

PIA'd. OK TO RELEASE  
MRS. 5/18/2010

Submit One Copy To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, 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

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
March 18, 2009

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

WELL API NO.	30-025-38025	✓
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	LE 35 State	✓
8. Well Number	2	✓
9. OGRID Number	147179	✓
10. Pool name or Wildcat	Shipp; Strawn Knowles; Drinkard; West 36490	

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 P-10) FOR SUCH PROPOSALS.)

RECEIVED

1. Type of Well:  Oil Well  Gas Well  Other

2. Name of Operator  
Chesapeake Operating, Inc.

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

MAY 17 2010

HOBBSCOCD

4. Well Location  
Unit Letter I : 2255' feet from the South line and 898' feet from the East line  
Section 35 Township 16S Range 37E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3768' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
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: <input type="checkbox"/>		<input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A	

- All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
- Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
- A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

**OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.**

- The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
- Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
- If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
- All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
- All other environmental concerns have been addressed as per OCD rules.
- Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE Pat Richards TITLE Production Assistant DATE 05/11/2010

TYPE OR PRINT NAME Pat Richards E-MAIL: pat.richards@chk.com PHONE: (575)391-1462

APPROVED BY: Maley Brown TITLE Compliance Officer DATE 5/18/2010  
Conditions of Approval (if any)

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State of New Mexico  
Energy Minerals and Natural Resources

Form C-144  
June 1, 2004

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes  No

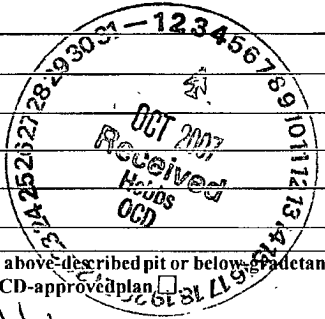
Type of action: Registration of a pit or below-grade tank  Closure of a pit or below-grade tank

Operator Chesapeake Operating Inc. Telephone (432)687-2992 e-mail address sstricklin@chkenergy.com  
Address 2010 Rankin Hwy Midland, TX 79701  
Facility or well name Le 35 State #2 API# 30-025-38025 U/lor Qtr/Qtr I Sec 35 T 16S R 37E  
County Lea Latitude 32.877250N Longitude 103.214680W NAD. 1927  1983  Surface Owner Federal  State  Private  Indian

Pit	Below-grade tank
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input type="checkbox"/> Thickness <u>    </u> mil Clay <input type="checkbox"/> Pit Volume <u>    </u> bbl	Volume. <u>    </u> bbl Type of fluid: <u>    </u> Construction material: <u>    </u> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. <u>    </u>
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water) <u>35</u>	Less than 50 feet (20 points) <u>20</u> 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points)
Wellhead protection area (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources)	Yes <input checked="" type="checkbox"/> (20 points) <u>20</u> No <input type="checkbox"/> (0 points)
Distance to surface water (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more (0 points) <u>0</u>
	<b>Ranking Score (Total Points)</b> <u>40</u>

**If this is a pit closure:** (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location. (check the onsite box if you are burying in place) onsite  offsite  If offsite, name of facility      (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered. No  Yes  If yes, show depth below ground surface      ft and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:  
Dist # Haul



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described 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 .  
Date 10/03/2007  
Printed Name/Title Shay Stricklin Regulatory Tech. Signature [Signature]  
Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval  
Printed Name/Title [Signature] Signature ENVIRONMENTAL ENGINEER Date 10.5.07

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State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 May 27 2004

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

WELL API NO.	30-025-38025 ✓
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	Le 35 State ✓
8. Well Number	2 ✓
9. OGRID Number	147179
10. Pool name or Wildcat	Knowles; Drinkard, West 36490
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	3768 GR
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
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 _____	

**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 I : 2255 feet from the South line and 898 feet from the East line  
 Section 35 Township 16S Range 37E NMPM County Lea

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"/>
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PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input 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.

10/11/07. MIRU Gray WL, set CIBP @ 8450 w/35' cmt, load csg, test to 500# for 15 mins. RIH , w/SN and tbg to 8380.  
 10/12/07. RIH to 8420, MIRU Rising star, circ w/9.5# plug mud, POOH, LD tbg to 6500, spot 100' cmt plug to 6400, POOH to 4950, spot 100' cmt plug, WOC 2.5 hrs.  
 10/13/07. RIH w/tbg, tag cmt @4784, POOH w/tbg, MIRU Gray WL, perforate squeeze @ 2256, RIH w/tbg to 2138, squeeze 200', balance plug @ 2156, WOC 4 hrs, RIH. tag cmt @ 2233, TOOH, LD tbg perforate squeeze holes @ 450', circ cmt to surface.

Approved as to plugging of the Well Bore  
 Liability under bond is retained until  
 surface restoration is completed.

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 NMOC guidelines , a general permit  or an (attached) alternative OCD-approved plan .

SIGNATURE Shay Stricklin TITLE Regulatory Tech. DATE 10/18/2007

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

APPROVED BY: Larry W. Wink TITLE FIELD REPRESENTATIVE / STAFF MANAGER DATE **OCT 20 2007**  
 Conditions of Approval (if any)