N.M. Oil Cons. DiV-Dist 2

Form 3160-5

AQ1 W. Grand Avenue

FORM APPROVED

(April 2004) OM B No. 1004-0137 Expires: March 31, 2007 DEPARTMENT OF THE DEPARTMENT OF THE PNEERING NIVI 88210 BUREAU OF LAND MANAGEMENT 5. Lease Serial No. NMNM8431 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE- Other instructions on reverse side. NMNM111001 1. Type of Well Öil Well Gas Well Other 8. Well Name and No. PENJACK FEDERAL 6 2. Name of Operator CHESAPEAKE OPERATING, INC. ATTN: LINDA GOOD API Well No. 30-005-62562 3b. Phone No. (include area code) 3a Address P.O. BOX 18496, OKLAHOMA CITY, OK 73154-0496 405-767-4275 10. Field and Pool, or Exploratory Area RECEIVED PECOS SLOPE 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State 1980 FSL 660 FWL NWSW SEC 7-10S-26E DEC 1 2 2005 CHAVES COUNTY, NM OUL-MATERI 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Water Shut-Off Notice of Intent Alter Casing Reclamation Well Integrity Fracture Treat Other SITE FACILITY Casing Repair New Construction Recomplete ✓ Subsequent Report DIAGRAM Change Plans Temporarily Abandon Plug and Abandon Final Abandonment Notice Plug Back Water Disposal Convert to Injection 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 recomplete 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 recompletion 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.) PLEASE FIND THE ATTACHED REVISED SITE FACILITY FOR PENJACK FEDERAL 6. **BLM NATIONWIDE BOND #NM2634.** 2005 (CHK PN 890072) DO A. LOPEZ

| I hereby certify that the foregoing is true and correct Name (Printed/Typed) | 1 | | | |
|--|----------------------|--------------------------|--|--|
| LINDA GOOD | Title PERMIT | Title PERMITTING AGENT | | |
| Signature Renda Good | Date | 11/15/2005 | | |
| THIS SPACE FOR FEDER | AL OR STATE | OFFICE USE | | |
| Approved by | Title | | Date | |
| Conditions of approval, if any, are attached. Approval of this notice does not we certify that the applicant holds legal or equitable title to those rights in the subjective which would entitle the applicant to conduct operations thereon. | | | * | |
| 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.

CHESAPEAKE OPERATING, INC.

CHK Name & Number: PENJACK FEDERAL 6

API number:

30-005-62562

County:

CHAVES

State:

55

NM

Field:

PECOS SLOPE

Qtr Qtr Calls: Sec/Twnshp/Rng: C NW SW

Number of Acres:

7-10S-26E 318.5

890072

Regulatory Agency:

Lease Sign Type:

FEDERAL

CA#:

APD Lease #:

Federal/Indian:

Last Violation:

District:

Field Office:

NMNM 111001 NMNM 8431

FEDERAL

NONE

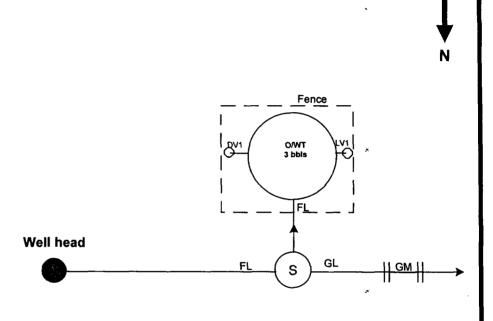
BLM

PERMIAN

Hobbs

50 yds

General sealing of valves and sales by tank gauging. Production phase: all drain valves (D1) and sales valves (L1) sealed closed. Sales phase: the tank from which sales are being made will be isolated by sealing closed the drain, fill, and any equalizer valves during sales. Draining phase: the tank being drained will be isolated by sealing closed the sales, fill, equalizer valves and drain valves on the other tanks.



PENJACK #6 890072

Direction of Flow off Site: N

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

Prepared by: DEBBIE HERNANDEZ

Date: 8-13-04

Approved by: Date: