

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT **OCD-ARTESIA**

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator **CHESAPEAKE OPERATING, INC** ATTN: LINDA GOOD

3a. Address
P.O. BOX 18496, OKLAHOMA CITY, OK 73154-0496

3b. Phone No. (include area code)
405-767-~~4500~~

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1950 FNL 1980 FEL, SEC 19-24S-29E

MAY 25 2006

RECEIVED

5. Lease Serial No.
NMNM 17224

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
QUEEN LAKE 19 FEDERAL 1

9. API Well No.
30-015-24292

10. Field and Pool, or Exploratory Area
PIERCE CROSSING

11. County or Parish, State
EDDY COUNTY, NM

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

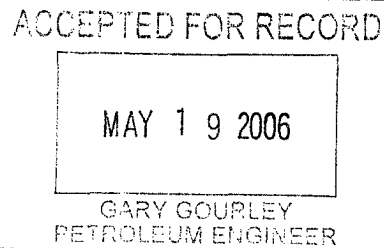
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Sundry Notice is being filed to bring well records up to date per the attached workover report.

BLM NATIONWIDE BOND #NM2634.

(CHK PN 891238)



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

LINDA GOOD

Title **PERMITTING AGENT**

Signature

Linda Good

Date

05/16/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

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.

(Instructions on page 2)

Queen Lake 19 Fed. #1
Section 19, T24S, R29E
Eddy County, NM
Daily Workover Report

07/26/99 MIRU

Move in and rig up Paloma Blanca Well Service pulling unit. ITP 1040 psi, ICP 1040 psi. Bled down tubing and POH w/ rods and found body break on the 220th rod (3/4"), rods were coated with paraffin. RIH with fishing tool and tried unsuccessfully to latch on to fish. Start blowing casing down to tanks and SDFN and to let paraffin warm up.

Estimated Cumulative cost \$1,796

07/27/99 LD RODS

Casing blew gas all night long. Latch on to fish and POH laying down rods. Casing blew gas to the tanks all day at a rate of approximately 100 mcf/d slugging oil periodically. Pumped 40 bbls of hot oil down tubing to clean paraffin and followed with 260 bbls 2% KCl water to try and kill well. After pumping water, the tubing was on a vacuum and the casing was still flowing oil and gas. Left backside flowing to tanks and SDFN.

Estimated Cumulative cost \$6,192

07/28/99 TEST TUBING OOH

ITP 0 psi, ICP 0 psi. ND well head and NU BOP. MIRU Scanalog services and test tubing out of hole. 191 joints tested yellow or blue band (good) and 54 joints tested green (line pipe grade). RDMO Scannalog and SDFN.

Estimated Cumulative cost \$11,564

07/29/99 CEMENT EVALUATION

ICP 0 psi. Double R Pipe delivered approximately 700' of 2 7/8" L-80 tubing to location. RIH w/ 7" RBP and set at 6680'. Pump 130 bbls 2% KCl water and 3 sx sand. POH w/ tubing. MIRU Schlumberger and run Cement evaluation log (Ultrasonic Imager, Gamma Ray, CCL). RDMO Schlumberger. Shut down to evaluate logs and design squeeze job.

Estimated Cumulative cost \$18,159

07/30/99

LOG INTERPRETATION

Analysis of the Ultrasonic Imager Log indicates good to fair cement below 6510' and poor cement from 6510' to 6054' with possible zones of isolation at each casing collar. There is a bridge of good cement from 6054' to 6000'. The log also indicates gas behind pipe roughly adjacent to each original zone to be tested.

The possible zones of isolation at each collar may prohibit a successful squeeze job but may also be beneficial to a successful completion without a squeeze. After a meeting with Schlumberger and BJ Services we plan to perforate two holes at 6420' Monday morning. We then plan to pump KCl water into the perforations while running a Radioactive Tracer/Temperature log.

If the tracer indicates no upward fluid movement behind pipe, it will be assumed that there is good isolation between the expected pay zone and the suspected water zone above 6300' and we will attempt to complete the well in the lower zone from 6500' to 6514'.

If the tracer shows upward movement of fluid behind pipe, the holes will be squeezed with cement and drilled out before a completion is attempted.

Estimated Cumulative cost \$18,559

08/2/99

CEMENT EVALUATION

Pump 40 bbls 2% KCl water to load casing. MIRU Gray Wireline and perforate 2 holes at 6420'. RIH w/ packer and tubing, set packer at 6100'. Start pumping 2% KCl water down tubing. Formation broke down at 2750 psi at .3 bbls per minute. Ran Radioactive Tracer and temperature log. During tracer test the formation took .3 bbls per minute starting at 2700 psi with pressure dropping to 2175 psi at end of pump in period (approximately one hour and 20 bbls). After the pump in tracer survey a pumping temperature gradient was taken then the well was shut in for a one hour, finally a static temperature gradient was run. RA tracer and temperature surveys both indicate no upward channeling behind pipe. Both surveys indicated that fluid was being pumped into the formation at 6420' with some fluid channeling down to 6450'. RDMO Gray Wireline. Unset packer and start out of hole with tubing.

Estimated Cumulative cost \$24,504

08/3/99

PERFORATE AND ACIDIZE

MIRU Schlumberger Well Service, perforate 6503 to 6513, 4 spf. RDMO Schlumberger. RIH w/ packer to 6513'. MIRU BJ Services and spot 2 bbls 7 1/2% acid. Pull packer up and set at 6325'. Acidize well with 1500 gallons of 7 1/2% NEFE acid.

