

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Alameda, NM 88210
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUL + 1 2009

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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|---|
| 5. Lease Serial No. NMNM0477614 |
| 6. If Indian, Allottee or Tribe Name |
| 7. If Unit or CA/Agreement, Name and/or No. |
| 8. Well Name and No. MIDWEST FEDERAL 1 |
| 9. API Well No 30-005-60287-00-S1 |
| 10. Field and Pool, or Exploratory SAND RANCH-MORROW |
| 11. County or Parish, and State CHAVES COUNTY, NM |

| | |
|--|---|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | |
| 2. Name of Operator CHESAPEAKE OPERATING INC | |
| Contact. LINDA GOOD E-Mail: linda.good@chk.com | |
| 3a. Address 2010 RANKIN HWY MIDLAND, TX 79701 | 3b. Phone No. (include area code) Ph: 405-935-4275 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 23 T10S R29E SWSE 660FSL 1980FEL | |

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 type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input checked="" 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 recompleate 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 recompleation 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, PERMISSION TO RUN A MIT TO TEMPORARY ABANDONED THIS WELL. THE RUBICON SYSTEM THAT WAS USED TO DELIVER GAS CAN NO LONGER TAKE THE GAS. CURRENTLY CHESAPEAKE HAS NO OTHER TRANSPORTER OPTIONS TO DELIVER THE GAS. WE ARE CURRENTLY IN THE PROCESS OF EVALUATING OPTIONS FOR EITHER ANOTHER DELIVERY SYSTEM OR TO PLUG. PLEASE FIND THE PROCEDURE BELOW FOR RUNNING THE MIT TEST TO TA.

1. NOTIFY THE BLM 24 HOURS IN ADVANCE PRIOR TO PERFORMING MIT.
2. HOLD TAILGATE SAFETY MEETING PRIOR TO BEGINNING WORK EACH MORNING AND AS REQUIRED FOR SPECIFIC OPERATIONS.
3. RU PUMP TRUCK AND PUMP 2% KCL DOWN THE BACKSIDE OF THE CASING.

Accepted for record
NMOCD

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|---|--------------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #70829 verified by the BLM Well Information System For CHESAPEAKE OPERATING INC, sent to the Roswell Committed to AFMSS for processing by DAVID GLASS on 06/11/2009 (09DG0350SE) | |
| Name (Printed/Typed) LINDA GOOD | Title SR. REGULATORY COMPLIANCE SPEC |
| Signature (Electronic Submission) | Date 06/11/2009 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------------------------|-----------------|
| Approved By DAVID R GLASS | Title PETROLEUM ENGINEER | Date 06/29/2009 |
| 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 Roswell | | |

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 ****

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Revisions to Operator-Submitted EC Data for Sundry Notice #70829

| | Operator Submitted | BLM Revised (AFMSS) |
|--------------------------------|--|--|
| Sundry Type: | MIT NOI | TA NOI |
| Lease: | NMNM0477614 | NMNM0477614 |
| Agreement: | | |
| Operator: | CHESAPEAKE OPERATING, INC P.O. BOX 18496 OKLAHOMA CITY, OK 73154-0496 Ph. 405-935-4275 | CHESAPEAKE OPERATING INC 2010 RANKIN HWY MIDLAND, TX 79701 Ph. 432.687.2992 |
| Admin Contact: | LINDA GOOD SR. REGULATORY COMPLIANCE SPEC E-Mail: linda.good@chk.com Ph: 405-935-4275 | LINDA GOOD SR. REGULATORY COMPLIANCE SPEC E-Mail: linda.good@chk.com Ph: 405-935-4275 |
| Tech Contact: | LINDA GOOD SR. REGULATORY COMPLIANCE SPEC E-Mail: linda.good@chk.com Ph. 405-935-4275 | LINDA GOOD SR. REGULATORY COMPLIANCE SPEC E-Mail: linda.good@chk.com Ph. 405-935-4275 |
| Location: State: County: | NM CHAVES | NM CHAVES |
| Field/Pool: | SAND RANCH | SAND RANCH-MORROW |
| Well/Facility: | MIDWEST FEDERAL 1 Sec 23 T10S R29E SWSE 660FSL 1980FEL | MIDWEST FEDERAL 1 Sec 23 T10S R29E SWSE 660FSL 1980FEL |

BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
575-627-0272

Temporary Abandonment of Wells on Federal Lands
Conditions of Approval

A temporary abandoned well is defined as a completion that is not capable of production in paying quantities but may have value as a service well. Pursuant to 43 CFR 3162.3-4(c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
 - A. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging.
 - B. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leakoff.
 - C. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - D. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - E. Contact the BLM Roswell Field Office office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Chaves and Roosevelt County, call (575) 910-6024 or after office hours call (575) 627-0205.

Wells that successfully pass the casing integrity test will be approved for Temporary Abandonment (TA) status for a 12 month period provided by the operator.

1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval.
2. Attaches a clear copy of the original pressure test chart.
3. Provided justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.
4. Describes the temporary abandonment procedure.

The TA status could be extended without another casing integrity test provided there was no leak-off during the test and the test was witnessed by a BLM representative.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.

Ref: IM: NM-95-022 (12/16/1994)