

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N French Dr, Hobbs, NM 88240 District II 1301 W Grand Avenue, 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-105 Revised June 10, 2003 WELL API NO. 30-015-35708 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No.
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WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ b. Type of Completion. NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. WELL OVER BACK RESVR. <input type="checkbox"/> OTHER _____ 2. Name of Operator Chesapeake Operating Inc. 3. Address of Operator 2010 Rankin Hwy Midland, TX 79701 4. Well Location Unit Letter A : 760 Feet From The NORTH Line and 760 Feet From The EAST Line Section 21 Township 25S Range 27E NMPM EDDY County _____ 10. Date Spudded 09/07/2007 11. Date T.D. Reached 12/03/2007 12. Date Compl (Ready to Prod) 01/31/2008 13. Elevations (DF& RKB, RT, GR, etc.) 3112 GR 14. Elev Casinghead _____ 15 Total Depth 12510 16 Plug Back T D 12424 17 If Multiple Compl How Many Zones? _____ 18 Intervals Drilled By 0-12510 Rotary Tools R Cable Tools _____ 19 Producing Interval(s), of this completion - Top, Bottom, Name 11643-11794 ATOKA 20. Was Directional Survey Made NO 21 Type Electric and Other Logs Run ATTACHED 22 Was Well Cored NO	7 Lease Name or Unit Agreement Name BEGGS 21 STATE COM 8. Well No. 1 9. Pool name or Wildcat WATERHOLE CORRAL; ATOKA 97495
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FEB 26 2008
OCD-ARTESIA

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
20	94	375	26	885 HAL LITE	
13 3/8	54.5	2100	17 1/2	1840 CL C	
9 5/8	46	9050	12 1/4	1050 POZ PREM +	
4 1/2	13.5	12510	7.125	200 CL H	

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

26 Perforation record (interval, size, and number)
ATOKA 11643-11794 4 SPF

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2 3/8	11636	11636

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
11643-11794	5000 GAL MORROW ACID W/115
	BALL SEALERS

28. PRODUCTION

Date First Production 01/31/2008	Production Method (Flowing, gas lift, pumping - Size and type pump) FLOWING	Well Status (Prod or Shut-in) PRODUCING
Date of Test 02/03/2008	Hours Tested 24	Choke Size 19/64
Prod'n For Test Period	Oil - Bbl 0	Gas - MCF 2360
Water - Bbl. 0	Gas - Oil Ratio	
Flow Tubing Press 1200	Casing Pressure 656	Calculated 24-Hour Rate 0
Oil - Bbl 0	Gas - MCF 2360	Water - Bbl. 0
Oil Gravity - API - (Corr)	0	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) **SOLD**

30 List Attachments
C-102, LOGS, INCLINATION REPORT

31 I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature
 E-mail Address **sstricklin@chkenergy.com**

Printed Name **Shay Stricklin**
 Title **Regulatory Tech.**

Date **02/22/2008**

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn "B"
T. Salt	T. Strawn 10887	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka 11232	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinebry	T. Gr. Wash	T. Morrison	T.
T. Tubb	T. Delaware Sand	T. Todilto	T.
T. Drinkard	T. Bone Springs 6606	T. Entrada	T.
T. Abo	T. Lamar 2140	T. Wingate	T.
T. Wolfcamp 8776	T. Bell Canyon 2183	T. Chinle	T.
T. Penn	T. Cherry Canyon 2987	T. Permian	T.
T. Cisco (Bough 10535)	T. Morrow 11828	T. Penn "A"	T.

10535 Barnett 12428

OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....
 No. 2, from.....to..... No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
2100	5708	3608	Sand, Sh w/Anhy&Limestone				
5708	7872	2164	Limestone & Sh w/SD				
7872	10035	2163	Limestone & Sh w/SD				
10035	11613	1578	Limestone & Sh w/Chert&SD				
11613	12428	815	Limestone, Sd & SH				
12428	TD		Sh w/Limestone				

INCLINATION REPORT

FIELD NAME WATERHOLE CORRAL; ATOKA	LEASE NAME Beggs 25 State #1
OPERATOR Chesapeake Operating Inc.	
ADDRESS 2010 Rankin Highway, Midland, TX 79701	
LOCATION (Section, Block, and Survey) SEC 21-T25S-R27E	County EDDY

