

N.M. Oil Cons. Div. Dist. 2
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 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 page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
CHESAPEAKE OPERATING, INC.

ATTN: LINDA GOOD

3a. Address
P. O. BOX 18496
OKLAHOMA CITY, OK 73154-0496

3b. Phone No. (include area code)
405-767-4275

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
235 FNL & 1695 FEL, NWNE, SECTION 1, T10S, R25E

5. Lease Serial No.
FEE

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.
NMNM-72244

8. Well Name and No.
MCCREA FEE 2

9. API Well No.
30-005-62474

10. Field and Pool or Exploratory Area
PECOS SLOPE

11. Country or Parish, State
CHAVES COUNTY, NEW MEXICO

12. CHECK THE 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 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 OFF LEASE
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	MEASUREMENT
	<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 recomple 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 for approval to combine, store, or measure production off-lease from the wells below:

McCrea Fee 1	30-005-61197	330 FNL & 2310 FWL of 1-10S-25E
McCrea Fee 2	30-005-62474	235 FNL & 1695 FEL of 1-10S-25E
Tolmac State 1	30-005-60544	660 FSL & 660 FEL of 36-9S-25E
Tolmac State 2	30-005-61551	990 FSL & 1980 FWL of 36-9S-25E
Tolmac State 3	30-005-61926	2310 FNL & 2310 FEL of 36-9S-25E
Tolmac State 4	30-005-62209	1980 FNL & 1650 FWL of 36-9S-25E
Tolmac State 6	30-005-63566	1980 FSL & 660 FWL of 36-9S-25E

All of the above wells produce from the Abo gas zone, Pecos Slope Pool.

Interest owners have been notified of the proposal.

CONTINUED ON PAGE 2.

(CHK PN: 890065, 890066, 890088, 890089, 890090, 890091, 819449)

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

Title FEDERAL REGULATORY PERMITTING AGENT

Signature

Linda Good

Date 12/27/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ ALEXIS C. SWOBODA

PETROLEUM ENGINEER

Date **DEC 29 2006**

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)

McCrea Fee 2 – BLM INC
1-10S-25E
Chaves County, NM

PAGE 2 – SUNDRY NOTICE

Attached Exhibits:

Exhibit 1: Chart that shows the Wells, location of wells, production and lse number.

Exhibit 2: Gas Gathering System Schematic

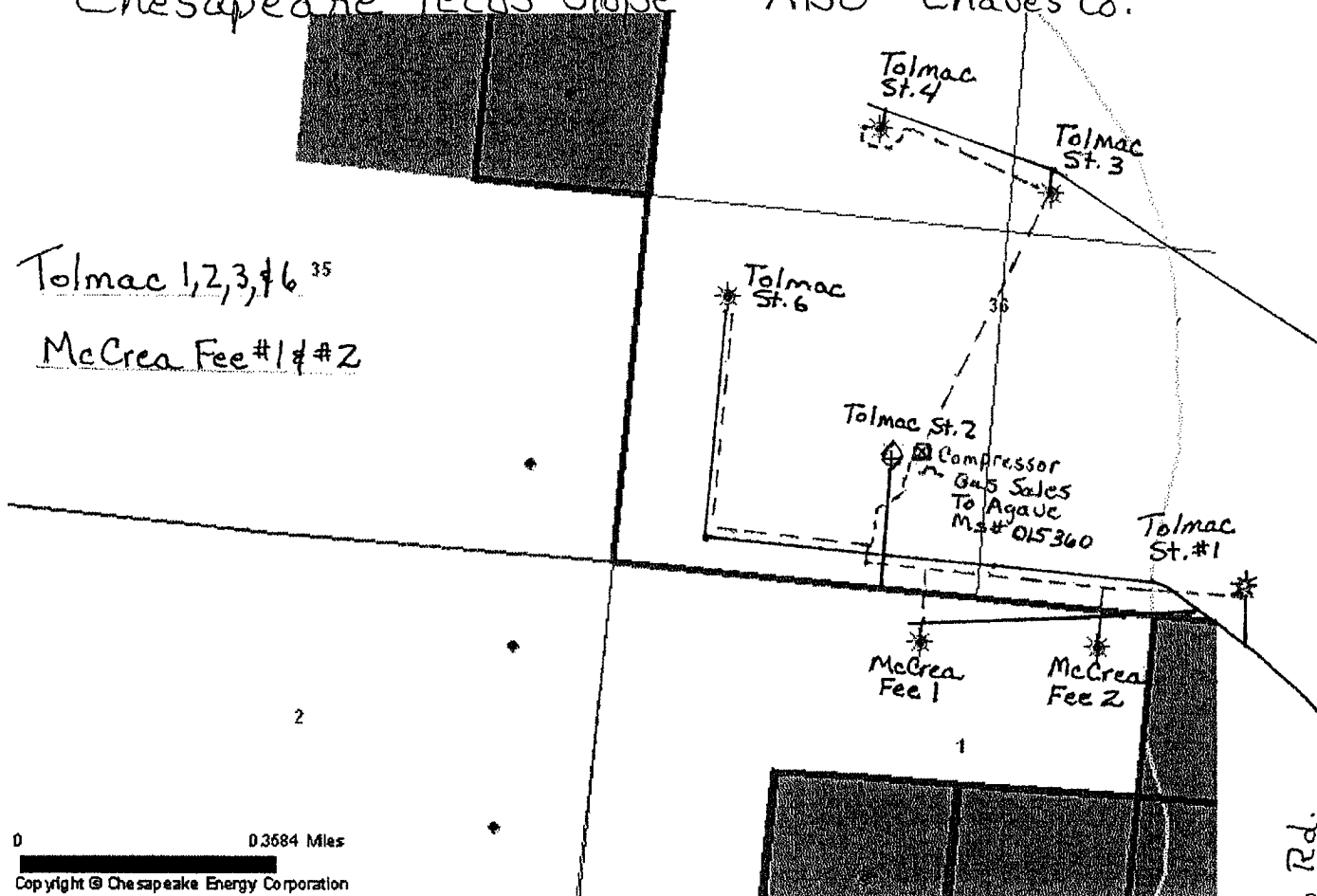
Exhibit 3-1 to 3-7: Site Facility Diagrams

Exhibit 4-1 to 4-7: Type of Product, gravity and BTU content

Exhibit 5-1 to 5-6: A production curve is included which indicates this well produces 15 MCFPD when under (off lease/commingled) compression, and 6 MCFGPD when the compressor is down. A copy of the LOE statement is included which shows the limited amount of cash this well makes (at 15 MCFPD). Two economic runs are attached, one at 15 MCFGPD, one at 6 MCFGPD. At 6 MCFGPD, there are no economic reserves and no present value. At 15 MCFGPD, the well has gross remaining reserves of 28,244 MCF and a PV10 of \$18,023.

