

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

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 ☐ Other

RECEIVED

2. Name of Operator
Chesapeake Operating, Inc.

FFR 0 6 2004

3a. Address P. O. Box 18496
Oklahoma City, OK 73154-0496

3b. Phone No. (405) 848-8000

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NE SE Sec 12-10S-25E
1980' FSL & 1330' FEL

5. Lease Serial No.

NMNM 8431

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Penjack Federal 10

9. API Well No.

30-005-63591

10. Field and Pool, or Exploratory Area
Pecos Slope; Abo (Gas)

11. County or Parish, State

Chaves Co., 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 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 Perfs
	<input 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 recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zone. 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 day 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.)

10/05/03 MIRU Baker Atlas WL; MU RIH w/3-1/8" csg gun, perf Abo "C" 4387-4401' @2 spf, 23 gram chg on 180° phasing, EHD-0.42", make up gun#2, perf 4369-4384' @2 spf w/23 gram chg on 180° phasing, 0.42", 20 holes, pump 1500 gal 15% Ne-Fe acid, frac Lower Abo "C" 4369-4401' w/20,000 gal 65Q foamed Aqua Vis 30G as pad, 45,000 gal 65Q CO2 Aqua Vis 30G foam carrying 1-5#/Gal, 20/40 Brady Sand ramped to 5#/gal, pump total 150,000# 20/40 Brady Sand, 2786 Gal Aqua Vis 30G fluid w/no CO2 as flush, ISIP 2274. MU 3-1/2" csg gun loaded 2 spf on 180° w/23 gram chg, EHD-0.42", perf @4202-4208' @2 spf 8 holes, RIH w/2nd set guns, perf 4231-4253', RD Baker Abo C 4387-4384; Abo A 4202-4208' Abo B4231-4253'

10/06/03 Frac A & B perfs 4202-4253 overall w/45,000 gal 65Q Aquavis 30G foam carrying 100000# 20/40 Brady Sand

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Barbara J. Bale

Title Regulatory Analyst

Signature

Barbara J. Bale

Date

02/04/04

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

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.

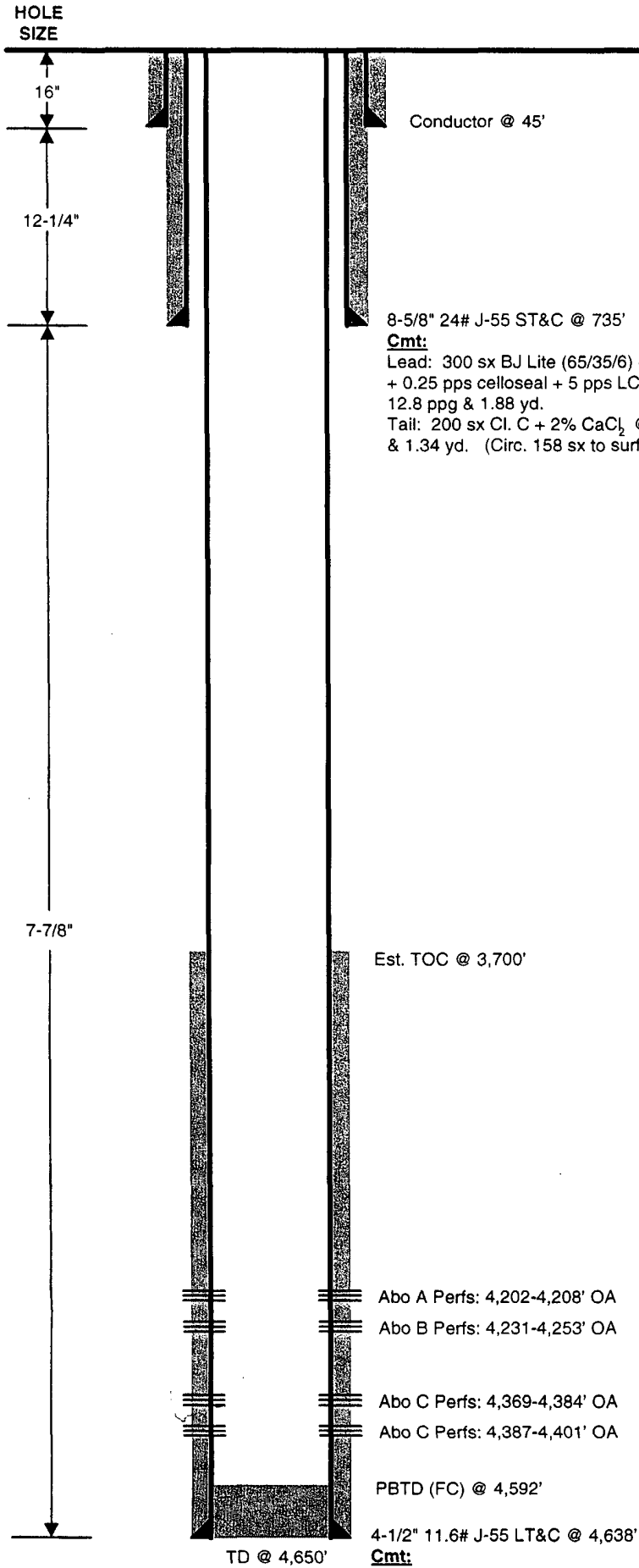
(Instructions on reverse)

