

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry Other
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other _____

2. Name of Operator

Chesapeake Operating, Inc.

3. Address P. O. Box 18496

Oklahoma City, OK 73154-0496

3a. Phone No. (include area code)

(405) 848-8000

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface NW NE Sec 12-10S-25E

660' FNL & 1780' FEL

At top prod. interval reported below

Same

At total depth

Same

14. Date Spudded

08/19/03

15. Date T.D. Reached

08/30/03

16. Date Completed

☐ D & A ☒ Ready to Prod.

01/13/04

18. Total Depth: MD 4700'
TVD 4700'19. Plug Back T.D.: MD 4650'
TVD 4650'20. Depth Bridge Plug Set: MD NA
TVD21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Comp Z-Densilog, Comp Neutron, GR Log
Dual Laterolog, Micro Laterolog, GR Log22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☒ No ☐ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
2-1/4	8-5/8" J55	24#	0	710'	NA	300 Poz	154	Surf	
						200 Cl C			
7-7/8	4-1/2" J55	11.6#	0	4,698'	NA	250 Cl C	60	3700'	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8"	4408'	NA						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Abo B	4184	4211	4189-4209' OA	0.42"	16	Open, Producing
B) Abo C	4439	4443	4437-4464 OA	0.42"	10	Open, Producing
C) Abo D	4463	4465				
D)						

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
4189-4209'	Acidize w/1500 gal 15% NeFe, Frac w/5000 gal Aquavis 30 & 20,000 gal 65Q Foam pad & 45,000 gal 65Q foam carrying 89,325# 20/40 sand
4437-64'	Acidize w/1000 gal 15% NeFe acid, frac w/10,000 gal 65Q foam pad & 20,000 gal 65Q linear foam carrying 40,000 #20/40 brady sand

28. Production - Interval A & B Co-mingled

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
1-3-04	1-16-04	24	→	0	461	0	NA		Flowing
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
14/64"	405	480	→	0	461	0	NA	Producing	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

(See instructions and spaces for additional data on reverse side)

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28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
Abo B	4184	4211	Gas Sand	San Andres	711
Abo C	4439	4443	Gas Sand	Glorieta	1876
Abo D	4463	4465	Gas Sand	Tubb	3142
				Abo	4050

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

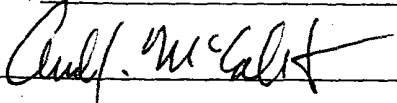
1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geologic Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Andrew J. McCalmont

Title Asset Manager

Signature



Date 02/13/04

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.

WELL NAME AND NUMBER Penjack Federal No. 11
LOCATION 660' FNL, 1980' FEL, Sec. 12, T10S, R25E, Chaves Co. NM
OPERATOR Chesapeake Operating, Inc.
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>3/4° @ 515'</u>	<u>3/4° @ 4537'</u>	<u> </u>
<u>1/2° @ 1007'</u>	<u> </u>	<u> </u>
<u>3/4° @ 1512'</u>	<u> </u>	<u> </u>
<u>1° @ 2045'</u>	<u> </u>	<u> </u>
<u>1/2° @ 2519'</u>	<u> </u>	<u> </u>
<u>3/4° @ 2943'</u>	<u> </u>	<u> </u>
<u>3/4° @ 3562'</u>	<u> </u>	<u> </u>
<u>1/2° @ 4002'</u>	<u> </u>	<u> </u>

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Drilling Contractor United Drilling, Inc.

By: Angel Salazar

Title: Vice President

Subscribed and sworn to before me this 3rd day of September,
20 03.