Lease	Production	Prop#	API#	Lse Name	Lse#
Tolmac State #1	21 Mcfd		890088	St/NM L-2464	7400008-00
Tolmac State # 2	48 Mcfd		890089	St/NM L-2464	7400008-00
Tolmac State # 3	15 Mcfd		890090	St/NM L-2464	7400008-00
Tolmac State # 4	35 Mcfd		890091	St/NM L-2464	7400008-00
Tolmac State # 6	18 Mcfd		819449	St/NM L-2464	7400008-00
McCrea Fee # 1	26 Mcfd		890065	St/NM 12687	7400013 & 7400028
McCrea Fee # 2	16 Mcfd		890066	St/NM 12687	7400028-001 to 032
Total Avg. Daily Vol.	179 Mcfd				
Total Avg. Monthly	5,370 MMcf to Agave Ms# 015360				
Legal Descriptions for Tolmac & McCrea Fee Wells					
Tolmac St. #1	660's & 660'e	sec. 36 - 9s - 25 e	Chaves Co. New Mexico		
Tolmac St. # 2	990's & 1980'w	sec. 36 - 9s - 25 e	Chaves Co. New Mexico		
Tolmac St. # 3	NE/4	sec. 36 - 9s - 25 e	Chaves Co. New Mexico		
Tolmac St. # 4	NW/4	sec. 36 - 9s - 25 e	Chaves Co. New Mexico		
Tolmac St. # 6	SW/4	sec. 36 - 9s - 25 e	Chaves Co. New Mexico		
McCrea Fee # 1	330'n & 2310'w	sec. 1 - 10s - 25 e	Chaves Co. New Mexico		
McCrea Fee # 2	235'n & 1695'e	sec. 1 - 10s - 25 e	Chaves Co. New Mexico		

Chesapeake Pecos Slope - ABO Chaves Co.



The above gas gathering system was installed because the wells could not make Agave line pressure without being on compressor. The decrease in line pressure increased production and extended the well life.

The above wells have a two phase separator and a Chesapeake allocation meter at each well pad. The Tolmac St. #2 has the compressor. All of the above wells produce from the ABO gas zone, Pecos Slope Pool.

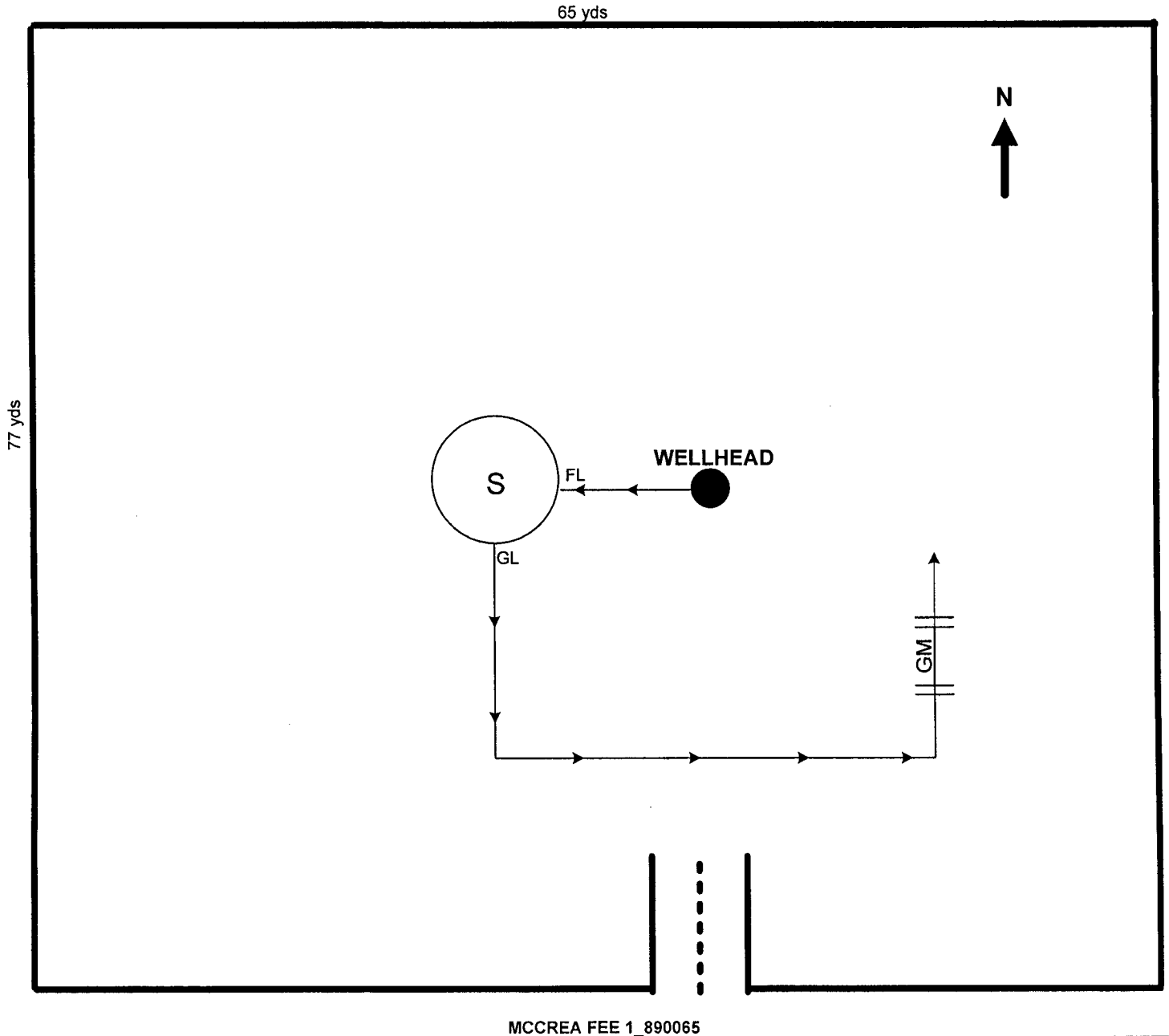
All gas meters are EFM on Telemetry.

EXHIBIT 2

CHESAPEAKE OPERATING, INC.