RECORD OF INCLINATION

Measured Depth (feet)	Course Length (Hundreds of feet)	Angle of Inclination (Degrees)	Displacement per 100 feet (Sine of Angle x 100)	Course Displacement (Feet)	Accumulative Displacement (Feet)
245	245	0.75	1.31	3.21	3.21
823	578	1.00	1.75	10.09	13.29
1,665	842	1.25	2.18	18.37	31.66
2,606	941	1.25	2.18	20.53	52.19
3,108	502	0.75	1.31	6.57	58.76
3,698	590	0.25	0.44	2.57	61.34
4,199	501	0.50	0.87	4.37	65.71
5,179	980	1.75	3.05	29.93	95.64
5,972	793	1.00	1.75	13.84	109.48
6,859	887	1.25	2.18	19.35	128.83
7,740	881	1.75	3.05	26.90	155.73
8,740	1,000	0.75	1.31	13.09	168.82
9,497	757	0.50	0.87	6.61	175.43
10,000	503	0.25	0.44	2.19	177.62
10,500	500	0.50	0.87	4.36	181.98
11,100	600	1.00	1.75	10.47	192.45
11,625	525	1.00	1.75	9.16	201.62

Accumulative total displacement of well bore at total depth of
 Inclination measurements were made in ☐ Tubing

11,625 feet = 201.62 feet

☐ Casing

☐ Open Hole

☒ Drill Pipe

Inclination Data Certification

I declare that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge.



Signature of Authorized Representative Date

Mark Cochran CFO

Name of Person and Title

Latshaw Drilling Company, LLC

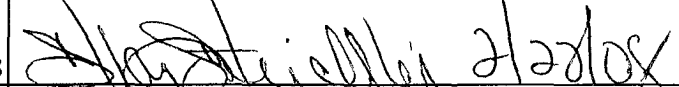
Name of Company

Telephone: 918-355-4380

2/14/08

Inclination Data Certification

I declare that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge.



Signature of Authorized Representative Date

Shay Stricklin Regulatory Tech.

Name of Person and Title

Chesapeake Operating Inc.

Operator

Telephone: 432-687-2992

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-35708		¹ Pool Code 97945		¹ Pool Name WATERHOLE CORRAL; ATOKA	
⁴ Property Code 36609		¹ Property Name BEGGS 21 STATE COM			¹ Well Number 1
¹ OGRID No. 147179		¹ Operator Name Chesapeake Operating Inc.			¹ Elevation 3112 GR

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	21	25S	27E		760	NORTH	760	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	21	25S	27E		760	NORTH	760	EAST	EDDY
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16					¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.	
					Signature: <i>[Signature]</i> Date: 02/22/2008	
					Printed Name: Shay Stricklin	
					¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	
					Date of Survey: _____ Signature and Seal of Professional Surveyor: _____	
					Certificate Number: _____	

HALLIBURTON

BOREHOLE COMPENSATED ARRAY SONIC

COMPANY CHESAPEAKE OPERATING, INC
WELL BEGGS 21 STATE COM No. 1
FIELD WILDCAT; MISSISSIPPIAN
COUNTY EDDY
STATE NEW MEXICO

COMPANY CHESAPEAKE OPERATING, INC

WELL BEGGS 21 STATE COM No. 1

FIELD WILDCAT; MISSISSIPPIAN

COUNTY EDDY STATE NEW MEXICO

API No 30-015-35708

Location 760' FNL AND 760' FEL

Other Services:
CSNG/DSN/SDL
DLL/MGRD
XRMI

Sect. 21 Twp. 25S Rge. 27E

Permanent Datum	GROUND LEVEL	Elev. 3112.0 ft	Elev : K.B.	3134.0 ft
Log measured from	KELLY BUSHING	22.0 ft above perm. Datum	D.F.	3133.0 ft
Drilling measured from	KELLY BUSHING		G.L.	3112.0 ft

