Submit 3 Copies 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

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

Form C-103
May 27, 2004

WELL API NO. 30-015-33002

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name
Spruce 10 State

1. Type of Well: Oil Well [ ] Gas Well [X] Other

RECEIVED
MAR 31 2005
OCD-ARTESIA

8. Well Number 001

2. Name of Operator
Chesapeake Operating, Inc.

9. OGRID Number 147179

3. Address of Operator P. O. Box 11050
Midland, TX 79702-8050

10. Pool name or Wildcat
Undesignated; Penn

4. Well Location
Unit Letter O : 1310 feet from the South line and 1980 feet from the East line
Section 10 Township 19S Range 23E NMPM County Eddy

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3922 GR

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** _____

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	P AND A	[ ]
PULL OR ALTER CASING	[ ]	MULTIPLE COMPL	[ ]	CASING/CEMENT JOB	[ ]		
OTHER:Workover			[X]	OTHER:			[ ]

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.

Chesapeake, hereby, requests permission to perforate the Penn zone per the attached Workover Procedure

If this work requires an earthen pit, a permit must be approved prior to construction of the pit(s).

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 Brenda Coffman TITLE Regulatory Analyst DATE 03/28/2005

Type or print name Brenda Coffman E-mail address: bcoffman@chkenergy.com Telephone No. (432)687-2992

For State Use Only

APPROVED BY: Gary W. Gomez TITLE District II Supervisor DATE JUL 04 2005

Conditions of Approval (if any):

Spruce 10 State #1
WORKOVER PROCEDURE
Revised 1/19/05

GENERAL INFORMATION

Location: 1310' FSL & 1980' FEL, Sec 10 – T19S – R23E
API No.: 30-015-33002

WELL INFORMATION

String OD	Weight & Grade	Depth	ID	Drift	Burst	TOC
13-3/8"	48# H-40 STC	0' – 313'	12.715"	12.559"	1730	0'
8-5/8"	32# J-55 LTC	0' - 1933'	7.921"	7.796"	3930	0'
5-1/2"	17# L-80 LTC	0' - 8406'	4.892"	4.767"	7740	6300'

Existing Morrow perfs: 8002 – 8121' (OA)
Proposed Pennsylvanian perfs: 7631 - 60', 7154 – 66', 6640 – 86', 6526 – 6618', 6404 – 6440' (OA).
PBTD: 8311'

Re-Completion Procedure

1. MIRU Service Rig and requisite equipment. Kill Morrow with 7% KCL. ND WH, NU BOP.

2. Release Arrowset packer and POOH w/ 2-3/8" tubing.

3. MIRU Wireline Service Company. Correlate to GR/CCL/CBL log dated 12/24/2003 and set a CIBP @ 7950'. Bail 2 sx of cement on plug. Load and test casing to 1500#.

4. Perforate via casing gun the Lower Penn Sand 7631 – 36' (21 holes) & 7649 – 60' (45 holes) w/ 4 SPF, 90 deg phasing, 23 gram charge, .38" hole size.

5. RIH to with treating packer picking up 2-7/8" 6.5# P-110 workstring. MIRU Acid Service Company. Spot 200 gal of 7-1/2% NeFe w/ EOT @ 7660'. Acid to contain 4 gpt of iron control, 1 gpt each of corrosion inhibitor, surface tension reducer, and non-emulsifier. Pull and set packer @ ~ 7580'. ND BOP and NU tree. Pressure test lines. Pressure annulus to 1500 psi. Displace spot acid, establish rate of 3 to 4 BPM w/ 7% KCL. Acidize w/ 1,300 gal of 7-1/2% HCL. Launch 75 ball sealers during job. Acid to contain 200 gpt of methanol, 4 gpt of iron control, 1 gpt each of corrosion inhibitor, surface tension reducer, and non-emulsifier. Max pressure 10,000#. Flow back to recover load, clean up well, and test zone.

6. Kill well as required w/ 7% KCL. ND WH. NU BOP. Lower packer to clear perfs of ball sealers. Re-set packer @ ~ 7580'. ND BOP, NU WH. MIRU Frac Service Company. Pressure annulus to 1500 psi. Establish rate with pad and frac the Lower Penn Sand with 35,000 gal of 40# Binary Foam and 35,000 pounds of 18/40 mesh Versaprop at rates of 15+ BPM per frac schedule. Ramp sand from ½ to 3#/gal. Maximum pressure 12,000#. Anticipated treating pressure ~ 9,000#. Flow back to recover load, clean up well, and test zone.

7. Kill well as required with 7% KCL. ND tree. NU BOP. POOH with workstring.

8. MIRU WL Service Company. Check PBTD. Set a composite plug @ 7580'. Load and test casing to 1500#. Perforate via casing gun the Middle Penn Sand 7154 – 66' (49 holes) w/ 4 SPF, 90 deg phasing, 23 gram charge, .38" hole size.

9. RIH to with treating packer and workstring. MIRU Acid Service Company. Spot 200 gal of 7-1/2% NeFe w/ EOT @ 7166'. Acid to contain 4 gpt of iron control, 1 gpt each of corrosion inhibitor, surface tension reducer, and non-emulsifier. Pull and set packer @ ~ 7100'. ND BOP and NU tree. Pressure test lines. Pressure annulus to 1500 psi. Displace spot acid, establish rate of 3 to 4 BPM w/ 7% KCL. Acidize w/ 1,300 gal of 7-

1/2% HCL. Launch 60 ball sealers during job. Acid to contain 200 gpt of methanol, 4 gpt of iron control, 1 gpt each of corrosion inhibitor, surface tension reducer, and non-emulsifier. Max pressure 10,000#. Flow back to recover load, clean up well, and test zone.

10. Kill well as required with 7% KCL. ND WH. NU BOP. Lower packer to clear perfs of ball sealers. Re-set packer @ ~ 7100'. ND BOP, NU WH. MIRU Frac Service Company. Pressure backside to 1500 psi. Establish rate with pad and frac the Lower Penn Sand with 35,000 gal of 40# Binary Foam and 35,000 pounds of 18/40 mesh Versaprop at rates approaching 15 BPM per frac schedule. Ramp sand from ½ to 3#/gal. Maximum pressure 12,000#. Anticipated treating pressure ~ 9,000#. Flow back to recover load, clean up well, and test zone.

11. Kill well as required with 7% KCL. ND tree. NU BOP. POOH with workstring.

12. MIRU WL Service Company. Check PBTD. Set a composite plug @ 7100'. Load and test casing to 1500#. Perforate via casing gun the Upper Penn Lime 6640 – 50', 6666 – 69', 6674 – 86' (103 holes) w/ 4 SPF, 90 deg phasing, 23 gram charge, .38" hole size.

13. RIH to with treating packer and workstring. MIRU Acid Service Company. Spot 200 gal of 15% NeFe w/ EOT @ 6686'. Pull and set packer @ ~ 6590'. ND BOP and NU tree. Pressure test lines. Pressure annulus to 1500 psi. Displace spot acid, establish rate of 3 to 4 BPM w/ 7% KCL. Acidize w/ 2500 gal of 15% NeFe. Launch 120 ball sealers during job. Ramp rates to 5 or 6 BPM as zone breaks. Max pressure 6,000#. Flow back to recover load, clean up well, and test zone.

14. Kill well as required with 7% KCL. ND tree. NU BOP. Lower packer to clear perfs of ball sealers. POOH with workstring.

15. MIRU WL Service Company. Set a composite plug @ 6625'. Load and test casing to 1500#. Perforate via casing gun the Upper Penn Lime 6526 – 40', 6548 – 59', 6566 – 85', 6594 – 6618' (236 holes) w/ 4 SPF, 90 deg phasing, 23 gram charge, .38" hole size.

16. RIH with treating packer and workstring. MIRU Acid Service Company. Spot 200 gal of 15% NeFe w/ EOT @ 6618'. Pull and set packer @ ~ 6475'. ND BOP and NU tree. Pressure test lines. Pressure annulus to 1500 psi. Displace spot acid, establish rate of 3 to 4 BPM w/ 7% KCL. Acidize w/ 3500 gal of 15% NeFe. Launch 250 ball sealers during job. Ramp rates to 5 or 6 BPM as zone breaks. Max pressure 6,000#. Flow back to recover load, clean up well, and test zone.

17. Kill well as required with 7% KCL. ND tree. NU BOP. Lower packer to clear perfs of ball sealers. POOH with workstring.

18. MIRU WL Service Company. Set a composite plug @ 6480'. Load and test casing to 1500#. Perforate via casing gun the Upper Penn Lime 6404 – 19' and 6434 – 40' (86 holes) w/ 4 SPF, 90 deg phasing, 23 gram charge, .38" hole size.

19. RIH with treating packer and workstring. MIRU Acid Service Company. Spot 200 gal of 15% NeFe w/ EOT @ 6440'. Pull up, reverse acid into tubing, and set packer @ ~ 6360'. ND BOP and NU tree. Pressure test lines. Pressure annulus to 1500 psi. Displace spot acid, establish rate of 3 to 4 BPM w/ 7% KCL. Acidize w/ 3500 gal of 15% NeFe. Launch 100 ball sealers during job. Ramp rates to 5 or 6 BPM as zone breaks. Max pressure 6,000#. Flow back to recover load, clean up well, and test zone.

20. RIH w/ bit and collars on workstring. Knock composite plugs to bottom. Circulate well clean off bottom with 7% KCL. POOH.

21. RIH w/ Arrowset packer, 2-3/8" 4.7# L80 tubing subs, nipples, and 2-3/8" tubing as follows: Re-entry guide, 4' sub, 'XN' w/ 1.791" no-go, 10' sub, Arrowset packer w/ 1.875" 'X' Profile in on/off tool, and 2-3/8" L80 tubing. Space out tubing and set packer ~ 6475'. Pressure test annulus to 1000#. ND BOP. NU tree.

22. Swab well in. RDMOCU.