

N.M. OIL CONSERVATION DIVISION

UNITED STATES
DEPARTMENT OF THE INTERIOR
ARTESIA, NM 88020
BUREAU OF LAND MANAGEMENT

RECEIVED

MAY 01 2012

FORM APPROVED
OMB NO 1004-0135
Expires July 31, 2010

EC

SUNDRY NOTICES AND REPORTS ON WELLS IN MOCD ARTESIA
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5	Lease Serial No NMNM35925
6	Indian, Allottee or Tribe Name
7	If Unit or CA/Agreement, Name and/or No.
8	Well Name and No DANA FEDERAL 1
9	API Well No 30-005-60855-00-S1
10	Field and Pool, or Exploratory PECOS SLOPE-ABO
11	County or Parish, and State CHAVES COUNTY, NM

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	247070
2	Name of Operator CHESAPEAKE OPERATING INC	Contact ERIN CARSON E-Mail: erin.carson@chk.com
3a	Address PO BOX 18496 OKLAHOMA CITY, OK 73154-0496	3b Phone No (include area code) Ph: 405-935-2896
4	Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 4 T9S R25E SESE 860FSL 660FEL	

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recompleat 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 recompleat 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.)

CONFIDENTIAL

Chesapeake requests permission to P&A the above referenced well. Attached is the procedure and current wellbore schematic.

CHK PN 890013

APPROVED FOR 3 MONTH PERIOD
ENDING JUL 25 2012Accepted for record
MMOCD

P/5/2/2012

14 I hereby certify that the foregoing is true and correct. Electronic Submission #135995 verified by the BLM Well Information System For CHESAPEAKE OPERATING INC, sent to the Roswell Committed to AFMSS for processing by BEVERLY WEATHERFORD on 04/20/2012 (12BMW0459SE)	
Name (Printed/Typed) ERIN CARSON	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 04/20/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DAVID R GLASS	Title PETROLEUM ENGINEER	Date 04/25/2012
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 Roswell

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 **
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

