

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. **MAR 13 2009****SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. PLU PIERCE CANYON 17 FEDERAL 1
2. Name of Operator CHESAPEAKE OPERATING, INC. Contact: LINDA GOOD E-Mail: linda.good@chk.com		9. API Well No. 30-015-36635-00-X1
3a. Address OKLAHOMA CITY, OK 73154-0496	3b. Phone No. (include area code) Ph: 405-935-4275	10. Field and Pool, or Exploratory WILDCAT
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 17 T25S R30E SESE 350FSL 350FEL		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 checked="" 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 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	Drilling Operations
	<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.)

CHESAPEAKE, RESPECTFULLY, REQUESTS A VARIANCE TO THE APD TO NOT BE REQUIRED TO TIE BACK INTO THE INTERMEDIATE CASING. AN ULTRA SONIC IMAGING TOOL (USIT) WAS RAN AND SHOWS THE TOP OF CEMENT AT 4000'.

ATTACHED IS A COPY OF THE LOG.

(CHK PN 621390)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Electronic Submission #67070 verified by the BLM Well Information System For CHESAPEAKE OPERATING, INC., sent to the Carlsbad Committed to AFMSS for processing by CHERYLE RYAN on 02/06/2009 (09CMR0193SE)	
Name (Printed/Typed) LINDA GOOD	Title SR. REGULATORY COMPLIANCE SPEC
Signature (Electronic Submission)	Date 02/06/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By WESLEY INGRAM	Title PETROLEUM ENGINEER	2009 Date 03/11/2009
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 ****

**PLU Pierce Canyon 17 Federal 1H
30-015-36635
Chesapeake Operating, Inc.
March 11, 2009
Conditions of Approval**

Based on the bond log submitted, the better portion of the cement job is below 6000' with several marginal areas to 6300'. Below 6300', micro-annuli are still noted to a depth of approximately 7000'.

A review of the surrounding wells revealed that the Delaware formation in those wells has either been plugged or cased at a higher depth than the intermediate casing setting depth on this well. Therefore, the variance is granted with the following conditions.

- 1. Operator is to monitor the 5-1/2" x 9-5/8" annulus on a weekly basis and report pressure readings to the BLM on a quarterly basis. This will become BOPCO's responsibility when the well is released to them per the Designation of Agent.**
- 2. Any recompletions above 6200' will require that a squeeze job be performed on the zone of interest prior to any fracture or acidizing treatment.**
- 3. Operator may be required to do remedial cement work on this well at a future date if a secondary recovery program is initiated in the area.**

WWI 031109