CURRENT WELLBORE SCHEMATIC
CHESAPEAKE OPERATING INC



WELL : PENJACK FEDERAL #10
FIELD : PECOS SLOPE
COUNTY : CHAVES STATE: NM
OBJECTIVE : VERTICAL DEVELOPMENT WELL
LOCATION : 1,980' FSL & 1,330' FEL, SEC. 12-T10S-R25E
ELEVATION : 3,768' GL 3,778' RKB
SERIAL NO. : NM-8431

API #: 30-005-63591
SPUD DATE: 8/5/03
RIG RELEASED: 8/17/03
FIRST SALES: 1/13/04



Well History:
COMPLETION
10/5/03: Run GR/CBL/CCL from 4592-3240'. Good cmt. across ABO and other zones of interest. Perf ABO C @ 4387', 90', 99' & 4401' (1st set); 4369', 72', 75', 78', 81' & 4384' (2nd set) w/ 2 spf, total 20 holes. BD Perfs @ 2064 psi w/ 1500 gals. 15% NeFe acid. Frac lower Abo C from 4369-4401' OA w/ 20,000 gals. 65Q CO2 foamed Aqua Vis 30G pad & 45,000 gals. 65Q CO2, Aqua Vis 30G foam w/ 1-5 ppg 20/40 Brady sand, ramped to 5 ppg (total 150K# sand). Flush w/ 2,786 gals. Aqua Vis 30G w/ no CO2. ISIP 2274 psi, 5 min 1950 psi, 10 min 1796 psi, 15 min 1715 psi. ATP 3009 psi on flush; ATR 30 BPM, 763 BLTR. RIH & set Halliburton Composite BP @ 4320'. Perf 4202', 04', 06', & 4208' (1st set); 4231', 33', 35', 37', 51' & 4253' w/ 2 spf. 10/6/03: Pressure up on perfs 4202-4253' to max press, would not break. Spot 15% acid w/ dump bailer from 4199-4250'. Broke down @ 1297 psi. Pump 1500 gal 15% NeFe acid and flush. ISIP 786 psi. Frac Abo A & B perfs 4202-4253' OA w/ 45,000 gal 65Q AquaVis 30G foam w/ 100,000# 20/40 Brady sand, ramping from 1 to 5 ppg. Flush w/ 63 bbls. 50Q AquaVis 30G foam. ATP 3002 psi, ATR 30 BPM. ISIP 1663, 5 min 1354, 10 min 1275, 15 min 1234. RU flowback equip. Open well on 16/64" ck. w/ 1000 psi, decr. to 600 psi. Incr. ck to 18/64", FB w/ 300 psi FCP. Rec. 191 BLW, 242 BLWTR. 10/7/03: Flwg. 300 psi on 16/64 ck. SWI & RU Cudd CTU. DO BP @ 4320'. CO to 4555'. Jet bottoms up w/ N2; well flwg 800 psi while jetting. FB overnight on 18/64 ck. Rec. 110 bbls, total recovery 350 bbls. 846 BLTR from both stages. 10/8/03: FB on 18/64 ck w/ 640 psi FCP. Rec. 240 BLW/24 hrs. 523 BLTR. Gas will not burn. 10/9/03: FB thru 18/64 ck; Rec. 104 BLW/24 hrs. 419 BLTR. Gas now burning; 6% CO2. FCP 700 psi on 18/64" ck; prepare to flow thru test unit & check meter. 10/10/03: FB on 18/64 ck @ 630 psi FCP. Slight fluid mist. Made 6 bbls/24 hrs. Gas rate steady @ 1256 MCFD last 7 hrs., CQ range from 12-48%. 