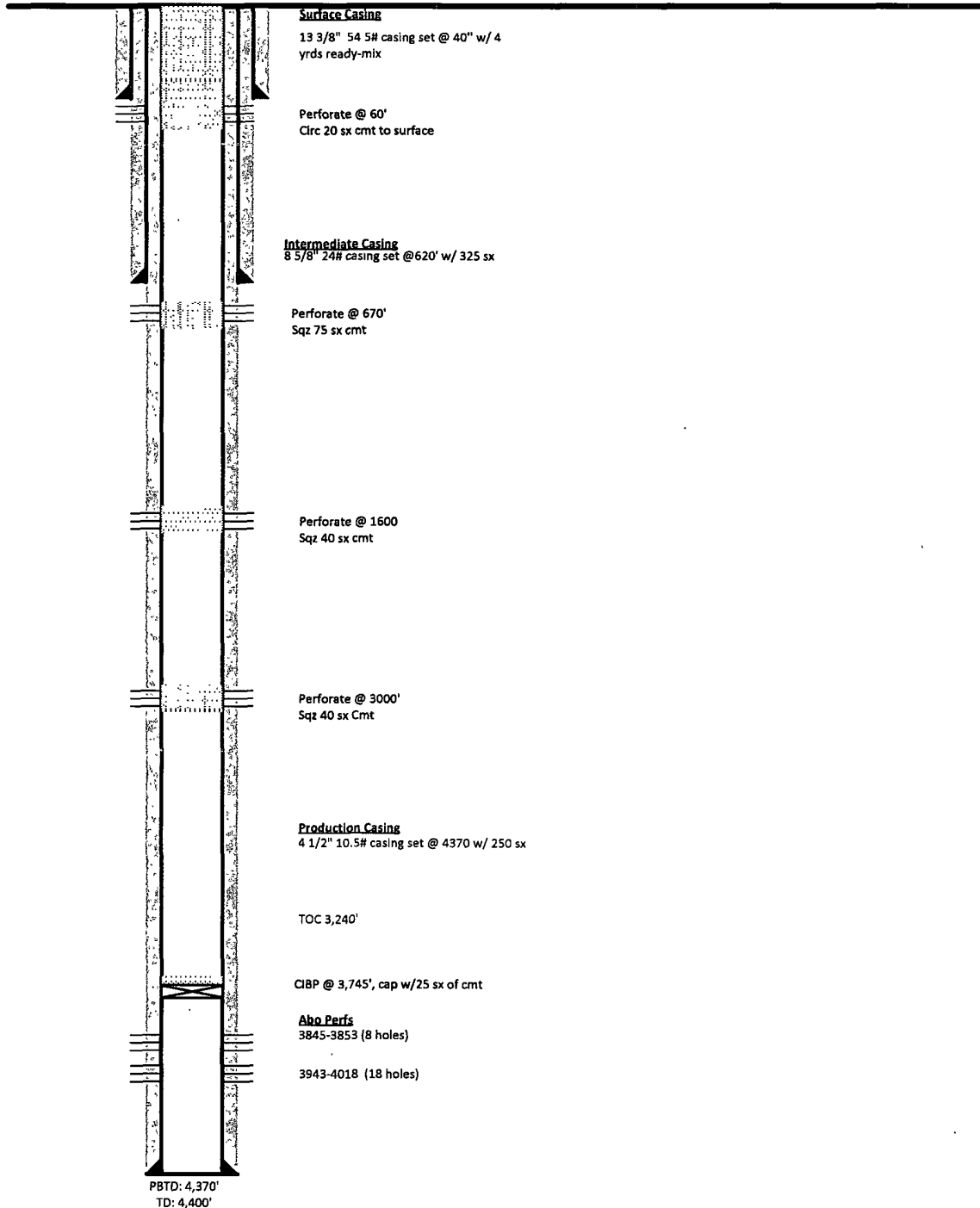
Dana Federal # 1
Chaves County NM.

Procedures:

1. M.I.R.U. N.D. W.H. N.U. B.O.P.
2. POOH. Tbg. laying down.
3. Rih.WL. set CIBP. At 4745'
4. Rih. Tbg. to 4745' circulate hole mud laden fluid cap 25 sx. Cmt.
5. Std. back 2700' lay down rest Perf. at 3000'
6. Pkr. At 2700' Sqz. 40 sx. Cmt. WOC & Tag
7. POOH. To 1300' set Pkr.Perf. at 1600'
8. Sqz. 40 sx. Cmt.WOC & Tag
9. POOH. To 300' set Pkr. Perf. at 670'
10. Sqz.75 sx. Cmt. WOC & Tag
11. Perf. at 60' circulate 20 sx. Cmt. to surface.
12. R.D. M.O.

CURRENT WELLBORE SCHEMATIC

WELL : DANA FEDERAL #1
FIELD : PECOS SLOPE (ABO)
COUNTY : CHAVES STATE : NM
LOCATION : "P" SEC. 4-T9S-R25E (860' FSL & 660' FEL)
ELEVATION : GL 3,575' KB
API NO. : 30-005-62466



PREPARED BY: David Zerger
UPDATED BY: Melissa Clutter

DATE: 7/25/02
DATE: 4/18/12

BUREAU OF LAND MANAGEMENT

Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
(575) 627-0272

Permanent Abandonment of Federal Wells Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon. **If you are unable to plug the well by the 90th day provide the appropriate BLM office, prior to the 90th day, with the reason for not meeting the deadline and a date when the appropriate BLM can expect the well to be plugged. Failure to do so will result in enforcement action.**

2. Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call (575) 627-0272, in Eddy County call (575) 361-2822; for wells in Lea County call (575) 393-3612.

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet, plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10 feet in length, 4 feet above the ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

Following the submittal and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval shall be developed and furnished to you.