

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

AUG 19 2008

FORM 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.*5. Lease Serial No.
NMNM025503

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM88499X8. Well Name and No.
BENSON SHUGART 89. API Well No.
30-015-23073-00-S110. Field and Pool, or Exploratory
SHUGART11. 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 OPERATING, INC.

Contact: LINDA GOOD

E-Mail: linda.good@chk.com

3a. Address

OKLAHOMA CITY, OK 73154-0496

3b. Phone No. (include area code)

Ph: 405-767-4275

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

Sec 35 T18S R30E NENE 330FNL 990FEL

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☒ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recompletion 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 OPERATING, INC. PLANS TO PLUG THIS WELL. PLUGGING PROCEDURES ARE ATTACHED ALONG WITH A WELL BORE SCHEMATIC DIAGRAM.

BLM NATIONWIDE BOND NM2634.

ACCEPTED FOR RECORD

(CHK PN 890867)

AUG 19 2008

SEE ATTACHED FOR**CONDITIONS OF APPROVAL**

Gerry Guye, Deputy Field Inspector

NMOCD-District II, ARTESIA

APPROVED

AUG 16 2008

JAMES A. AMOS
SUPERVISOR-EPS

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

Electronic Submission #62345 verified by the BLM Well Information System
For CHESAPEAKE OPERATING, INC., sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 08/15/2008 (08KMS2458SE)

Name (Printed/Typed) LINDA GOOD

Title REGULATORY COMPLIANCE SPEC.

Signature (Electronic Submission)

Date 08/15/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JAMES A AMOS

Title SUPERVISOR EPS

Date 08/16/2008

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 ****



**Benson Shugart WFU 8
P&A Procedure
Eddy County, New Mexico**

Current Wellbore Information:

Location: 330' FNL & 990' FEL Sec. 35-T18S-R30E

Prod. Casing: 5-1/2", 14# 0-3,611', ID-5.012", Drift-4.887", Burst-3,110 psi

Tubing: 2-3/8", plastic coated tubing with injection packer set at 3,100'

PBTD/TD: 3,584' / 3,611'

Existing Perfs:

1,935' – 2,071'	Seven Rivers (squeezed)
2,144' – 2,187'	Seven Rivers (squeezed)
2,243' – 2,320'	Seven Rivers (squeezed)
3,012' – 3,018'	Queen (squeezed)
3,156' – 3,177'	Queen
3,226' – 3,233'	Queen
3,426' – 3,433'	Grayburg
3,476' – 3,479'	Grayburg
3,484' – 3,499'	Grayburg
3,537' – 3,554'	Grayburg

Procedure

1. Notify the NMOCD 24 hrs in advance prior to commencing plug and abandonment operations.
2. Test anchors. MIRU workover rig, reverse unit and associated equipment. ND WH. NU BOP.
3. MIRU wireline unit. RIH with 1-1/4" sinker bar and tag for fill inside 2-3/8" injection tubing. In December, 2005 soft fill was tagged inside the tubing at a depth of ~1,550'. Once depth of fill is determined, run free point tool to determine where the tubing is free.
4. RIH with tubing cutter and cut tubing at depth of free pipe. POH with tools. RDMO wireline unit.
5. POH with 2-3/8" tubing, LD. RIH with wash pipe and wash over tubing fish. POH with tubing and packer once engaged and TOH.

NOTE: fishing operations can and will change from this procedure. The next steps will be taken once the tubing and packer have been removed from the hole.

6. RIH with wireline and set CIBP at 3,120', POH. RIH and dump bail 35' cement on top of CIBP set at 3,120', POH.

7. TIH with 2-3/8" tubing to top of cement on top of CIBP set at 3,120' and circulate hole with salt gel mud containing 9.5 pound brine and 12.5 lbs of gel per barrel.

Add. — Base of Salt Plug From 1680 - 1580 (25 sx min), WOC Tag.
8. PUH with 2-3/8" tubing and spot 25 sx plug with bottom at ~~741'~~ 751'. PUH to WOC. Tag cement to verify.

9. PUH and spot 10 sx cement at surface. 60' - surface.

10. ND BOP. Cut off casing 3' below ground level. Install dry hole marker.

11. RDMO workover rig, wireline truck and reverse unit. Restore location.



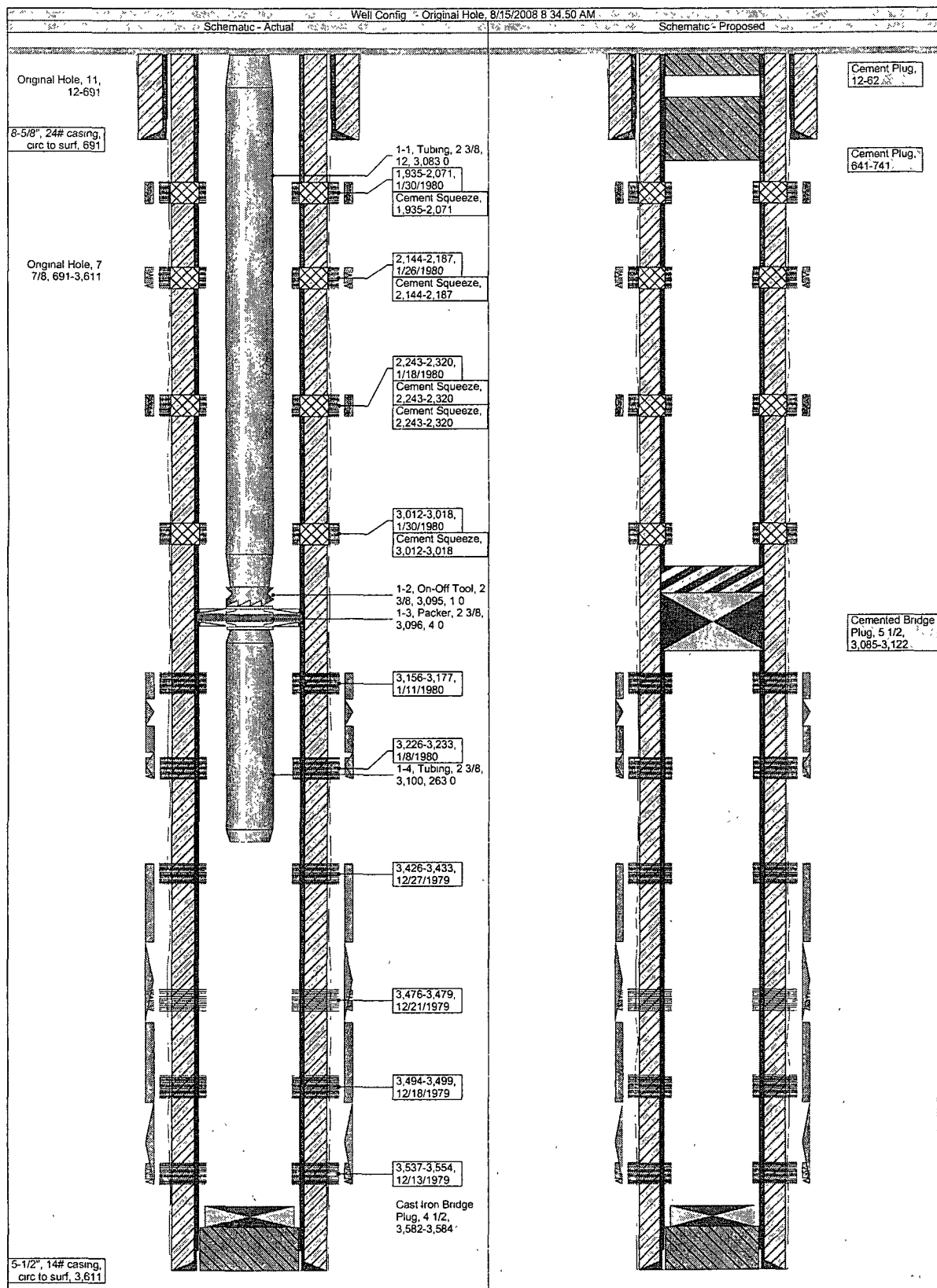
Proposal - Workover

BENSON SHUGART WFU 8

Field: SHUGART (YATES-SEVEN RIVERS-QUEEN-GRAYBURG)
County: EDDY
State: NEW MEXICO
Elevation: GL 3,429.00 KB 3,441.00
KB Height: 12.00

Location: SEC 35, 18S-30E, 330 FNL & 990 FEL

Spud Date: 11/29/1979
Initial Compl. Date:
API #: 3001523073
CHK Property #: 890867
1st Prod Date:
PBTD: Original Hole - 3584.0
TD: 3,611.0



**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Permanent Abandonment of Federal Wells
Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. **Dry Hole Marker:** All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. **Subsequent Plugging Reporting:** Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.