

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1. Type of Well Oil Well Gas Well Dry Other
 b. Type of Completion New Well Work Over Deepen Plug Back Diff. Resrv.,
 Other _____

2. Name of Operator
Chesapeake Operating, Inc.

3. Address P. O. Box 11050 Midland TX 79702-8050 3.a Phone No. (Include area code) (432)685-4310

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
 At Surface 1920' FNL & 660' FWL
 At top prod. interval reported below 1920' FNL & 660' FWL
 At total depth 1920' FNL & 660' FWL

5. Lease Serial No. LC-029392B
 6. If Indian, Allottee or Tribe Name
 7. Unit or CA Agreement Name and no.
 8. Lease Name and Well No. Principle Federal 4
 9. API Well No. 30-015-32894
 10. Field and Pool, or Exploratory Shugart-Delaware
 11. Sec., T., R., M., on Block and Survey or Area Sec. 27, T18S, R31E
 12. County or Parish Eddy 13. State New Mexico

14. Date Spudded 12/03/2003 15. Date T.D. Reached 12/24/2003 16. Date Completed D & A Ready to Prod. 01/21/2004
 17. Elevations (DF, RKB, RT, GL)* 3632 GR

18. Total Depth: MD 6367 TVD 6367 19. Plug Back T.D.: MD 6315 TVD 20. Depth Bridge Plug Set: MD TVD

21. Type of Electric & Other Mechanical Logs Run (Submit copy of each) CBL/GR/CCL 22. Was well cored? No Yes (Submit analysis)
 Was DST run? No Yes (Submit analysis)
 Directional Survey? No Yes (Submit copy)

RECEIVED

JUL 21 2004

OCD-ARTESIA

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12 1/4"	9 5/8"	40#			647.58	300 sx Poz C		Surface	
8 3/4"	5 1/2"	17#			6367.26	1350 sx Po		1480	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 7/8"	6126'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Delaware	6222	6140	6140 - 6222	3 1/8"	100	Open
B)						
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
6222 - 6140	5000 gals 7 1/2% 90/10 acid + 150 BS + Frac'd w/38,000 gal/Viking 2500 cross linked gel carrying 86,000# 16/30 white sand & 18,000 16/30 Super LC resin coated sand

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
02/11/04	03/15/04	24	→	6	3	228			2 1/2" x 1 1/2" x 24' RHBM pump
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→	6	3	228	500	producing	
Production - Interval B									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

ACCEPTED FOR RECORD

JUL 20 2004

LES BABYAK
OIL FIELD ENGINEER

(See Instructions and spaces for additional data on reverse side)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

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

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
Red Bed	0	1050		Rustler	621
Salt	1050	2150		Yates	2187
Anhydrite	2150	3291		Seven Rivers	2677
Dolomite	3291	3750		Queen	3280
Shale	3750	4575		Capitan	4161
Shale/Dolomite	4575	4755		Brushy Canyon	4608
Dolomite	4755	5153		Bone springs	6093
Chert/Dolomite	5153	6328			
Sd/Sh/Dolo/Lm	6328	6573			

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

- 1. Electrical/Mechanical Logs (1 full set req'd.)
- 2. Geological Report
- 3. DST Report
- 4. Directional Survey
- 5. Sundry Notice for plugging and cement verification
- 6. Core Analysis
- 7. Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Brenda Coffman

Title Regulatory Analyst

Signature

Brenda Coffman

Date

07/14/2004

Title 18 U.S.C. Section 101 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 and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-32894	Well Code 56410	Pool Name SHUGART - DELAWARE
Property Code 300080	Property Name PRINCIPLE FEDERAL	Well Number 4
DGRID No. 147179	Operator Name Chesapeake Operating Inc.	Elevation 3632'

