

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 150353

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 30-025-40551
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 73154		7. Lease Name or Unit Agreement Name MCCLOY RANCH 2 24 32 STATE COM
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 Lea County		8. Well Number 001H
11. Elevation (Show whether DR., KB, BT, GR, etc.) 3616 GR		9. OGRID Number 147179
Pit or Below-grade Tank Application ☐ or Closure ☐ 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 _____		10. Pool name or Wildcat

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.
On 6/23/12, DRILL TO 1428' & RUN 13 3/8" CSNG. SWAP LINES, TEST LINES @500 PSI LOW-2500 PSI HI MIX & PUMP F/W AHEAD 20 BBL @6.5 BPM, MIX & PUMP TAIL SLURRY 609 BBL @6.5 BPM @ 13.5 PPG, RELEASED PSI. DROPPED PLUG, DISPLACED W/218 BBL F/W @ 6.5 BPM, LAST 10 BBL @2.5 BPM, BUMPED PLUG 500 PSI OVER, 1 BBL BACK. PUMPED A TOTAL OF 2000 SXS CLASS 'C' CEMENT 1.70 YIELD. PLUG BUMPED @16:05. WOC. TEST CASING TO 1200 PSI, 30 MIN, TEST GOOD. RESUMED DRLG @ 18:30 HOURS ON 6/25/12. 5/30/2012 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
06/23/12	Surf	Fresh Water	17.5	13.375	48	J-55	0	1428	2000	1.7	C		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 Regulatory Specialist II DATE 7/13/2012
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 7/13/2012 1:09:55 PM