

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO 1004-0135  
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS** NOV 05 2007  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.**

<b>SUBMIT IN TRIPLICATE - Other instructions on reverse side.</b>		5 Lease Serial No. NMNM025503
1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6 If Indian, Allottee or Tribe Name
2 Name of Operator CHESAPEAKE OPERATING, INC. Contact LINDA GOOD E-Mail: lgood@chkenenergy.com		7 If Unit or CA/Agreement, Name and/or No NMNM88499X
3a Address PO BOX 18496 OKLAHOMA CITY, OK 73154-0496	3b Phone No. (include area code) Ph: 405-767-4275 Fx: 405-753-5469	8 Well Name and No BENSON SHUGART 10
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T18S R30E SENE 1650FNL 330FEL		9 API Well No 30-015-20513-00-S1
		10 Field and Pool, or Exploratory SHUGART
		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 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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Workover Operatic
	<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 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.)

9/14/2007 DRL OUT REMAINDER OF CIBP AND CMT TO 3560', circ clean

9/15/2007 PERF GRAYBURG 3460'-3470', PERF PENROSE 3368'-3376', 3284'-3292' W/2 JSPF, 52 TOTAL HOLES

9/18/2007 ACID & SD FRAC GRAYBURG & PENROSE W/1000' GAL 15% NEFE HCL, 24,822 GAL DYNAFRAC 20 X-LINK GEL & 40,000# 20/40 PRC SD W/SUPERSET ADDED, FLUSH W/840 GAL LINEAR GEL, RIH TO 3250', SET CIBP, PERF PENROSE 3113'-3120' W/2 SPF, ACID & SD FRAC PENROSE W/1000 GAL 15% NEFE HCL, 26,754 GAL DYNAFRAC 20 X-LINK GEL & 30,000# 20/40 PRC SD W/SUPERSET, FLUSH W/798 GAL LINEAR GEL.

9/19/2007 RIH TO 2350', SET CIBP, PERF SEVEN RIVERS 2202'-2210', 2234'-2240' W/2 SPF, TOTAL 28 HOLES, ACID & SD FRAC SEVEN RIVERS W/1000 GAL 15% NEFE HCL, 17,514 GAL DYNAFRAC

14 I hereby certify that the foregoing is true and correct <b>Electronic Submission #56757 verified by the BLM Well Information System For CHESAPEAKE OPERATING, INC., sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 10/16/2007 (07KMS1045SE)</b>	
Name (Printed/Typed) LINDA GOOD	Title FEDERAL REGULATORY ANALYST
Signature (Electronic Submission)	Date 10/15/2007

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <b>ACCEPTED</b>	DAVID R GLASS Title PETROLEUM ENGINEER	Date 10/30/2007
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.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***