Carlene Martini
Notary Public

My Commission Expires: 10-04-04

Chaves
County

New Mexico
State

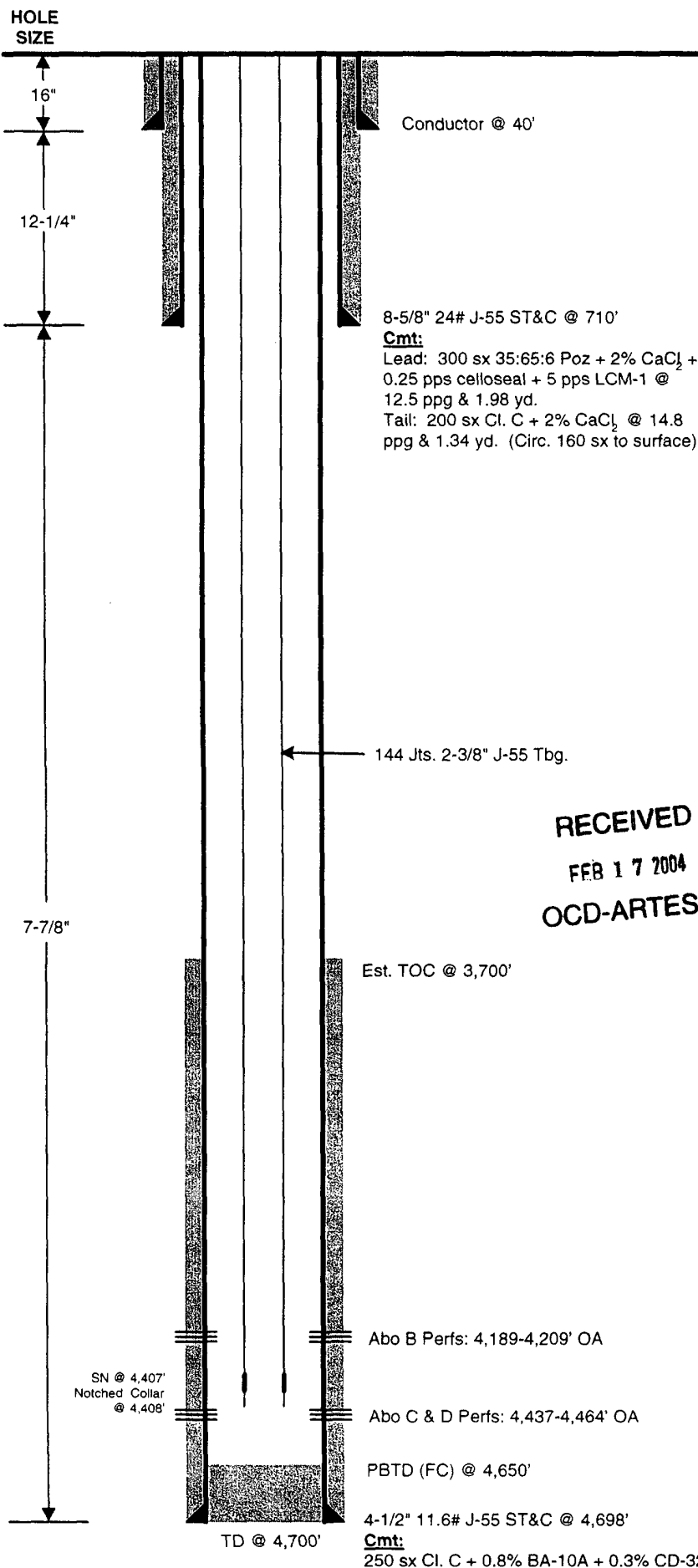
CURRENT WELLBORE SCHEMATIC

CHESAPEAKE OPERATING INC

WELL : PENJACK FEDERAL #11
FIELD : PECOS SLOPE
COUNTY : CHAVES STATE: NM
OBJECTIVE : VERTICAL DEVELOPMENT WELL
LOCATION : 660' FNL & 1,780' FEL, SEC. 12-T10S-R25E
ELEVATION : 3,717' GL 3,725' RKB
SERIAL NO. : NM-8431



API #: 30-005-63592
SPUD DATE: 8/19/03
RIG RELEASED: 8/30/03
FIRST SALES: 1/13/04



Well History:

COMPLETION

10/6/03: Run GR/CBL/CCL.. Good bond across Abo and zones of interest. Perf Abo C & D @ 4437', 39', 41', 62', & 4464' w/ 2 spf, 10 total 0.42" holes. MIRU FB & frac equipment. Pressure up on csg. & BD perfs 4437-4464; fmrtn. broke @ 2970 psi. SION. Prep to frac.

10/7/03: Pump 1000 gal 15% NeFe acid @ 10 bpm, 2680 psi. Pump frac w/ stages 1#-3# 20/40 sd, ramping up to 24 BPM @ 3318 psi--held on 3# due to pressure. Well screened out during flush, press up to 3890 psi. ATR 21.6 bpm, ATP 3231 psi, ISIP 1946 psi, 0.71 frac grad. Total 31.3K# sd thru perfs. Open to pit, unload fluid & sand, then CQ foam. 8.5K# sd left in csg. & FB to pit. SWI. RU WL, TIH to 4480' w/ 3.875" GR & junk basket. RIH w/ Halliburton FastDrill composite BP & set @ 4320'. RIH w/ 3-1/8" csg. gun & perf Abo B @ 4189', 92', 95', 97', 4200', 03', 06', & 4209' w/2 JSPF, 180Ph, 0.42" holes. RU isolation tool, press csg. to 4000 psi, would not break. Well flwg. back CO₂, communicating w/ lwr. frac. RD equip, SWI. TLTR 345 bbls.

