

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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.

MAY 15 2008

OCD-ARTESIA

5. Lease Serial No.
NMNM70895

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other8. Well Name and No.
LOTOS B FED 1

2. Name of Operator

CHESAPEAKE OPERATING, INC.

Contact: GABE M SEELEY

E-Mail: gabe.seeley@chk.com

9. API Well No.

30-015-26395-00-S1

3a. Address

OKLAHOMA CITY, OK 73154-0496

3b. Phone No. (include area code)

Ph: 405-879-7562

Fx: 405-879-7908

10. Field and Pool, or Exploratory
S SAND DUNES

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 10 T24S R31E NESW 1980FSL 1980FWL

11. County or Parish, and 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 checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Site Facility Diagram/Security Plan |
| | <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 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.)

PLEASE FIND THE ATTACHED DIAGRAM FOR LOTOS B FEDERAL 1.

(CHK PN 890484).

Accepted for Record Purposes.
Approval Subject to Onsite Inspections.Date: 5/12/08

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #60167 verified by the BLM Well Information System
For CHESAPEAKE OPERATING, INC., sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 05/08/2008 (08KMS1669SE)**

Name (Printed/Typed) GABE M SEELEY

Title REGULATORY COMPLIANCE TECH

Signature (Electronic Submission)

Date 05/07/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

ACCEPTED

DUNCAN WHITLOCK

Title LEAD PETROLEUM ENGINEERING TECH

Date 05/12/2008

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 Carlsbad

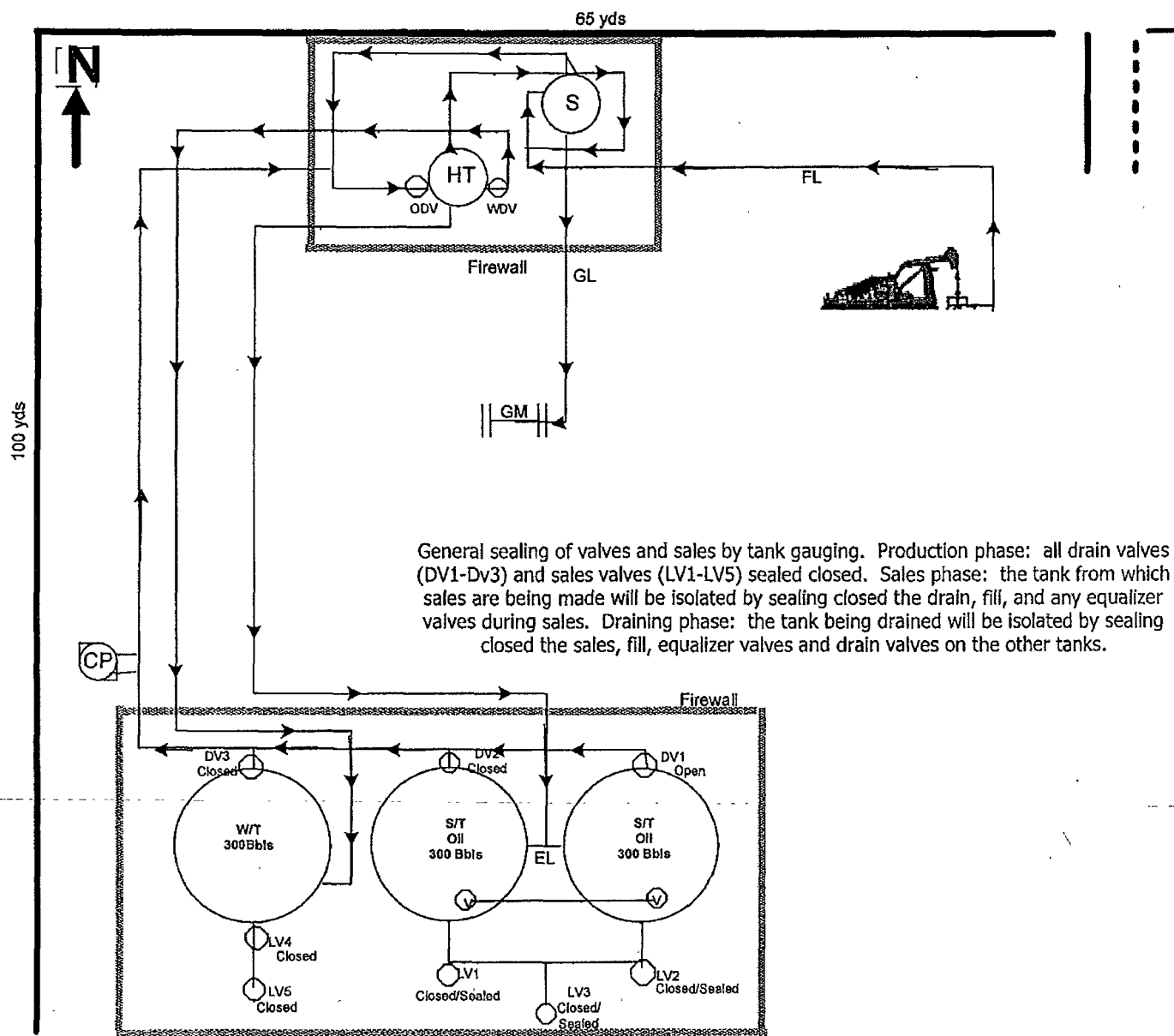
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ******FOR RECORDS ONLY**

CHESAPEAKE OPERATING, INC.

CHK Name & Number: LOTOS B FEDERAL 1 890484
 API number: 30-015-26395
 County: EDDY
 State: NM
 Field: SAND DUNES SOUTH
 Qtr Qtr Calls: NESW
 Sec/Twnshp/Rng: 10-24S-31E
 Number of Acres: 320

Regulatory Agency: BLM
 Lease Sign Type: APD WELL
 CA#: 100% BLM LEASE
 APD Lease #: NMNM 70895
 Federal/Indian: FEDERAL
 Last Violation: UNKNOWN
 District: PERMIAN NORTH
 Field Office: Hobbs



Direction of Flow off Site: SE

LOTOS B FEDERAL 1_890484

This lease is subject to
 Chesapeake's Site Security Plan
 located at 6100 N Western
 Oklahoma City, OK 73118

Prepared by: Debbie Hernandez
 Date: 10-17-07

Approved by:
 Date: