

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

LCC

Chesapeake

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals

RECEIVED NOV 26 2012 NMOCD ARTESIA

5. Lease Serial No. NMLC063079A
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No. NMMN071016X
8. Well Name and No. PLU PHANTOM BANKS 25 25 30 USA 1H
9. API Well No. 30-015-40756
10. Field and Pool, or Exploratory WILDCAT; BONE SPRING
11. County or Parish, and State EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well Oil Well Gas Well Other
2. Name of Operator CHESAPEAKE AGENT FOR CHEVRON Contact: ERIN CARSON Email: erin.carson@chk.com
3a. Address PO BOX 18496 OKLAHOMA CITY, OK 73154-0496
3b. Phone No. (include area code) Ph: 405-935-2896
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 25 T25S R30E Mer NMP SESW 150FSL 2280FWL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

Table with 2 columns: TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

13. Describe Proposed or Completed Operation (Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Chesapeake respectfully requests permission to change its pilot hole plugging program as follows:

Please note that this pilot hole will TD at 9600? within the Bone Spring formation. The Wolfcamp formation will not be penetrated. The planned lateral will also be in the Bone Spring formation.

Two cement plugs will be placed in the pilot hole. The first will span 300? from pilot hole TD of 9600? MD/TVD to 9300? MD/TVD. This first plug will be set using 125 sx (20% excess) of 17.0 ppg, 0.99 cuft/sk yield Class H cement. The second will span 300? from 8900? to 8600? and will serve as a kick off plug (kick off point is planned at 8759?). This second plug will also be set using 125 sx (20% excess) of 17.0 ppg, 0.99 cuft/sk yield Class H cement.

CHK PN 645561

APPROVED NOV 21 2012 Jennifer Thoson BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE

See attached COA changes 11/21/12 JAM

Accepted for record

14. Thereby certify that the foregoing is true and correct. Electronic Submission #160468 verified by the BLM Well Information System For CHESAPEAKE AGENT FOR CHEVRON, sent to the Carlsbad Committed to AFMS for processing by KURT SIMMONS on 11/16/2012 () Name (Printed/Typed) ERIN CARSON Title AUTHORIZED REPRESENTATIVE Signature (Electronic Submission) Date 11/15/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By Title Date Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

CONDITIONS OF APPROVAL

Sundry EC # 160258 ~~468~~

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| OPERATOR'S NAME: | Chesapeake |
| LEASE NO.: | LC063079A |
| WELL NAME & NO.: | 1H PLU Phantom Banks 25 25 30 USA |
| SURFACE HOLE FOOTAGE: | 150' FSL & 2280' FWL |
| BOTTOM HOLE FOOTAGE | 100' FNL & 1980' FWL |
| LOCATION: | Section 25, T.25 S., R.30 E., NMPM |
| COUNTY: | Eddy County, New Mexico |

The following COA applies:

Pilot hole is required to have a plug at the bottom of the hole. If two plugs are set, the BLM is to be contacted (575-361-2822) prior to tag of bottom plug, which shall be Class H and a minimum of 200' in length. Operator can set one Class H plug from bottom of pilot hole to kick-off point and save the WOC time for tagging the first plug.