10/8/03: MIRU Cudd CTU. Drill out BP w/ 1.75" CT, bit & mtr. Circ. hole clean. Jet out fluid only w/ N₂. FT well overnight to pit. Open w/ 1600 psi on 16/64 ck, press dcr. to 100 psi on 32/64 ck in 5 hrs. Slugging small amts. sd & fluid. FB 180 bbls frac load, 165 BLTR. Flwg. @ 350 psi FCP on 16/64 ck.

10/9/03: FB & test. Made 94 BLW on 48/64 ck, 86 BLTR. Flwg. 4-5 psi FCP on open ck, fluid slugging. Leave open to atmosphere.

10/10/03: FB 22 BLW in 12 hrs. FCP 4 psi on 48/64 ck. Slugging frac load. Gas will not burn. SWI, rig down, rel. rental equipment.

10/16/03: RUPU. Bled press off (gas & CQ) Pump 30 bbls 2% KCl down csg. ND frac valve, NU WH & BOP, RIH w/ bit; tag @ 4262'. Well gassing; kill w/ 40 bbls 2% KCl. TOH w/ bit; SISD.

10/17/03: SICP 40 psi; bled off. Load csg. w/ 2% KCl. TIH w/ Halliburton fast drill composite BP, set @ 4,320'. TIH w/ pkr. & set @ 4,311'; test to 3000 psi. Rel. & re-set pkr. @ 4,121'. Acidize w/ 1500 gals. 15% NeFe, overflush w/ 15 bbls. to bottom perf. ISIP 370 psi, 5 min. 0 psi. MTP 2272 psi, ATP 2101 psi, ATR 5.1 bpm, TLTR 70 bbls. TOH w/ tbg & pkr, WO frac.

10/23/03: Test lines & load well. Pump 5000 gals Aquavis 30G. Pump 20,000 gal. pad 65Q foam, frac w/ 45,000 gal 65Q foam & 89,325# 20/40 brown sand. Flush to top perf w/ 66 bbls Aquavis 30, total 65K gals.MTR 32.8 bpm, ATR 28.5 bpm, Min TR 27.4 bpm. MTP 4178 psi, ATP 3450 psi, Min TP 2824 psi. ISIP 2464 psi, 5 min 1355 psi, 10 min 1206 psi, 15 min 1121 psi. TLTR 601 bbls.

10/25/03: FB 64 hrs, 423 bbl. foam wtr. Last 8 hrs lifing 1 BPH, some CQ FTP 5 psi on 48/64 ck. SWI @ 6 am 10/26/03.

11/3/03: SICP 700 psi. Bled down & kill w/ 10 bbls KCl. TIH w/ bit & tbg.

11/4/03: Kill well. Tag sand @ 4223'. CO w/ foam unit to plug @ 4325'. Drill thru BP & tag sand @ 4603'. CO to 4644'. Circ. bottoms up. SISD.

11/5/03: Kill well, TIH & tag 4644'--no fill. LD bit, RIH w/ notched collar, SN & 144 jts. 2-3/8" tbg. Flow test well--would not flow thru sep w/ 175 psi BP. Bypass separator, TP went to 0 psi on 24/64 ck, CP built to 450 psi. SWI.

11/7/03: 24 hr. FT: Est. 238 mcf, 40% CQ, on 24/64 ck w/ 175 psi TP & 70 psi CP. FB 3 BW/hr., 348 bbls total in last 63 hrs.

11/8/03: 9 hr. FT: Est. 238 mcf, 30% CQ, on 24/64 ck w/ 170 psi TP & 70 psi CP. FB 3 BW/hr.. SWI, Release flowtester & separator.

1/13/04: Put well down sales line; spot rate 750 mcf/d

1/16/04: 24 hr. rate: 0 BO 0 BW 461 MCF, TP 405#, CP 480#, 14/64" ck.

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PREPARED BY : Ginni A. Kennedy
UPDATED BY : Ginni A. Kennedy

DATE : 9/10/03
DATE : 1/20/04