10/11/03: Still cleaning up; flow test thru equip on 18/64 ck. Prod. 30 BLW past 24 hrs. Making 5 BPPH & 1212 MCFD @ report time, CQ content incr. 10/12/03: Flwg. on 18.64 ck w/ 620 psi FCP. made 62 BLW past 24 hrs. Current rate 2-3 BLW/hr & 1192 MCFD. 25% CO2, gas burns intermittently. 10/13/03: FB on 18/64 ck, 620 psi FCP. Prod. 55 BLW in 24 hrs. Gas will not burn steady, 18% CO2. Continue to clean up, 349 BLWTR. 10/14/03: Open ck to 48/64". Slugging fluid, light sand w/ 180 psi FCP. Pinch ck to 24/64", making 1672 MCF/D w/ 480 psi FCP. CQ @ 12%. Open ck back to 32/64", flow test @ 400 psi. Made a total of 54 BLW past 24 hrs. Making 2 BLW/hr. 10/15/03: FB 22 BLW, 2 BW last 12 hrs. & 1476 MCFD (4% CO2) on 32/64 ck, 330 psi FCP. Rec. total 572 BLW, 274 BLTR. SWI, WOPLC. 10/16/03: FT well on 32/64 ck w/ 320-330 psi FCP. Making 1400-1450 mcf thru test meter, CO2 @ 3%. Made 2 BLW, 272 BLWTR. SWI, WOPLC. 1/14/04: Well down sales line. Spot rate 750 mcf/d 1/15/04: 12 hr. rate: 0 BO 0 BW 406 MCF 1/16/04: 24 hr. rate: 0 BO 0 BW 1171 MCF, CP 690 psi 1/17/04: 24 hr. rate: 0 BO 0 BW 1078 MCF, FCP 640 psi 1/18/04: 24 hr. rate: 0 BO 0.5 BW 1174 MCF, FCP 610 psi 1/19/04: 24 hr. rate: 0 BO 0 BW 1162 MCF, FCP 580 psi

WELL NAME AND NUMBER Penjack Federal No. 10
LOCATION 1980' FSL & 1330' FEL, Section 12, T10S, R25E, Chaves County NM
OPERATOR Chesapeake Energy Corporation
DRILLING CONTRACTOR United Drilling, Inc.

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and had conducted deviation tests and obtained the following results:

<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>
<u>1/2° 483'</u>	<u>1° 4519'</u>	<u> </u>
<u>3/4° 735'</u>	<u> </u>	<u> </u>
<u>1/2° 1008'</u>	<u> </u>	<u> </u>
<u>1/2° 1515'</u>	<u> </u>	<u> </u>
<u>1/2° 1989'</u>	<u> </u>	<u> </u>
<u>3/4° 2494'</u>	<u> </u>	<u> </u>
<u>1° 3001'</u>	<u> </u>	<u> </u>
<u>3/4° 3538'</u>	<u> </u>	<u> </u>

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FEB 16 2004

OCD ARTESIA

Drilling Contractor United Drilling, Inc.

By: *Angel Salazar*
Angel Salazar

Title: Vice President

Subscribed and sworn to before me this 18th day of August,
2003.

Karma Yankersley
Notary Public

My Commission Expires: 09-25-03

Chaves NM
County State