Date	03-Dec-07 14:15			
Run No.	THREE			
Depth - Driller	12510.0 ft			
Depth - Logger	12515.0 ft			
Bottom - Logged Interval	12465.0 ft			
Top - Logged Interval	11151.0 ft			
Casing - Driller	7.000 in	@ 11150.0 ft	@	@
Casing - Logger	11151.0 ft			
Bit Size	6.125 in		@	@
Type Fluid in Hole	SALT GEL			
Density	Viscosity	10.0 ppg	34.00 s/qt	
PH	Fluid Loss	11.00 pH	6.0 cpm	
Source of Sample	FLOWLINE			
Rm @ Meas. Temperature	0.07 ohmm	@ 75.00 degF	@	@
Rmf @ Meas. Temperature	0.05 ohmm	@ 75.00 degF	@	@
Rmc @ Meas. Temperature	0.09 ohmm	@ 75.00 degF	@	@
Source Rmf	Rmc	MEAS.	MEAS.	
Rm @ BHT	0.03 ohmm	@ 195.0 degF	@	@
Time Since Circulation	7.0 hr			
Time on Bottom	03-Dec-07 16:00			
Max Rec. Temperature	195.0 degF	@ 12515.0 ft	@	@
Equipment	Location	10945798	HOBBS, NM	
Recorded By	CARLOS MERCADO			
Witnessed By	LARRY WILLIAMSON	ROBERT MARTIN		

HALLIBURTON

SPECTRAL DENSITY DUAL SPACED NEUTRON SPECTRAL GAMMA RAY

COMPANY CHESAPEAKE OPERATING, INC

WELL BEGGS 21 STATE COM No. 1

FIELD WILDCAT; MISSISSIPPIAN

COUNTY EDDY

STATE NEW MEXICO

COMPANY CHESAPEAKE OPERATING, INC

WELL BEGGS 21 STATE COM No. 1

FIELD WILDCAT; MISSISSIPPIAN

COUNTY EDDY STATE NEW MEXICO

API No. 30-015-35708

Location 760' FNL AND 760' FEL

Other Services:

DLL/MGRD

BCAS

XRMI

Sect. 21 Twp. 25S Rge. 27E

Permanent Datum	GROUND LEVEL	Elev. 3112.0 ft	Elev.: K.B.	3134.0 ft
Log measured from	KELLY BUSHING	220 ft above perm. Datum	D.F.	3133.0 ft
Drilling measured from	KELLY BUSHING		G.L.	3112.0 ft
Date	03-Dec-07 14:15			
Run No.	THREE			
Depth - Driller	12510.0 ft			
Depth - Logger	12515.0 ft			
Bottom - Logged Interval	12455.0 ft			
Top - Logged Interval	11151.0 ft			
Casing - Driller	7.000 in @ 11150.0 ft	@	@	
Casing - Logger	11151.0 ft			
Bit Size	6 1/2 in	@	@	
Type Fluid in Hole	SALT GEL			
Density	10.0 ppg	34.00 s/qt		
PH	11.00 pH	6.0 cpm		
Source of Sample	FLOWLINE			
Rm @ Meas. Temperature	0.07 ohmm @ 75.00 degF	@	@	
Rmf @ Meas. Temperature	0.05 ohmm @ 75.00 degF	@	@	
Rmc @ Meas. Temperature	0.09 ohmm @ 75.00 degF	@	@	
Source Rmf	MEAS.	MEAS		
Rm @ BHT	0.03 ohmm @ 195.0 degF	@	@	
Time Since Circulation	7.0 hr			
Time on Bottom	03-Dec-07 16:00			
Max. Rec. Temperature	195.0 degF @ 12515.0 ft	@	@	
Equipment	10945798	HOBBS, NM		
Recorded By	CARLOS MERCADO			
Witnessed By	LARRY WILLIAMSON	ROBERT MARTIN		