CHK Name & Number: MCCREA FEE 1 890065
API number: 30-005-61197
County: CHAVES
State: NM
Field: PECOS SLOPE
Qtr Qtr Calls: NE NE NW
Sec/Twnshp/Rng: 1-10S-25E
Number of Acres: 160.12

Regulatory Agency: BLM
Lease Sign Type: FEDERAL
CA#: NMNM 72244
APD Lease #: FEE
Federal/Indian: FEDERAL
Last Violation: NONE
District: PERMIAN
Field Office: Hobbs



Direction of Flow off Site: SE

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

Prepared by: WALTER SIMES
Date: 8-18-04

Approved by:
Date:

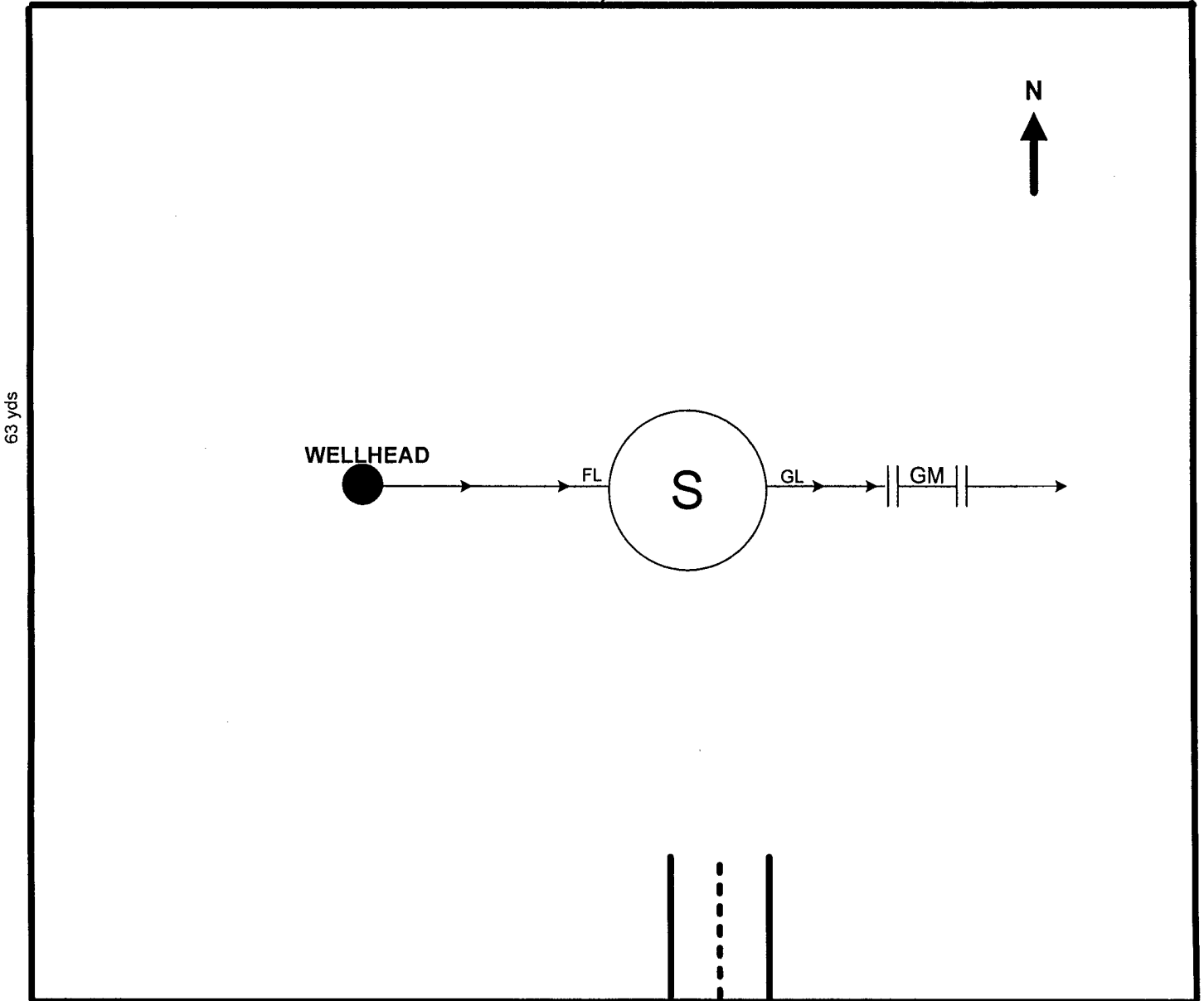
EXHIBIT 3-1

CHESAPEAKE OPERATING, INC.

CHK Name & Number: MCCREA FEE 2 890066
API number: 30-005-62474
County: CHAVES
State: NM
Field: PECOS SLOPE
Qtr Qtr Calls: NE NW NE
Sec/Twnshp/Rng: 1-10S-25E
Number of Acres: 160.03999999999999

Regulatory Agency: BLM
Lease Sign Type: FEDERAL
CA#: NMNM 72575
APD Lease #: FEE
Federal/Indian: FEDERAL
Last Violation: NONE
District: PERMIAN
Field Office: Hobbs

49 yds



MCCREA FEE 2_890066

Direction of Flow off Site: W

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

Prepared by: WALTER SIMES
Date: 8-23-04

Approved by:
Date:

EXHIBIT 3-2

CHESAPEAKE OPERATING, INC.

CHK Name & Number: TOLMACK STATE 1 890088
API number: 3000560544
County: CHAVES
State: NM
Field: 81-LOVINGTON, NM
Qtr Qtr Calls:
Sec/Twnshp/Rng: 0036, 009S, 025E
Well Latitude / Longitude: 33.4836300 / -104.34789
District: PERMIAN
Number of Acres: 160

Regulatory Agency:
Lease Sign Type:
CA#:
APD Lease #:
Federal/Indian:
Last Violation:
Pumper: HOB-NM-Route 08- Mark Hamilton
Foreman:
Field Office: Hobbs

0

64 yds

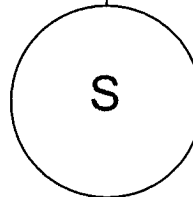
General sealing of valves and sales by tank gauging. Production phase: all drain valves (D) and sales valves (L) sealed closed. Sales phase: the tank from which sales are being made will be isolated by sealing closed the drain, fill, and any equalizer valves during sales. Draining phase: the tank being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

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

70 yds



WELL HEAD



GM

TOLMACK STATE 1_890088

Direction of Flow off Site:E

Prepared by: WALTER SIMES
Date: 8-18-04

Approved by:
Date:

EXHIBIT 3-3

CHESAPEAKE OPERATING, INC.

CHK Name & Number: TOLMACK STATE 2 890089
API number: 3000561551
County: CHAVES
State: NM
Field: 81-LOVINGTON, NM
Qtr Qtr Calls:
Sec/Twnshp/Rng: 0036, 009S, 025E
Well Latitude / Longitude: 33.4846700 / -104.35658
District: PERMIAN
Number of Acres: 160

Regulatory Agency:
Lease Sign Type:
CA#:
APD Lease #:
Federal/Indian:
Last Violation:
Pumper:

0

HOB-NM-Route 08- Mark Hamilton

Foreman:
Field Office:

HOB-NM-Route 08-Mark Hamilton
Hobbs

40 yds

General sealing of valves and sales by tank gauging. Production phase: all drain valves (D) and sales valves (L) 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.

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

55 yds

WELLHEAD

FL

S

GL

GM

TOLMACK STATE 2_890089

Direction of Flow off Site:N

Prepared by: WALTER SIMES
Date: 8-19-04

Approved by:
Date:

EXHIBIT 3-4

CHESAPEAKE OPERATING, INC.

CHK Name & Number: TOLMACK STATE 3 890090
API number: 3000561926
County: CHAVES
State: NM
Field: 81-LOVINGTON, NM
Qtr Qtr Calls:
Sec/Twnshp/Rng: 0036, 009S, 025E
Well Latitude / Longitude: 33.4900900 / -104.35330
District: PERMIAN
Number of Acres: 160

Regulatory Agency:
Lease Sign Type:
CA#:
APD Lease #:
Federal/Indian:
Last Violation:
Pumper:
Foreman:

0

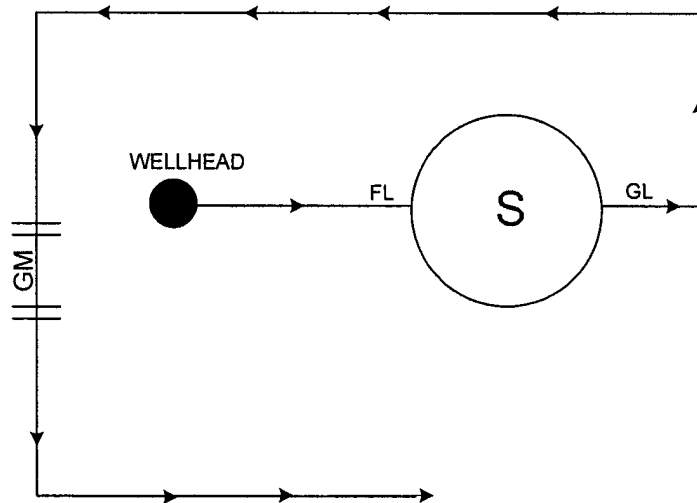
HOB-NM-Route 08- Mark Hamilton

HOB-NM-Route 08-Mark Hamilton

38 yds

General sealing of valves and sales by tank gauging. Production phase: all drain valves (D) and sales valves (L) 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.

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



58 yds

TOLMACK STATE 3_890090

Direction of Flow off Site:S

Prepared by: WALTER SIMES
Date: 8-24-04

Approved by:
Date:

EXHIBIT 3-5

CHESAPEAKE OPERATING, INC.

CHK Name & Number: TOLMACK STATE 4 890091
API number: 3000562209
County: CHAVES
State: NM
Field: 81-LOVINGTON, NM
Qtr Qtr Calls:
Sec/Twnshp/Rng: 0036, 009S, 025E
Well Latitude / Longitude: 33.4910700 / -104.35753
District: PERMIAN
Number of Acres: 160

Regulatory Agency:
Lease Sign Type:
CA#:
APD Lease #:
Federal/Indian:
Last Violation:
Pumper:
Foreman:

0

HOB-NM-Route 08- Mark Hamilton

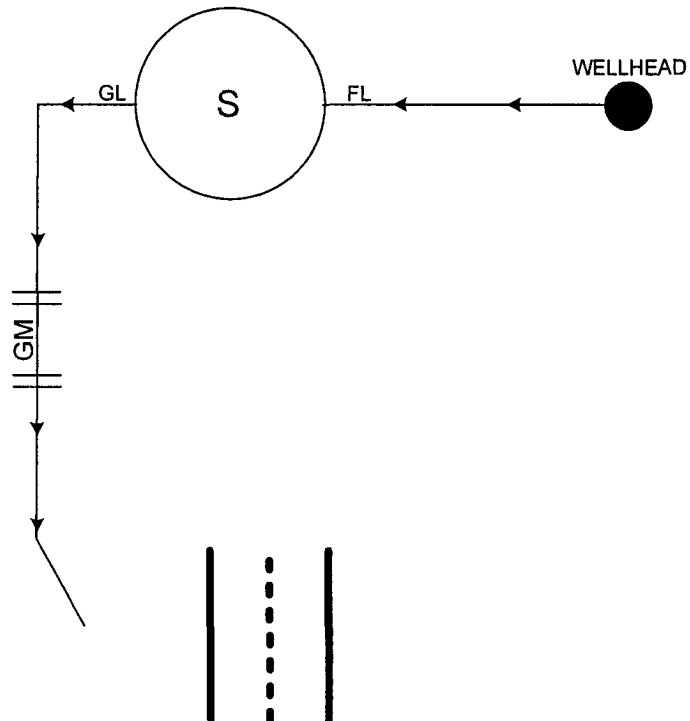
HOB-NM-Route 08-Mark Hamilton

48 yds

General sealing of valves and sales by tank gauging. Production phase: all drain valves (D) and sales valves (L) 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.

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

77 yds



TOLMACK STATE 4 890091

Direction of Flow off Site:N

Prepared by: WALTER SIMES
Date: 8-23-04

Approved by:
Date:

EXHIBIT 3-6

CHESAPEAKE OPERATING, INC.

CHK Name & Number: TOLMACK STATE 6 819449
API number: 3000563566
County: CHAVES
State: NM
Field:
Qtr Qtr Calls:
Sec/Twnshp/Rng: 0036, 009S, 025E
Well Latitude / Longitude: 33.4875100 / -104.36083
District: PERMIAN
Number of Acres: 160
Tribe Name: undefined

Regulatory Agency:
Lease Sign Type:
CA#:
APD Lease #:
Federal/Indian:
Last Violation:
Pumper:

HOB-NM-Route 08- Mark Hamilton

Foreman:
Field Office:
Alottee Name:

