

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

QCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Chesapeake Operating Inc.

Fax (432) 687-4112

3a. Address
P.O. Box 11050 Midland TX 79702-8050

3b. Phone No. (include area code)
(432) 687-2992

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980 FSL, 660 FWL, Unit L, Sec 8, T24S, R31E

RECEIVED

MAR 23 2006

QCD-ARTESIA

5. Lease Serial No.

NM 29234

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and/or No.

8. Well Name and No.

Lotos Federal #802

9. API Well No.

30-015-28654

10. Field and Pool, or Exploratory Area

Wildcat, Delaware

11. County or Parish, State

Eddy, NM

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 type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" 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.)

Chesapeake, respectfully, request permission to workover this well per the attached procedure.

APPROVED

MAR 22 2006

GARY GOURLEY
PETROLEUM ENGINEER

APPROVED FOR 3 MONTH PERIOD

ENDING 6/22/06

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Shay Stricklin

Title Production/Regulatory Asst.

Signature

Shay Stricklin

Date 03/15/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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.

(Instructions on page 2)

**Lotos Federal #802
Workover Procedure
Eddy County, New Mexico**

GENERAL INFORMATION

Location: 1980' FSL & 660' FWL, Sec 8 - T24S - R31E
API No.: 30-015-28654

WELL INFORMATION

<u>String OD</u>	<u>Weight & Grade</u>	<u>Depth</u>	<u>ID</u>	<u>Drift</u>	<u>Burst</u>	<u>TOC</u>
11-3/4"	42# WC40	0' - 643'	11.084"	10.928"	1980	0'
8-5/8"	24# K55	0' - 4160'	8.097"	7.972"	2950	0'
5 -1/2"	17# K55	0' - 8340'	4.892"	4.767"	5320	4100'

Delaware (Brushy Canyon) perms: 7998 - 8020'
Proposed Delaware (Brushy Canyon) perms: 8087 - 8128' (OA), 7344 - 60'
TD/PBTD: 8340' / 8250'

PROCEDURE:

1. MIRU Service Rig and requisite equipment. POOH w/ pump and rods. ND wellhead and NU BOP. POOH w/ 6.5# 2-7/8" N80 tubing.
2. Perforate the Brushy Canyon via 4-1/2" casing gun from 8087 - 90' (13 holes), 8098 - 8100' (9 holes), 8114 - 18' (17 holes), and 8124 - 28' (17 holes) w/ 4 SPF, 90 degree phasing, 23 gram charge, .37" hole. Correlate to OH Neutron/Density log dated 2-23-98.
3. RIH w/ 5-1/2" packer, SN, and tubing. Hydro-test tubing in hole. Swing packer at 8128'. Spot 200 gal of 15% NEFE Acid. Pull packer to 8050', reverse excess acid into tubing. Set packer. ND BOP, NU tree. Break down zone with an additional 1000 gal of same acid. Treat at rates approaching 5 to 6 BPM. Displace to perms with lease brine. Launch 70 ball sealers during job. Max pressure 6000#. Note ISIP, 15, 10, and 5 minute pressure.
4. Swab test zone.
5. Prep to frac. Kill well with 2% KCL if required. NU frac valve. MIRU Frac Service Company. Tie on to tubing and establish rate w/ 10,000 gal of 25# XL gel pad containing additives per frac schedule. Frac per frac schedule ramping 20/40 Ottawa from a 1/4 lb/gal scour to 5 #/gal of resin coat at tail of job. Total sand 66000 lb of 20/40, 15000 lb of resin coat. Obtain rates approaching 20 - 25 BPM, max pr 8000#. Cut resin activator in last tub of sand. Displace to top perf with 2% KCL. Anticipated treating pressure ~4000#. RDMO Frac Service Company.
6. Wait on frac overnight. ND tree, NU BOP. Release packer and POOH.
7. Set a composite BP at 7450'. Load and test plug to 4000# with lease brine.
8. Perforate the Brushy Canyon via 4-1/2" casing gun from 7344 - 60' (65 holes) w/ 4 SPF, 90 degree phasing, 23 gram charge, .37" hole. Correlate to OH Neutron/Density log dated 2-23-98.
9. RIH w/ 5-1/2" packer, SN, and tubing. Swing packer at 7360'. Spot 200 gal of 15% NEFE Acid. Pull packer to 7250', reverse excess acid into tubing. Set packer. ND

BOP, NU tree. Break down zone with an additional 1000 gal of same acid. Treat at rates approaching 5 to 6 BPM. Displace to perfs with lease brine. Launch 80 ball sealers during job. Max pressure 6000#. Note ISIP, 15, 10, and 5 minute pressure.

10. Swab test zone.
11. Prep to frac. Kill well with 2% KCL if required. ND tree, NU BOP. Release packer. Lower through perfs to clear of ball sealers. POOH w/ tubing and packer. NU frac valve and casing saver. MIRU Frac Service Company. Tie on to casing and establish rate w/ 10,000 gal of 25# XL gel pad containing additives per frac schedule. Frac per frac schedule ramping 20/40 Ottawa from a ¼ lb/gal scour to 5 #/gal of resin coat at tail of job. Total sand 66000 lb of 20/40, 15000 lb of resin coat. Obtain rates approaching 30 - 35 BPM, max pr 4000#. Cut resin activator in last tub of sand. Displace to top perf with KCL water. Anticipated treating pressure ~1200#.
12. Wait on frac overnight. NU BOP, run bit and tubing and circulate out any sand as required with 2% KCL water. Drill composite plug and chase to PBTD. Clean out sand as required. POOH.
13. RIH w/ MA, PS, SN, TAC (at ~ 7300') and 2-7/8" tubing. Space out and land with SN at ~8475'.
14. ND BOP, NU wellhead. Swab well in to clean up.
15. RIH w/ 1-1/2" pump and a high strength tapered rod string. Run pump, 350' of 1-1/2" sinker bars, 198 - ¾", and 127 - 7/8". Space out/seat pump. Load and test. PWOP at 8 SPM.