HALLIBURTON

DUAL LATEROLOG MICROGUARD

COMPANY CHESAPEAKE OPERATING, INC		WELL BEGGS 21 STATE COM No. 1		FIELD WILDCAT; MISSISSIPPIAN		COUNTY EDDY		STATE NEW MEXICO	
API No. 30-015-35708		Location 760' FNL AND 760' FEL		Other Services: CSNG/DSN/SDL BCAS XRMI					
Sect. 21		Twp. 25S		Rge. 27E					
Permanent Datum		GROUND LEVEL		Elev. 3112.0 ft		Elev.: K.B.		3134.0 ft	
Log measured from		KELLY BUSHING		22.0 ft above perm. Datum		D.F.		3133.0 ft	
Drilling measured from		KELLY BUSHING				G.L.		3112.0 ft	
Date		03-Dec-07 14:15							
Run No.		THREE							
Depth - Driller		12510.0 ft							
Depth - Logger		12515.0 ft							
Bottom - Logged Interval		12505.0 ft							
Top - Logged Interval		11151.0 ft							
Casing - Driller		7.000 in @ 11150.0 ft		@		@			
Casing - Logger		11151.0 ft							
Bit Size		6.125 in		@		@			
Type Fluid in Hole		SALT GEL							
Density	Viscosity	10.0 ppg	34.00 s/qt						
PH	Fluid Loss	11.00 pH	6.0 cpm						
Source of Sample		FLOWLINE							
Rm @ Meas. Temperature		0.07 ohmm @ 75.00 degF		@		@			
Rmf @ Meas. Temperature		0.05 ohmm @ 75.00 degF		@		@			
Rmc @ Meas. Temperature		0.09 ohmm @ 75.00 degF		@		@			
Source Rmf	Rmc	MEAS.	MEAS.						
Rm @ BHT		0.03 ohmm @ 195.0 degF		@		@			
Time Since Circulation		7.0 hr							
Time on Bottom		03-Dec-07 16:00							
Max. Rec. Temperature		195.0 degF @ 12515.0 ft		@		@			
Equipment	Location	10945798	HO8BS, NM						
Recorded By		CARLOS MERCADO							
Witnessed By		LARRY WILLIAMSON		ROBERT MARTIN					

HALLIBURTON

BOREHOLE VOLUME PLOT

COMPANY CHESAPEAKE OPERATING, INC

WELL BEGGS 21 STATE COM No. 1

FIELD WILDCAT; MISSISSIPPIAN

COUNTY EDDY

STATE NEW MEXICO

COMPANY CHESAPEAKE OPERATING, INC

WELL BEGGS 21 STATE COM No. 1

FIELD WILDCAT; MISSISSIPPIAN

COUNTY EDDY

STATE NEW MEXICO

API No. 30-015-35708

Location 760' FNL AND 760' FEL

Other Services:
CSNG/DSN/SDL
DLL/MGRD
BCAS
ZRFI

Sect. 21 Twp. 25S Rge. 27E

Permanent Datum	GROUND LEVEL		Elev 3112.0 ft	Elev. K.B.	3134.0 ft
Log measured from	KELLY BUSHING		22.0 ft above perm. Datum	D.F.	3133.0 ft
Drilling measured from	KELLY BUSHING			G.L.	3112.0 ft
Date	03-Dec-07 14:15				
Run No.	THREE				
Depth - Driller	12510.0 ft				
Depth - Logger	12515.0 ft				
Bottom - Logged Interval	12505.0 ft				
Top - Logged Interval	11151.0 ft				
Casing - Driller	7 000 in	@ 11150.0 ft	@		@
Casing - Logger	11151.0 ft				
Bit Size	6 125 in		@		@
Type Fluid in Hole	SALT GEL				
Density	Viscosity	10.0 ppg	34.00 s/qt		
pH	Fluid Loss	11.00 pH	6.0 cpm		
Source of Sample	FLOWLINE				
Rm @ Meas. Temperature	0.07 ohmm	@ 75.00 degF	@		@
Rmf @ Meas. Temperature	0.05 ohmm	@ 75.00 degF	@		@
Rmc @ Meas. Temperature	0.09 ohmm	@ 75.00 degF	@		@
Source Rmf	Rmc	MEAS.	MEAS.		
Rm @ BHT	0.03 ohmm	@ 195.0 degF	@		@
Time Since Circulation	7.0 hr				
Time on Bottom	03-Dec-07 16.00				
Max. Rec. Temperature	195.0 degF	@ 12515.0 ft	@		@
Equipment	Location	10945798	HOBBS, NM		
Recorded By	CARLOS MERCADO				
Witnessed By	LARRY WILLIAMSON	ROBERT MARTIN			