

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

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

WELL API NUMBER

30-025-38720

5. Indicate Type of Lease

S

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

KF STATE COM

8. Well Number

002

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:G

2. Name of Operator

CHESAPEAKE OPERATING, INC.

3. Address of Operator

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

4. Well Location

Unit Letter N : 660 feet from the S line and 1980 feet from the W line
Section 4 Township 21S Range 35E NMPM Lea County

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

3624 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.

4/10/08. Run 226 jts 7 26# P-110 LTC csg set @ 10226, cmt w/275 sx Interfill H, tail in w/550 sx C1 H, 2.45 yld. WOC 18 hrs. TOC 5000. Tested @ 1500 psi for 30 mins-OK. 3/8/2008 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
03/10/08	Surf	FreshWater	17.5	13.375	48	H-40	0	480	410	2.03	Hal lite		500	0	Y
03/24/08	Int1	Brine	12.25	9.625	40	J-55	480	5505	1875	2.11	Hal lite		1800	0	Y
04/10/08	Prod	Brine	9.75	7	26	P-110	5000	10226	825	2.45	H		1500	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 Sr. Regulatory Comp. Spec.

DATE 4/16/2008

Type or print name Brenda Coffman

E-mail address bcoffman@chkenergy.com

Telephone No. 817-556-5825

For State Use Only:

APPROVED BY: Paul Kautz

TITLE Geologist

DATE 4/17/2008 7:29:15 AM