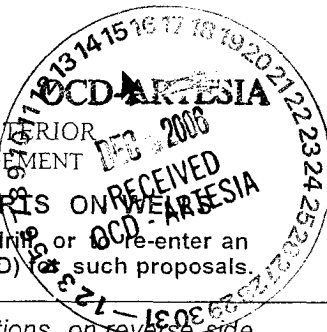


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



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

SUNDRY NOTICES AND REPORTS ON ABANDONED WELLS

Do not use this form for proposals to drill or 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.

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)
660 North, 1980 East, Sec 11, T24S, R31E

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Littlefield Federal SWD #1

9. API Well No.

30-015-10259

10. Field and Pool, or Exploratory Area
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 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 Violation #0206
	<input type="checkbox"/> Change Plans	<input 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.)

In reference to violation #0206 62, Chesapeake has performed a Step Rate Test on this well and has attached a copy for your review. This well is currently permitted for 916# of surface pressure. Chesapeake, respectfully, request an increase in permitted surface pressure to 2000# with a maximum rate of 5000 BWPD. The test indicates there is no fracture occurring down-hole at pressures in excess of 3000# at the surface. The surface pressure Chesapeake sees is a result of friction as the well is equipped with 2-3/8" lined tubing.

SUBJECT TO LIKE APPROVAL BY STATE

Accepted for record
NMOCD

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Shay Stricklin

Title Regulatory Assistant

Signature

Date 11/02/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Office

Date

DEC 13 2006

WESLEY W. INGRAM
PETROLEUM ENGINEER

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 the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Step Rate Test



Cardinal Surveys Company

October 26, 2006

Chesapeake Operating Inc.
Well: Littlefield Federal # 1 SWD
Field: Sand Dunes
Eddy County, NM

SC 54957

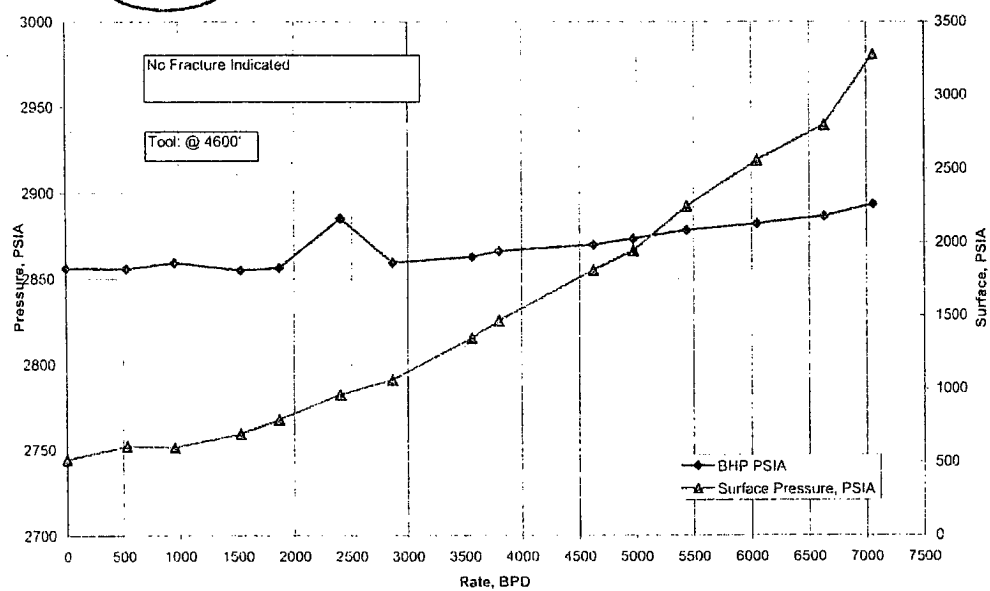
No Fracture Indicated

Downhole PSI Tool Ser. No. 76149
Surface PSI Gauge Ser. No. 10332
Tool @ 4600

Start Time	End Time	Rate BPD	Comments
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Chesapeake Operating Inc. Littlefield Federal # 1 SWD
Step Rate Test 10-27-06



Step Rate Test

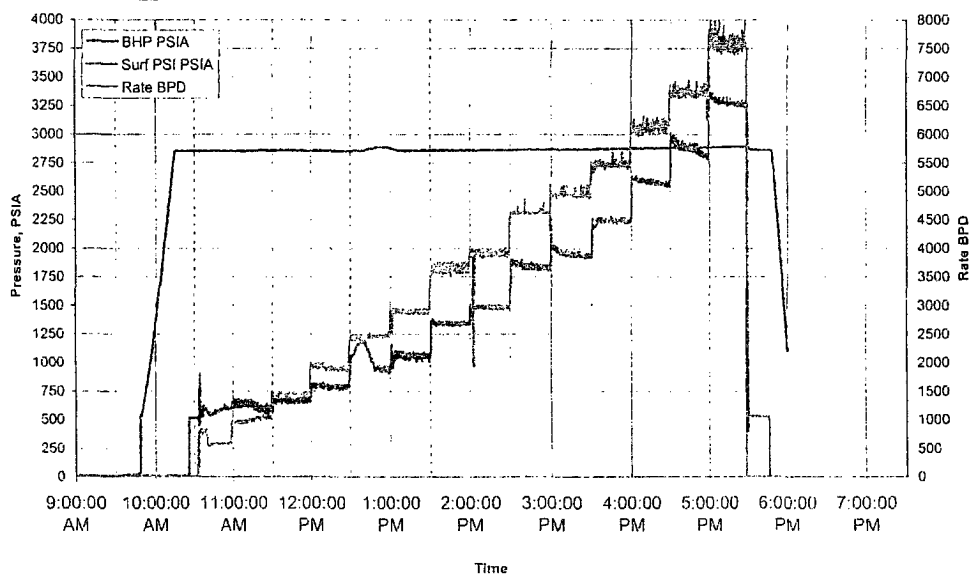
Chesapeake Operating Inc.
Littlefield Federal # 1 SWD
Field: Sand Dune
Eddy County, NM



	S Time	E Time	D Time	Last Rate	Step	B. H	Pressure	Surf	Cum	Delta	Avg.
			Min	BPD	BPD		PSIA	PSIA	BBL	BBL	BPD
1	10:15 AM	10:30 AM	15	0	0		2856.2	517.3	0	0	0
2	10:30 AM	11:00 AM	30	500	500		2855.8	608.2	11.1	11.1	533
3	11:00 AM	11:30 AM	30	1000	500		2859.3	598.3	31	19.9	955
4	11:30 AM	12:00 PM	30	1500	500		2855	681.1	60	31.8	1526
5	12:00 PM	12:30 PM	30	2000	500		2856.4	790.1	98.9	38.9	1867
6	12:30 PM	1:00 PM	30	2500	500		2885.4	961.1	149	50.1	2405
7	1:00 PM	1:30 PM	30	3000	500		2859.6	1063.3	208.7	59.7	2866
8	1:30 PM	2:00 PM	30	3500	500		2862.9	1349	283	74.3	3566
9	2:00 PM	2:30 PM	30	4000	500		2866.3	1465.6	362.2	79.2	3802
10	2:30 PM	3:00 PM	30	4500	500		2870	1810.3	458.5	96.3	4622
11	3:00 PM	3:30 PM	30	5000	500		2873.5	1943.3	562.1	103.6	4973
12	3:30 PM	4:00 PM	30	5500	500		2878.5	2243.6	675.4	113.3	5438
13	4:00 PM	4:30 PM	30	6000	500		2882.3	2557.7	801.4	126	6048
14	4:30 PM	5:00 PM	30	6500	500		2886.6	2797.9	939.5	138.1	6629
15	5:00 PM	5:30 PM	30	7000	500		2893.5	3279.4	1098.5	147	7056
16	5:30 PM	5:45 PM	15	0	-7000		2865.5	527.3	1098.5	0	0



Chesapeake Operating Inc. Littlefield Federal # 1 SWD
Step Rate Test 10-27-06





Chesapeake Operating Inc. Littlefield Federal # 1 SWD
Fall Off Test 10-27-06