HOB-NM-Route 08-Mark Hamilton
Hobbs
undefined

1

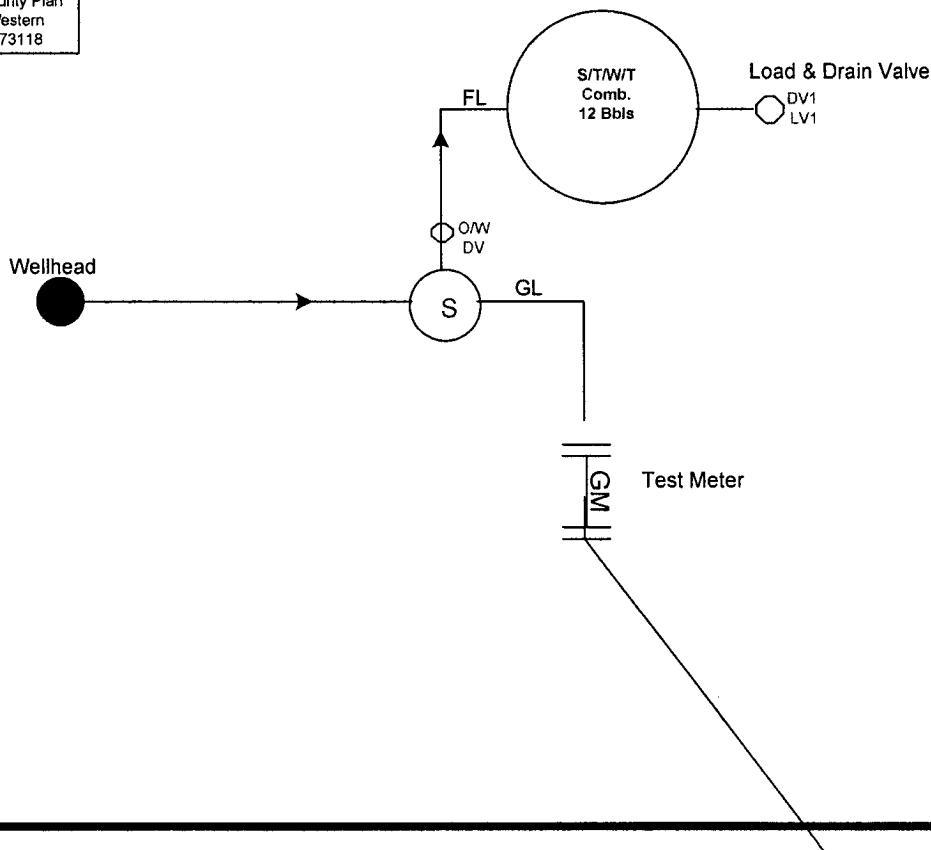
56 yds

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.



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

73 yds



TOLMACK STATE 6_819449

Direction of Flow off Site: NE

Prepared by: DEBBIE HERNANDEZ
Date: 8-24-04

Approved by:
Date:

EXHIBIT 3-7



Laboratory Services, Inc.

2609 West Marland
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

FOR: Chesapeake Energy
Attention: Steve Steadham
P. O. Box 190
Hobbs, New Mexico 88241

SAMPLE: Sta. # 3021413865
IDENTIFICATION: McCrea Fed. #1
COMPANY: Chesapeake Energy
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED 1/22/06 8:53am
ANALYSIS DATE: 1/27/06
PRESSURE - PSIG 18
SAMPLE TEMP. °F 35
ATMOS. TEMP. °F 30

GAS (XX) LIQUID ()
SAMPLED BY: Mark Hamilton
ANALYSIS BY: Vicki McDaniel

REMARKS: H2S < 4 PPM

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	6.233	
Carbon Dioxide (CO2)	0.555	
Methane (C1)	83.259	
Ethane (C2)	4.782	1.276
Propane (C3)	2.043	0.562
I-Butane (IC4)	0.384	0.125
N-Butane (NC4)	0.871	0.274
I-Pentane (IC5)	0.393	0.143
N-Pentane (NC5)	0.493	0.178
Hexane Plus (C6+)	0.987	0.428
	100.000	2.986
BTU/CU.FT. - DRY	1100	MOLECULAR WT. 19.9655
AT 14.650 DRY	1097	
AT 14.650 WET	1078	
AT 14.73 DRY	1103	
AT 14.73 WET	1084	
SPECIFIC GRAVITY -		
CALCULATED	0.687	
MEASURED		

EXHIBIT 4-1



Laboratory Services, Inc.

2609 West Marland
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

FOR: Chesapeake Energy
Attention: Steve Steadham
P. O. Box 190
Hobbs, New Mexico 88241

SAMPLE: Sta. # 3021413866
IDENTIFICATION: McCrea Fed. #2
COMPANY: Chesapeake Energy
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED 1/22/06 8:44am
ANALYSIS DATE: 1/26/06
PRESSURE - PSIG 18
SAMPLE TEMP. °F 38
ATMOS. TEMP. °F 30

GAS (XX) LIQUID ()
SAMPLED BY: Mark Hamilton
ANALYSIS BY: Vicki McDaniel

REMARKS: H2S < 4 PPM

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	3.544	
Carbon Dioxide (CO2)	24.159	
Methane (C1)	51.002	
Ethane (C2)	6.043	1.612
Propane (C3)	6.653	1.829
I-Butane (IC4)	1.250	0.408
N-Butane (NC4)	3.294	1.036
I-Pentane (IC5)	1.197	0.437
N-Pentane (NC5)	1.194	0.431
Hexane Plus (C6+)	1.664	0.722
	100.000	6.475
BTU/CU.FT. - DRY	1112	MOLECULAR WT. 30.4620
AT 14.650 DRY	1109	
AT 14.650 WET	1090	
AT 14.73 DRY	1115	
AT 14.73 WET	1096	
SPECIFIC GRAVITY -		
CALCULATED	1.048	
MEASURED		

EXHIBIT 4-2



Laboratory Services, Inc.

2609 West Marland
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

FOR: Chesapeake Energy
Attention: Steve Steadham
P. O. Box 190
Hobbs, New Mexico 88241

SAMPLE: Sta. # 3021413875
IDENTIFICATION: Tolmac St. #1
COMPANY: Chesapeake Energy
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED 1/22/05 8:36am
ANALYSIS DATE: 1/27/06
PRESSURE - PSIG 19
SAMPLE TEMP. °F 34
ATMOS. TEMP. °F 28
REMARKS: H2S < 4 PPM

GAS (XX) LIQUID ()
SAMPLED BY: Mark Hamilton
ANALYSIS BY: Vicki McDaniel

In meters
1-30-06
MB

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	6.011	
Carbon Dioxide (CO2)	0.105	
Methane (C1)	84.958	
Ethane (C2)	4.718	1.259
Propane (C3)	1.901	0.523
I-Butane (IC4)	0.319	0.104
N-Butane (NC4)	0.670	0.211
I-Pentane (IC5)	0.237	0.087
N-Pentane (NC5)	0.298	0.108
Hexane Plus (C6+)	0.783	0.340
	100.000	2.632
BTU/CU.FT. - DRY	1080	
AT 14.650 DRY	1077	
AT 14.650 WET	1058	
AT 14.73 DRY	1083	
AT 14.73 WET	1064	
SPECIFIC GRAVITY -		
CALCULATED	0.665	
MEASURED		
		MOLECULAR WT. 19.2992

EXHIBIT 4-3



Laboratory Services, Inc.

2609 West Marland
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

FOR: Chesapeake Energy
Attention: Steve Steadham
P. O. Box 190
Hobbs, New Mexico 88241

SAMPLE: Sta. # 4021114579
IDENTIFICATION: Tolmac St. #2
COMPANY: Chesapeake Energy
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED 1/21/06 10:01am
ANALYSIS DATE: 1/27/06
PRESSURE - PSIG 17
SAMPLE TEMP. °F 53
ATMOS. TEMP. °F 38
REMARKS: H2S < 4 PPM

GAS (XX) LIQUID ()
SAMPLED BY: Mark Hamilton
ANALYSIS BY: Vicki McDaniel

*In meter
1-30-06
MG*

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	6.076	
Carbon Dioxide (CO2)	0.808	
Methane (C1)	83.221	
Ethane (C2)	4.727	1.261
Propane (C3)	2.085	0.573
I-Butane (IC4)	0.396	0.129
N-Butane (NC4)	0.870	0.274
I-Pentane (IC5)	0.390	0.142
N-Pentane (NC5)	0.455	0.164
Hexane Plus (C6+)	0.972	0.422
	100.000	2.965
BTU/CU.FT. - DRY	1098	
AT 14.650 DRY	1095	
AT 14.650 WET	1076	
AT 14.73 DRY	1101	
AT 14.73 WET	1082	
SPECIFIC GRAVITY -		
CALCULATED	0.688	
MEASURED		
		MOLECULAR WT. 19.9918

EXHIBIT 4-4



Laboratory Services, Inc.

 2609 West Marland
 Hobbs, New Mexico 88240

Telephone: (505) 397-3713

 FOR: Chesapeake Energy
 Attention: Steve Steadham
 5014 Carlsbad Hwy.
 Hobbs, New Mexico 88240

 SAMPLE: Sta. # 3021113874
 IDENTIFICATION: Tolmac State #3
 COMPANY: Chesapeake Energy
 LEASE:
 PLANT:

 SAMPLE DATA: DATE SAMPLED: 10/11/05 2:42pm
 ANALYSIS DATE: 10/13/05
 PRESSURE - PSIG 26.9
 SAMPLE TEMP. °F 88
 ATMOS. TEMP. °F 81

 GAS (XX) LIQUID ()
 SAMPLED BY: Steve Moore
 ANALYSIS BY: Vicki McDaniel

REMARKS: H2S < 4 PPM

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	5.762	
Carbon Dioxide (CO2)	0.010	
Methane (C1)	85.604	
Ethane (C2)	4.704	
Propane (C3)	1.882	1.255
I-Butane (IC4)	0.311	0.517
N-Butane (NC4)	0.630	0.102
I-Pentane (IC5)	0.208	0.198
N-Pentane (NC5)	0.214	0.076
Hexane Plus (C6+)	0.675	0.077
		<u>0.293</u>
	100.000	2.518
BTU/CU.FT. - DRY	1075	
AT 14.650 DRY	1072	
AT 14.650 WET	1053	
AT 14.73 DRY	1077	
AT 14.73 WET	1059	
SPECIFIC GRAVITY -		
CALCULATED	0.657	
MEASURED	0.66	

MOLECULAR WT. 19.0694

EXHIBIT 4-5



Laboratory Services, Inc.

2809 West Marland
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

FOR: Chesapeake Energy
Attention: Steve Steadham
P. O. Box 190
Hobbs, New Mexico 88241

SAMPLE: Sta. # 4021114074
IDENTIFICATION: Tolmac St. #4
COMPANY: Chesapeake Energy
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED 1/22/06 9:14am
ANALYSIS DATE: 1/27/06
PRESSURE - PSIG 17
SAMPLE TEMP. °F 40
ATMOS. TEMP. °F 32
REMARKS: H2S < 4 PPM

GAS (XX) LIQUID ()
SAMPLED BY: Mark Hamilton
ANALYSIS BY: Vicki McDaniel

*In meter
1-30-06
MB*

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	6.751	
Carbon Dioxide (CO2)	0.010	
Methane (C1)	84.332	
Ethane (C2)	4.787	1.277
Propane (C3)	1.998	0.549
I-Butane (IC4)	0.346	0.113
N-Butane (NC4)	0.698	0.220
I-Pentane (IC5)	0.231	0.084
N-Pentane (NC5)	0.236	0.085
Hexane Plus (C6+)	0.611	0.265
	100.000	2.593

BTU/CU.FT. - DRY 1069
AT 14.650 DRY 1065
AT 14.650 WET 1047
AT 14.73 DRY 1071
AT 14.73 WET 1053

MOLECULAR WT. 19.2518

SPECIFIC GRAVITY -
CALCULATED 0.664
MEASURED

EXHIBIT 4-6



Laboratory Services, Inc.

2609 West Marland
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

FOR: Chesapeake Energy
Attention: Steve Steadham
P. O. Box 190
Hobbs, New Mexico 88241

SAMPLE: Sta. # 4021114071
IDENTIFICATION: Tolmac St. #6
COMPANY: Chesapeake Energy
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED 1/21/06 10:13am
ANALYSIS DATE: 1/26/06
PRESSURE - PSIG 17
SAMPLE TEMP. °F 60
ATMOS. TEMP. °F 40
REMARKS: H2S < 4 PPM

GAS (XX) LIQUID ()
SAMPLED BY: Mark Hamilton
ANALYSIS BY: Vickie Sullivan

*In meter
1-27-06
MB*

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)		
Nitrogen (N2)	6.221	
Carbon Dioxide (CO2)	0.625	
Methane (C1)	83.748	
Ethane (C2)	4.655	1.242
Propane (C3)	1.931	0.531
I-Butane (IC4)	0.352	0.115
N-Butane (NC4)	0.780	0.245
I-Pentane (IC5)	0.339	0.124
N-Pentane (NC5)	0.409	0.148
Hexane Plus (C6+)	0.940	0.408
	100.000	2.813

BTU/CU.FT. - DRY 1088
AT 14.650 DRY 1085
AT 14.650 WET 1066
AT 14.73 DRY 1091
AT 14.73 WET 1072

MOLECULAR WT. 19.7691

SPECIFIC GRAVITY -
CALCULATED 0.681
MEASURED

EXHIBIT 47

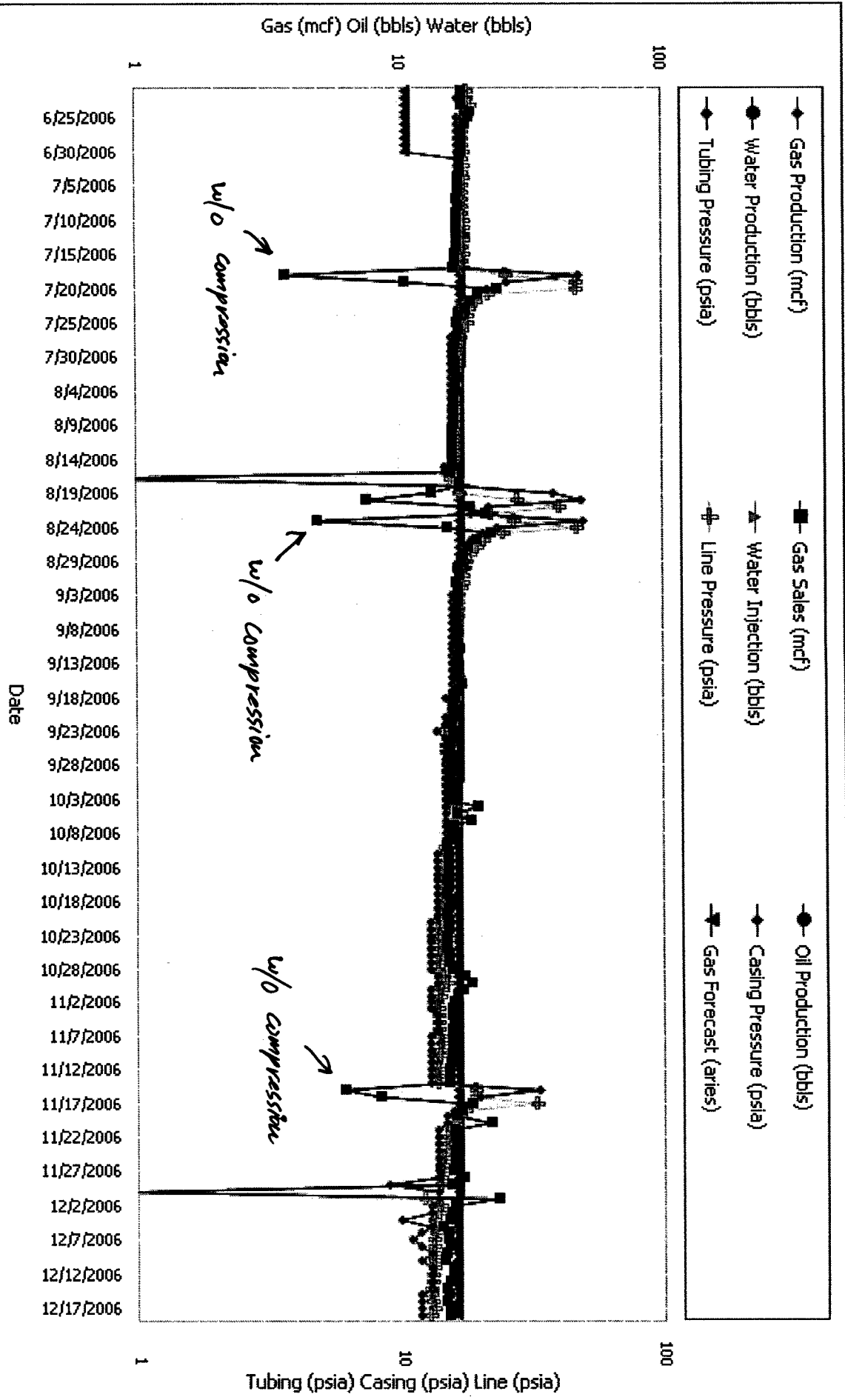


Report generated on:
Saturday, 6/11/2006
End Date: 12/18/2006

Chesapeake Energy Daily Production Report

Route: HOB-NM-Route 08- Terry Scifres
Wellname: MCCREA FEE 2
Asset Manager: Andrew McCallmont

Cumulative Gas (MCF): 2,898
Cumulative Oil (BBL): 0
Cumulative Water (BBL): 0



Beg. Bal.

Report Summary

Chesapeake Energy 8/8ths Production Based LOS Summary Report Totals

EXHIBIT 5-2

Annual CashFlow Report

Project: U:\IHS Energy\PowerTools\McCrea 2.mdb

Lease Name: MCCREA FEE COM (2)

Operator: CHESAPEAKE OPERATING INCORPORATED

County, ST: CHAVES, NM

Field Name: PECOS SLOPE

Location: 1 10S 25E NW NE

Reserve Type/Class: Proved/Developed, Producing

Date	Well Count	Gross Production		Net Production		Average Prices		Sales Total (\$)
		Oil (Bbl)	Gas (Mcf)	Oil (Bbl)	Gas (Mcf)	Oil (\$/Bbl)	Gas (\$/Mcf)	
12/2007	1	0	5,641	0	4,513	0.00	7.00	31,588
12/2008	1	0	5,274	0	4,219	0.00	7.00	29,534
12/2009	1	0	4,961	0	3,969	0.00	7.00	27,783
12/2010	1	0	4,691	0	3,753	0.00	7.00	26,269
12/2011	1	0	4,455	0	3,564	0.00	7.00	24,946
09/2012	1	0	3,203	0	2,562	0.00	7.00	17,935
Grand Total:		0	28,224	0	22,579	0.00	7.00	158,055

Date	Operating Expenses (\$)	Taxes (\$)	Operating Income (\$)	Other Costs (\$)	Periodic Cash Flow (\$)	Cumulative Cash Flow (\$)	10% Cash Flow (\$)
12/2007	21,600	2,508	7,480	0	7,480	7,480	7,122
12/2008	21,600	2,345	5,589	0	5,589	13,069	4,839
12/2009	21,600	2,206	3,977	0	3,977	17,046	3,132
12/2010	21,600	2,086	2,584	0	2,584	19,630	1,851
12/2011	21,600	1,981	1,365	0	1,365	20,995	892
09/2012	16,200	1,424	311	0	311	21,306	187
Grand Total:	124,200	12,550	21,306	0	21,306	21,306	18,023

Discount Present Worth:

0.00 %	21,306
10.00 %	18,023
20.00 %	15,669
30.00 %	13,911
40.00 %	12,555
50.00 %	11,481
60.00 %	10,610
70.00 %	9,891
80.00 %	9,288
90.00 %	8,774
100.00 %	8,331

Economic Dates:

Effective Date	01/2007
Calculated Limit	09/2012
Economic Life	69 Months
	5 Years 9 Months

Economics Information:

Net Payout Date:	01/2007
Rate of Return:	>100 %
Return on Investment:	0.00
Disc Return on Invest:	0.00
Initial Division of Interest:	

Economics Summary:

	Bbl Oil	Mcf Gas
Ultimate Gross	0	225,968
Historic Gross	0	195,269
Gross at Eff Date	0	197,744
Remaining Gross	0	28,224
Remaining Net	0	22,579

BTU Content: 1.000 mmbtu/mcf
Gravity: Oil: 28.00 Gas: 0.800

	NRI	ORI
Oil:	81.580000	0.000000
Gas:	80.000000	0.000000
Injection:	0.000000	0.000000

