132 MCFG, TP 610#, CP 0#.  
 8/29/04 24 hrs, 0 BO, 7 BW, 119 MCFG, TP 600#, CP 0#.  
 8/30/04 24 hrs, 0 BO, 3 BW, 101 MCFG, TP 600#, CP 0#.  
 08/31/05 Swab 14 runs, rec 48 BF, TP 0#, CP vacuum.  
 09/02/05 0 BO, 0 BW, 0 MCFG, well not flow.  
 10/19 to 10/27/05 Tag @ 11,160', RIH w/1-3/4" ball.  
 CO sd fill to 11,315'.  
 10/28/05 RDMO PP rate 0 MCFG, left well open

PREPARED BY: Linda S. Fries

DATE: 08/30/04

UPDATED BY:

DATE:

**Arrant, Bryan, EMNRD**

---

**From:** Arrant, Bryan, EMNRD  
**Sent:** Monday, February 26, 2007 11:02 AM  
**To:** 'Shay Stricklin'  
**Subject:** State IE # 2/API # 30-015-32410

Dear Shay,

In reference to the above noted well, I cannot review further and/or approve your request as it is filed on the wrong form. Recompletions to another formation need to be filed on NMOCD form C-101 and C-102, as described on the form you have submitted.

In addition, please note if a H2S well contingency plan is required per NMOCD Rule 118. If not, please submit a letter of statement. Please call if you have any questions,

Yours truly,

Bryan. G. Arrant  
District II Geologist  
NMOCD-Artesia  
505-748-1283 ext. 103

CC: Well File

2/26/2007