

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 151984

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 ☒
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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 6/27/12, drill to 4940' and set 116 jts of 8 5/8" 32 # J-55 csng. Hold safety meeting w/Schlumberger, install cement head. Test lines to 3000 psi, Pump 25 bbls FW Spacer, cmt w/lead slurry = 1675 sxs, 594 bbls+additives. Tail slurry w/335 sxs, 82 bbls + additives & displaced w/296 bbls FW. Bump plug 500 psi over. Floats held. Circ 100 bbls back to pit. WOC. Test csg to 1500 psi and hold for 30 min. held good. Resumed drilling on 6/29/12. 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	FreshWater	17.5	13.375	48	J-55	0	1428	2000	1.7	C		1500	0	N
06/27/12	Int1	Brine	11	8.625	32	J-55	0	4940	1910	1.99	TXI/POZ 50		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 7/15/2012
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 7/16/2012 8:12:38 AM