

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOC

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

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.

| | | |
|--|---|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM0558679 |
| 2. Name of Operator CHESAPEAKE OPERATING, INC. | | 6. If Indian, Allottee or Tribe Name |
| Contact: LINDA GOOD E-Mail: lgood@chkenenergy.com | | 7. If Unit or CA/Agreement, Name and/or No. NMNM71873 |
| 3a. Address OKLAHOMA CITY, OK 73154-0496 | 3b. Phone No. (include area code) Ph: 405.767.4275 Fx: 405.879.9583 | 8. Well Name and No. ARCO FED B COM 1 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T17S R27E NWSW 1980FSL 660FWL | | 9. API Well No. 30-015-21047-00-S1 |
| | | 10. Field and Pool, or Exploratory WOLFCAMP |
| | | 11. County or Parish, and State EDDY COUNTY, NM |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input 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 checked="" 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 checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Site Facility Diagram/Security Plan |
| | <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 recompletable 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 recompletable 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.)

Attached is the site facility for Arco B Federal Gas Com 1.

(PN 890411)

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|--|---------------------------------|
| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #33973 verified by the BLM Well Information System For CHESAPEAKE OPERATING, INC., sent to the Carlsbad Committed to AFMSS for processing by LINDA ASKWIG on 08/03/2004 (04LA0629SE) | |
| Name (Printed/Typed) LINDA GOOD | Title AUTHORIZED REPRESENTATIVE |
| Signature (Electronic Submission) | Date 08/03/2004 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--|-----------------|
| Approved By | ALEXIS C SWOBODA PETROLEUM ENGINEER | Date 08/04/2004 |
| 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 Carlsbad | | |

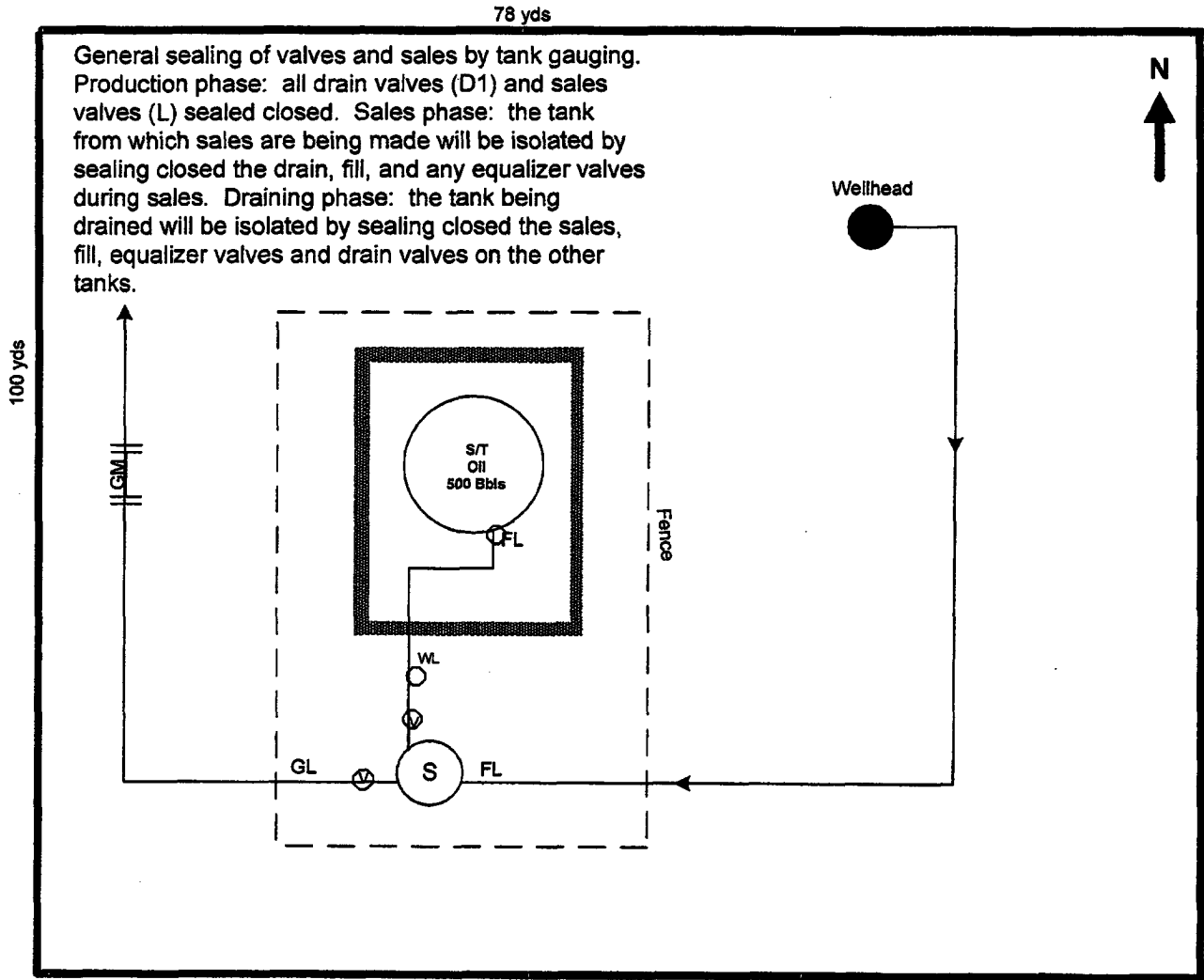
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

CHESAPEAKE OPERATING, INC.

CHK Name & Number: ARCO B FED GAS COM 1 890411
API number: 30-015-21047
County: EDDY
State: NM
Field: WILDCAT WOLFCAMP
Qtr Qtr Calls: NWSW
Sec/Twnshp/Rng: 26-17S-27E
Number of Acres: 320

Regulatory Agency: BLM
Lease Sign Type: FEDERAL
CA#: NMNM 106842
APD Lease #: NMNM 558679
Federal/Indian: FEDERAL
Last Violation: N/A
District: PERMIAN
Field Office: HOBBS



ARCO B FEDERAL GAS COM 1_890411

Direction of Flow off Site: S

This lease is subject to
Chesapeake's Site Security Plan
located at 6100 N. Western
Oklahoma City, OK 73118

Prepared by: DEBBIE HERNANDEZ
Date: 7-06-04

Approved by:
Date: