

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.
30-015-33002

5. Indicate Type of Lease
STATE ☒ FEE ☐

State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER _____
b. Type of Completion:
NEW ☒ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF. ☐
WELL OVER BACK RESVR. ☐ OTHER _____

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7. Lease Name or Unit Agreement Name

Spruce State 10 state

2. Name of Operator
Chesapeake Operating, Inc.

OCD-ARTESA

8. Well No. 001

3. Address of Operator
P.O. Box 18496, Oklahoma City, OK 73154-0496

9. Pool name or Wildcat
Hoag Tank Morrow

4. Well Location
Unit Letter 0 : 1310 Feet From The South Line and 1980 Feet From The East Line
Section 10 Township 19S Range 23E NMPM Eddy County

10. Date Spudded 10/03/03	11. Date T.D. Reached 11/02/03	12. Date Compl. (Ready to Prod.) 01/20/04	13. Elevations (DF& RKB, RT, GR, etc.) GL: 3922'	14. Elev. Casinghead 3923'
15. Total Depth 8,407'	16. Plug Back T.D. 8,311'	17. If Multiple Compl. How Many Zones? NA	18. Intervals Drilled By 0-TD	Rotary Tools Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name
8002-8121' Morrow

20. Was Directional Survey Made
No

21. Type Electric and Other Logs Run
Dual Laterolog Microguard; SD, DSN, SG

22. Was Well Cored
No

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

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8	48#	313'	17-1/2"	350 Prem	
				160 HLP	
8-5/8	32#	1,933'	11"	330 Prem +	
				310 Interfill	
5-1/2	17#	8,406'	7-7/8"	1st Stg 350 Poz Prem 2nd Stg 550 Interfill	

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
None					2-3/8"	7956'	7956'

26. Perforation record (interval, size, and number)
8002-8121' 30 holes .42", 23 gram chg

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

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
8002-8121'	1500 gal 7.5% HCL, 35 ball sealers,
	65 bbl 7% KCL, 7000 gal Magnum Frac
	L-30 gel, 14,000 gal 63Q linear foam, 60370# mesh sand, 2705 gal Aquavis 30G linear foam

28. PRODUCTION

Date First Production 01/20/04		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing			Well Status (Prod. or Shut-in) Prod.		
Date of Test 01/26/04	Hours Tested 24	Choke Size 16/64"	Prod'n For Test Period	Oil - Bbl 0	Gas - MCF 755	Water - Bbl. 6.96	Gas - Oil Ratio NA
Flow Tubing Press. 760 psi	Casing Pressure pkr.	Calculated 24-Hour Rate	Oil - Bbl. 0	Gas - MCF 755	Water - Bbl. 6.96	Oil Gravity - API - (Corr.) NA	

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

Test Witnessed By

30. List Attachments
Sundry, Logs, Deviation Survey, Schematic

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 Andrew J. McCormick	Printed Name Andrew J. McCormick	Title Asset Manager	Date 02/04/04
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CURRENT WELLBORE SCHEMATIC

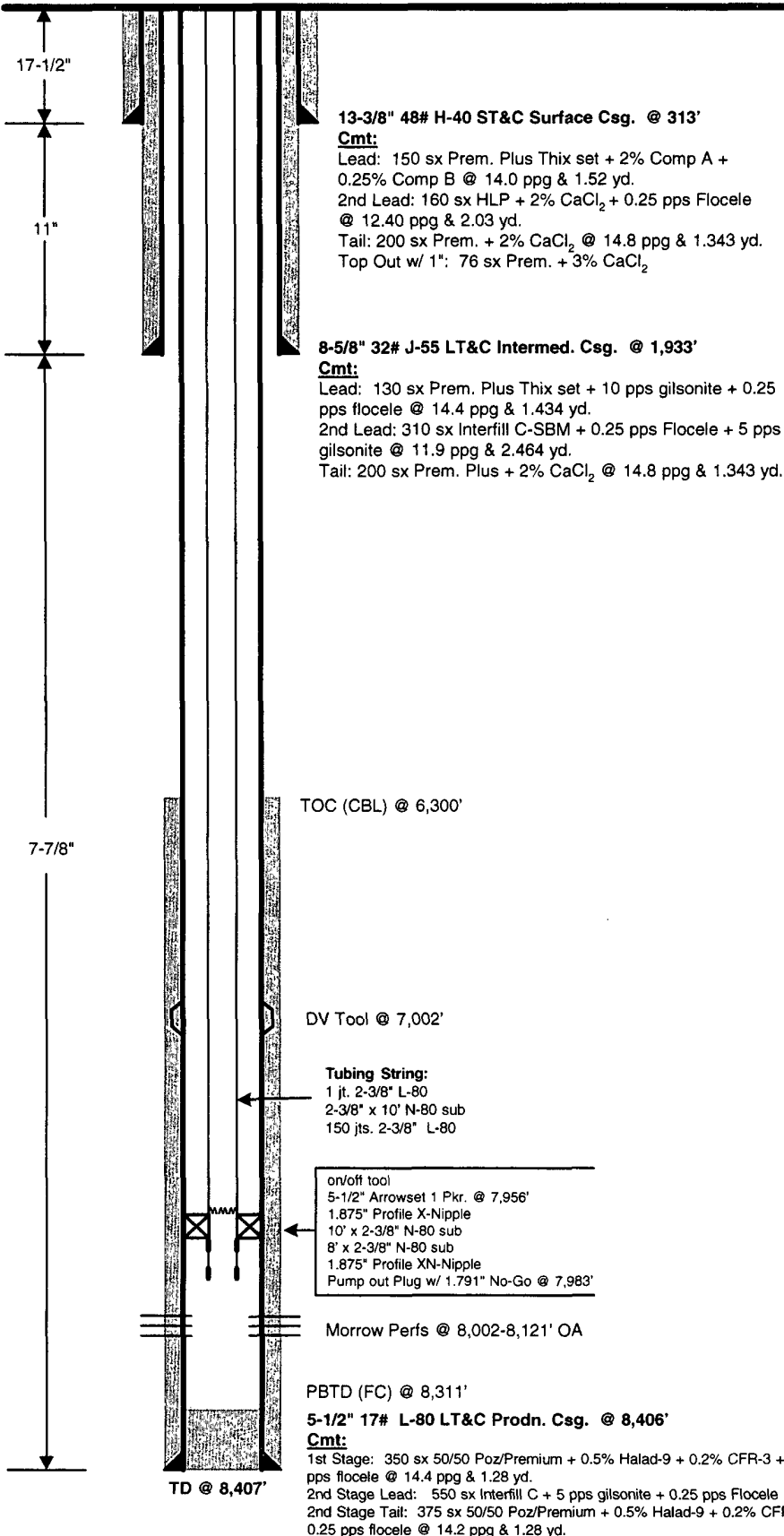
CHESAPEAKE OPERATING INC.

WELL : SPRUCE STATE 1-10
FIELD : SPRUCE PROSPECT
COUNTY : EDDY STATE : NM
LOCATION : 1,310' FSL & 1,980' FEL OF SEC. 10-19S-23E
ELEVATION : GL - 3,922' RKB - 3,942'



API #: 30-015-33002
SPUD DATE: 10/3/03
RIG RELEASED: 11/2/03
FIRST SALES: 1/20/04

HOLE
SIZE



Well History:

COMPLETION

12/22-24/03: TIH w/ bit, DC's & tbg. Tag soft cmt. @ 6989', tag & drill thru DV tool @ 7002'. Tag PBTD @ 8311'; displ. hole w/ 7% KCl, test csg. to 2000 psi. TOH w/ tbg, DC's & bit. Run CBL/CCL/GR from 8311-6300'. TOC @ 6300'.

12/29/03: Perf Morrow @ 8002', 04, 06, 12, 14, 18, 20, 22, 24, 26, 40, 42, 58, 60, 62, 64, 66, 68, 70, 82, 84, 86, 88, 90, 92, 8113', 15, 17, 19 & 8121' (30 holes). TIH w/ 2-7/8" tbg & pkr; set pkr @ 7908' & test backside to 1000 psi.

12/30/03: Pump 7% KCL down tbg @ 4 BPM, broke back from 2751 to 2000 psi. Acidize w/ 1500 gals 7-1/2% HCl + adds. and 35 BS. Some ball action. MTP 3350 psi, ATP 2475 psi, ATR 4 BPM. ISIP 1755 psi, 5 min 1237 psi, 10 min 1017 psi, 15 min 913 psi. RIH w/ swab, swabbed 52 BW in 1.5 hrs. FFL 2500'. Release pkr, TOH & LD WS & pkr. TLTR 92 bbls.