Reversion Date: None

With Central Compression

Rate/Time Graph

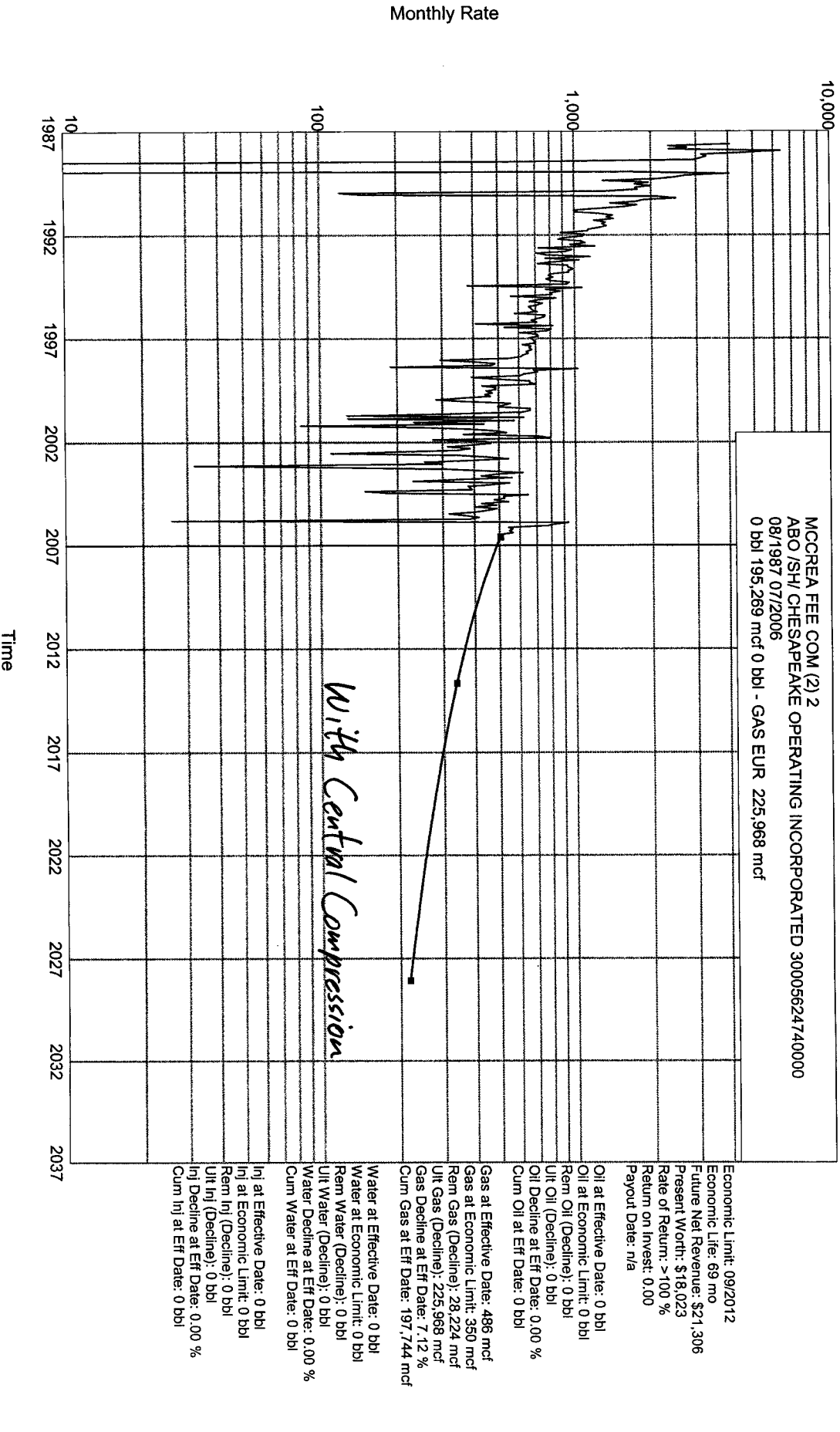
Lease Name: MCCREA FEE COM (2)
County, ST: CHAVES, NM
Location: 1 10S 25E NW NE

Project: U:\IHS Energy\PowerTools\McCrea 2.mdb

Operator: CHESAPEAKE OPERATING INCORPORATED
Field Name: PECOS SLOPE

Date: 12/22/2006
Time: 2:02 PM

MCCREA FEE COM - PECOS SLOPE



Annual AFIT CashFlow Report

Project: U:\IHS Energy\PowerTools\McCrea 2.mdb

Lease Name: MCCREA FEE COM (2)
 County, ST: CHAVES, NM
 Location: 1 10S 25E NW NE

Operator: CHESAPEAKE OPERATING INCORPORATED
 Field Name: PECOS SLOPE
 Reserve Type/Class: Proved/Developed, Producing

Date	Well Count	Gross Production		Net Production		Average Prices		Sales Total (\$)
		Oil (Bbl)	Gas (Mcf)	Oil (Bbl)	Gas (Mcf)	Oil (\$/Bbl)	Gas (\$/Mcf)	
Grand Total:		0	0	0	0	0.00	0.00	0

Date	Expenses & Taxes (\$)	Investment (\$)	Depreciation & Depletion (\$)	Federal Tax (\$)	After Tax Cash Flow (\$)	Cumulative After Tax (\$)	10% AFIT Cash (\$)
Grand Total:	0	0	0	0	0	0	0

AFIT Present Worth:

0.00 %	0
10.00 %	0
20.00 %	0
30.00 %	0
40.00 %	0
50.00 %	0
60.00 %	0
70.00 %	0
80.00 %	0
90.00 %	0
100.00 %	0

Economic Dates:

Effective Date	01/2007
Calculated Limit	n/a
Economic Life	0 Months
	0 Years 0 Months
After Tax Economics Information:	
Net Payout Date:	n/a
Rate of Return:	n/a
Return on Investment:	0.00
Disc Return on Invest:	0.00
Initial Division of Interest:	
WI:	100.000000

Economics Summary:

	Bbl Oil	Mcf Gas
Ultimate Gross	0	195,269
Historic Gross	0	195,269
Gross at Eff Date	0	195,269
Remaining Gross	0	0
Remaining Net	0	0
BTU Content: 1.000 mmbtu/mcf		
Gravity: Oil: 28.00 Gas: 0.800		
NRI		
Oil:	81.580000	0.000000
Gas:	80.000000	0.000000
Injection:	0.000000	0.000000
ORI		

Reversion Date: None

Without Central Compression (6 McFPD)

Rate/Time Graph

Lease Name: MCCREA FEE COM (2)
County, ST: CHAVES, NM
Location: 1 10S 25E NW NE

Project: U:\IHS Energy\PowerTools\McCrea 2.mdb

Date: 12/22/2006
Time: 2:06 PM

Operator: CHESAPEAKE OPERATING INCORPORATED
Field Name: PECOS SLOPE

MCCREA FEE COM - PECOS SLOPE

