

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 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
August 1, 2011
Permit 149391

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 <div style="text-align: center;">30-025-40551</div>
1. Type of Well: O		5. Indicate Type of Lease <div style="text-align: center;">S</div>
2. Name of Operator <div style="text-align: center;">CHESAPEAKE OPERATING, INC.</div>		6. State Oil & Gas Lease No.
3. Address of Operator <div style="text-align: center;">P.O. Box 18496, Oklahoma City, OK 73154</div>		7. Lease Name or Unit Agreement Name <div style="text-align: center;">MCCLOY RANCH 2 24 32 STATE COM</div>
4. Well Location Unit Letter <u>N</u> : <u>100</u> feet from the <u>S</u> line and <u>1980</u> feet from the <u>W</u> line Section <u>2</u> Township <u>24S</u> Range <u>32E</u> NMPM <u>Lea</u> County		8. Well Number <div style="text-align: center;">001H</div>
11. Elevation (Show whether DR, KB, BT, GR, etc.) <div style="text-align: center;">3616 GR</div>		9. OGRID Number <div style="text-align: center;">147179</div>
10. Pool name or Wildcat		
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: **Spud** ☒

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.

5/30/2012 Spudded well.

On 5/30/2012 MIRU spudder. At 13:20 hours, drilled 20" hole to a depth of 20'. Secured location. RDMO.

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 Regulatory Specialist II DATE 5/31/2012

Type or print name Bryan Arrant E-mail address bryan.arrant@chk.com Telephone No. 405-935-3782

For State Use Only:

APPROVED BY: Paul Kautz TITLE Geologist DATE 5/31/2012