Surface Location

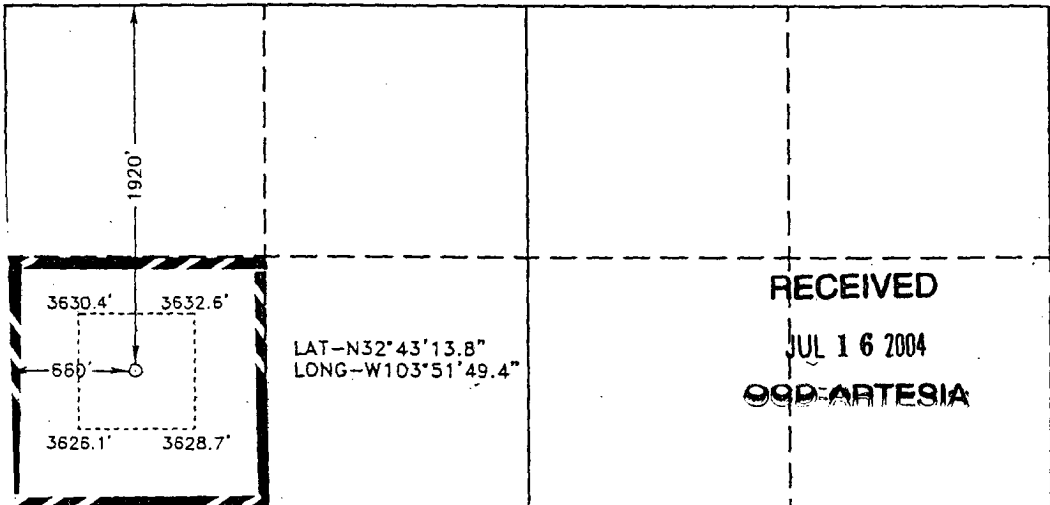
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	27	18 S	31 E		1920	NORTH	660	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



RECEIVED
JUL 16 2004
OCD-ARTESIA

EXHIBIT "A"

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Brenda Coffman
Signature

Brenda Coffman
Printed Name

Regulatory Analyst
Title

05/23/03
Date

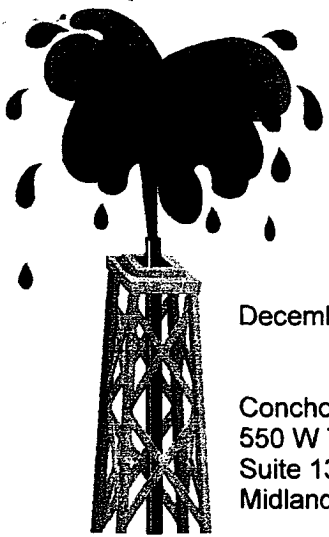
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

MAY 21 2003

Date Surveyed
Signature & Seal of Professional Surveyor

Certificate No. Gary L. Jones 7977



Artesia Fishing Tool Co., Inc.

Oil Well Drilling Contractors
PO Box 1370 Artesia, NM 88211-1370
505/746-6651 746-3518 fax 748-2205

December 29, 2003

Concho Exploration Inc.
550 W Texas Ave.
Suite 1300
Midland, TX 79701

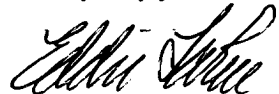
RE: Principle Federal #4
 1920' FNL & 660' FWL
 Sec. 27, T18S, R31E
 Eddy County, New Mexico

Gentlemen:

The following is a Deviation Survey for the above captioned well.

DEPTH	DEVIATION	DEPTH	DEVIATION
190'	1/2°	2692'	1 1/2°
378'	1/4°	2953'	3/4°
655'	1°	3189'	1/2°
792'	1/2°	3633'	1 1/4°
1068'	1/2°	3711'	1/2°
1345'	3/4°	4081'	1/2°
1601'	1°	4438'	3/4°
2006'	2°	4710'	1°
2101'	3°	5139'	1/4°
2159'	2°	5640'	3/4°
2289'	1 3/4°	6165'	1/2°
2409'	1°	6365'	3/4°

Very truly yours,


Eddie C. LaRue
Vice President

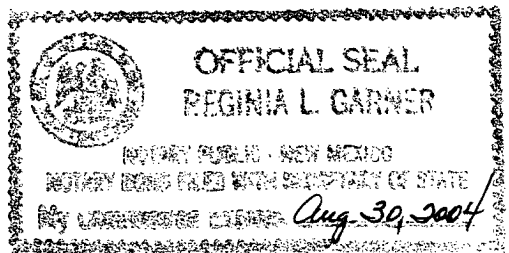
RECEIVED
JUL 16 2004
O&B-ARTESIA

STATE OF NEW MEXICO }
COUNTY OF EDDY }

The foregoing was acknowledged before me
this 29th day of December, 2003.



Notary Public



03-1259

Serving Southeast New Mexico and West Texas Since 1974