

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Energy, Minerals and Natural Resources

Form C-103
Permit 39305

Oil Conservation Division**1220 S. St Francis Dr.****Santa Fe, NM 87505**

WELL API NUMBER

30-015-34938

5. Indicate Type of Lease

P

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

ESPERANZA 4

8. Well Number

005

9. OGRID Number

147179

10. Pool name or Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:O

2. Name of Operator

CHESAPEAKE OPERATING, INC.

3. Address of Operator

P. O. BOX 18496, OKLAHOMA CITY, OK 731540496

4. Well Location

Unit Letter O : 553 feet from the S line and 1650 feet from the E line
Section 4 Township 22S Range 27E NMPM Eddy County

11. Elevation (Show whether DR, KB, BT, GR, etc.)

3124 GR.

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data**NOTICE OF INTENTION TO:**PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE OF PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

Other:

SUBSEQUENT REPORT OF:REMEDIAL WORK ☐ ALTER CASING ☐COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐CASING/CEMENT JOB ☐Other: **Drilling/Cement** ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

10/04/06 In 7 7/8" hole, ran 122 jts. 5 1/2" 15.5# J-55 STC csg. set @ 5,325'. Cemented 1st stage w/600 sx 50:50 Poz Premium Plus + additives. Cemented 2nd stage w/475 sx Interfill C + additives, 2.45 yield, tail w/50 sx Cl. C + additives 1.34 yield. Circ. 50 sx. to pit.

Release United Drilling rig #21 @ 4:00 p.m. on 10/4/06/11/2006 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
09/12/06	Surf	FreshWater	11	8.625	24	J55	0	408	200	1.34	C		1200	0	Y
10/05/06	Prod	FreshWater	7.875	5.5	15.5	J55	0	5325	1125	2.45	C		2500	0	Y

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Electronically Signed

TITLE Regulatory Analyst

DATE 10/9/2006

Type or print name Brenda Coffman

E-mail address bcoffman@chkenergy.com

Telephone No. 432-685-4310

For State Use Only:

APPROVED BY: Bryan Arrant

TITLE Geologist

DATE 10/10/2006 8:09:42 AM

Drilling Comments

OGRID: [147179] CHESAPEAKE OPERATING, INC.

Permit Number: 39305

Permit Type: Drilling

Created By	Comment	Comment Date
BSCOFFMAN	Pressure test has not been run. It will be run at the beginning of the completion and I will submit a sundry at that time with the pressure on it. This is an estimated pressure test.	10/9/2006