

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-103
Permit 107727

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NUMBER 30-015-36998
1. Type of Well: O		5. Indicate Type of Lease S
2. Name of Operator CHESAPEAKE OPERATING, INC.		6. State Oil & Gas Lease No.
3. Address of Operator P. O. BOX 18496, OKLAHOMA CITY, OK 731540496		7. Lease Name or Unit Agreement Name PLU PIERCE CANYON 5 STATE
4. Well Location Unit Letter <u>P</u> : <u>350</u> feet from the <u>S</u> line and <u>350</u> feet from the <u>E</u> line Section <u>5</u> Township <u>25S</u> Range <u>30E</u> NMPM <u>Eddy</u> County		8. Well Number 001H
		9. OGRID Number 147179
		10. Pool name or Wildcat
11. Elevation (Show whether DR, KB, BT, GR, etc.) 3243 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 _____		

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE OF PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
 Other: _____

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTER CASING ☐
 COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐
 CASING/CEMENT JOB ☐
 Other: **Drilling/Cement** ☒

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.
 Drilled to 3730' & set 9 5/8", 40#, J-55 casing. Cement, lead w/800 sxs @ 10.2 ppg, 2.07 yield and tail w/310 sxs 14.2 ppg, 1.37 yld of Class "C" cement. Circ 158 sxs to surface. WOC. Test BOP & chk manifolds. Test casing to 1500 psi for 30 min. On 01/12/2010 @ 20:30 hours drill out from intermediate casing. 1/2/2010 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
01/03/10	Surf	FreshWater	17.5	13.375	48	H-40	0	695	900	1.34	C		1200	0	N
01/11/10	Int1	Brine	12.25	9.625	40	J-55	0	3730	1121	2.07	Lite Crete		1500	0	N

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 Electronically Signed _____ TITLE Sr. Regulatory Compliance Specialist DATE 1/13/2010
 Type or print name Bryan Arrant E-mail address bryan.arrant@chk.com Telephone No. 405-935-3782

For State Use Only:

APPROVED BY: Jacqueta Reeves TITLE District Geologist DATE 1/25/2010 8:33:25 AM