Breakdown pressure 1600 psi
Average treating pressure 1400 psi @ 4 bpm
~~ISDP 750 psi, 5 min SIP 690 psi, 10 min SIP 676 psi, 15 min SIP 669 psi~~
Total Load 76 bbls

Start flowing well back at 3:00 PM. Well flowed back 35 bbls flush water and was still flowing approximately 5 barrels per hour at 7:00 PM. Choked well back and left flowing to tanks. SDFN.

Estimated Cumulative cost \$32,217

08/4/99

FRACK

The well flowed approximately 7.5 bbls of fluid to tanks overnight. This morning the well was still flowing fluid and kicking some burnable gas. Made 3 swab runs to swab fluid down to 5000' from surface, each swab run had a show of oil at the first of the run. MIRU BJ services and frack well as follows:

10,000 gallon Medallion 3000 pad
Sand concentrations were ramped from 1 ppg to 6 ppg.
Finished off with 15,000 lb of rosin coated 16/30 sand, followed with flush

Average treating pressure 2450 psi @ 18.5 bpm

~~ISDP-764, 5 min SIP-703, 10 min SIP-691, 15 min SIP-682~~

Total job was 28,049 gallons of gel and 66,500 lbs 16/20 sand

Total load to recover 669 bbls.

Shut in well overnight, we will flow and swab load tomorrow.

Estimated Cumulative cost \$53,363

08/5/99

FLOW BACK

Opened well at 5:45 am. The well flowed back strongly and after 15 minutes there was a good show of gas and a trace of sand. By 8:30, the well had flowed 247 bbls of fluid, the gas diminished and no more sand was noticed. Also at 8:30 and for the rest of the day there was a skim of oil on each sample pulled. From 8:30am to 11:30 am, the well flowed 52 barrels of load with the same skim of oil. From 11:30 am to 5:30 pm the well flowed at a constant rate of 9.1 bbls per hour with no increase in oil. From 5:30 to 7:00 the well flowed at an average rate of 6 bbls per hour. At 7:00 pm the well was choked back and left flowing to the tanks.

Total Load	669 bbls
Load Recovered	<u>369 bbls</u>
Load left to recover	300 bbls

Estimated Cumulative cost \$55,613

08/6/99

SWAB WELL

The well flowed 39 bbls of fluid overnight. Started swabbing the well @ 9:30 am. Swabbed 158 bbls of fluid from 9:30 am to 7:45 pm. Fluid level stayed static at 500 to 700' from surface. At 4:00 the fluid started cutting 2-3" green oil. At 7:45 pm, the gas increased and the well started flowing. Final oil cut 25 to 30%. Installed 1/4" positive choke and left flowing to tanks. SDFN

Total Load	669 bbls
Load Recovered Thursday	-369 bbls

Load Recovered Friday	-197 bbls
Load left to recover	103 bbls

Estimated Cumulative cost	\$57,713
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08/7/99 SWAB WELL

The well flowed 27 bbls of fluid overnight. Started swabbing at 8:30 am, IFL 500' fs. The well kicked off at 10:30 am and flowed all day. Swabbed and flowed 181 bbls of fluid from 8:30 am to 4:30 pm. Final oil cut 20-25% Choked well back to 3/4" choke and left the well flowing to tanks. SDFN

Total Load	669 bbls
Load Recovered Thursday	-369 bbls
Load Recovered Friday	-197 bbls
Load Recovered Friday	-208 bbls
Less est. oil recovery (20%)	+42 bbls
Excess fluid recovered over load	63 bbls

Estimated Cumulative cost	\$57,713
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08/8/99 Shut In

The well flowed approximately 3 bbls then died. We plan to start operations to put the well on pump Monday morning.

Estimated Cumulative cost	\$57,713
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08/9/99 PREPARE TO PUT ON PUMP

Unset packer and the backside started flowing water, wait 2 1/2 hrs for the flow to stop. RIH to 6550' and found rathole clear. POH w/ Pkr. RIH w/ open ended mud anchor, 3' Perforated Sub, Seating Nipple, 20 jts tubing, Tubing Anchor and 207 jts 2 7/8" N and L 80 tubing. Seating nipple is set at 6541'. ND BOP and NU Wellhead. SDFN

Estimated Cumulative cost	\$66,946
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08/10/99 START PUMPING WELL

The well flowed slowly out the tubing and casing all day long. RIH w/ 2 ½" x 1 ¾" x 16' x 20' RHBC pump, 4 K-Bars, and an API 76 D grade rod string, (had to make up approximately half of the rods which did not pass ICO inspection) NOTE: approximately 20 rods in the top of the string are High Strength rods and require special rod wrenches. Hung rods on to American 320-256-100 pumping unit set on the 87" stroke. Started the well pumping at 8/5 spm @ 6:00 pm.

Estimated Cumulative cost \$75,696

08/11/99

The engine died at approximately 8:30 pm, yesterday. We are working on the engine today.

PRIMEKO
OPERATING, INC.

POST OFFICE BOX 1433
ROSWELL, NEW MEXICO 88202
(505) 622-1001 FAX (505) 625-0227

Queen Lake 19 Fed. #1
Section 19, T24S, R29E
Eddy County, NM
Daily Workover Report

08/8/99 Shut In

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Estimated Cumulative cost \$75,696

08/11/99 The engine died at approximately 8:30 pm, yesterday. We are working on the engine today.

08/12/99 The well pumped 50 bbls of water overnight. This morning the engine was running but the pump was not pumping. Pressured up tubing with kill truck but pump would still not pump, it is suspected that the pump is filled with sand. Un-seat pump then re-seat. The well started pumping again at 10:30 am. Watched well for one hour then left pumping to tanks.