1/2/04: 60 hr. SICP 100 psi. NU csg. saver. Pump 7000 gal. pad MagnumFracL-30 gel @ 25 BPM & 3300 psi. Frac w/ 14,000 gal .63Q linear foam + 60,370# ACFRAC PR6000 mesh sand. Flush w/ 2705 gal Aquavis 30G linear foam. ATR 24.8 BPM, MTR 25.3 BPM, Min TR 23.6 BPM. ATP 3601 psi, MTP 4004 psi, Min TP 2952 psi. ISIP 3223 psi, 5 min 2946 psi, 10 min 2819 psi, 15 min 2732 psi. (TLTR 631 bbls. from frac, 909 acid + frac) FB frac 17 hrs, rec. 435 BW & some sand on 12/64 ck. CP 690 psi, est. 564 mcf, 100% CO₂. Flowing 14 BW last 6 hrs.

1/3/04: FB frac 24 hrs on 12/64 ck. CP 630 psi, Rec. 208 BW, est. 516 MCF, 60% CO₂ (8 BPH last 17 hrs. Total rec. 610 bbls.)

1/4/04: 24 Hr. Rate: 12/64 ck, CP 1110 psi, rec. 38 BW, Est. 900 mcf, 50% CO₂ (no water last 3 hrs.) Total rec. 648 bbls.

1/5/04: RU wireline. TIH w/ JB & GR; IFL @ 1300', tag sand @ 8256'. TIH w/ pump out plug w/ 1.79" no-go, XN nipple, 8 & 10' subs, Arrowset1 WL set pkr, XN, on-off tool. Set pkr @ 7950'.

1/6/04: TIH w/ on/off tool, 250 jts. 2-3/8" L-80 tbg, and 10' N-80 sub, & 1 jt. 2-3/8" L-80. Press up on tbg, pump out plug. TIH w/ swab, began flowing after 3 runs. FB 13 hrs on 12/64 ck, FTP 1250 psi, rec 16 BW 1st 2 hrs. Est. flowrate 1013 MCF, 35% CO₂.

1/7/04: 24 Hr. Rate: 11 BW, Est. 853 MCF, 17% CO₂; FTP 1050 psi, 12/64" ck. Total Load Rec. 734 Bbls. (TLTR 909 Bbls.)

1/8-11/04: FB well; CO₂ decreased to 5%. FB total 741 BW. SWI @ 3:00 pm 1/11/04, release flowtester.

1/16/04: 114 SITP 2040 psi. TIH w/ BHPT to 8060'; BHP 2757 psi. No fluid in hole, gas gradient 0.0662.

1/19/04: 186 hr. SITP 2080 psi. Open well on 14/64 ck, flowed 7 hrs. FTP 1840 psi, est 1990 MCF; 7% CO₂. SWI.

1/20/04: First sales to Agave @ 1:30 pm 1/20/04.

PREPARED BY: Ginni A. Kennedy
UPDATED BY: Ginni A. Kennedy

DATE: 11/5/03
DATE: 1/22/04

Directional Survey Report

Chesapeake Operating

Well ID: 819471

Well Name: Spruce State 1-10

Well Bore: Original Well Bore

Plane of Vertical Section: 0.0 degrees

Survey Type	Meas. Depth	Inc.	Azimuth	TVD	Coordinates		Closure	Vertical Section	Dog Leg Severity
					N-S	E-W			
**	0.0	0.00	0.0	0.0					
INC	107.0	0.75							
INC	253.0	1.00							
INC	363.0	1.25							
INC	928.0	1.00							
INC	1399.0	1.00							
INC	1893.0	1.25							
INC	2424.0	0.75							
INC	2942.0	0.50							
INC	3441.0	0.75							
INC	3944.0	0.25							
INC	4450.0	1.00							
INC	4935.0	1.00							
INC	5432.0	1.00							
INC	5928.0	0.75							
INC	6428.0	0.75							
INC	6928.0	0.75							
INC	7271.0	0.75							
INC	7802.0	1.00							
INC	8357.0	0.50							

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Calculations using Minimum Curvature Method