

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88203 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505		State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505		Form C-105 Revised June 10, 2003	
WELL API NO. 30-015-35351		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>		State Oil & Gas Lease No.	
WELL COMPLETION OR RECOMPLETION REPORT AND LOG					
1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>			7. Lease Name or Unit Agreement Name Esperanza 4		
b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> WELL OVER BACK RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/>			8. Well No. 007		
2. Name of Operator Chesapeake Operating Inc.			9. Pool name or Wildcat Esperanza; Delaware 22640		
3. Address of Operator 2010 Rankin Hwy Midland, TX 79701			4. Well Location Unit Letter I : 1650 Feet From The South Line and 585 Feet From The East Line Section 4 Township 22S Range 27E NMPM Eddy County		
10. Date Spudded 02/09/2007		11. Date T.D. Reached 02/16/2007		12. Date Compl. (Ready to Prod.) 04/06/2007	
13. Elevations (DF& RKB, RT, GR, etc.) 3092 GR		14. Elev. Casinghead		15. Total Depth 5337	
16. Plug Back T.D. 5292		17. If Multiple Compl. How Many Zones? No		18. Intervals Drilled By R 0-5337	
19. Producing Interval(s), of this completion - Top, Bottom, Name Delaware 4804-5111				20. Was Directional Survey Made No	
21. Type Electric and Other Logs Run CBL				22. Was Well Cored No	
23. CASING RECORD (Report all strings set in well)					
CASING SIZE		WEIGHT LB./FT.		DEPTH SET	
8 5/8		24		400	
5 1/2		15.5		5325	
24. LINER RECORD					
SIZE		TOP		BOTTOM	
25. TUBING RECORD					
SIZE		DEPTH SET		PACKER SET	
2.875		5292		5292	
26. Perforation record (interval, size, and number) Delaware 5170-5198 1 spf Delaware 4804-5111 1 spf, 20 holes					
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.					
DEPTH INTERVAL		AMOUNT AND KIND MATERIAL USED			
5170-5198		CIBP @ 5150 w/1 sx cmt			
4804-5111		1500 gals 7.5% HCL w/45 ball sealers			
28. PRODUCTION					
Date First Production 04/17/2007		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing			Well Status (Prod. or Shut-in) Producing
Date of Test 04/24/2007		Hours Tested 24	Choke Size 30/64	Prod'n For Test Period	Oil - Bbl 47
					Gas - MCF 275
					Water - Bbl. 396
					Gas - Oil Ratio 5851
Flow Tubing Press. 200		Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl. 47	Gas - MCF 275
					Water - Bbl. 396
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold					Test Witnessed By
30. List Attachments C-102, C-104, Inclination report, Logs					
31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief					
Signature Shay Stricklin		Printed Name Shay Stricklin		Title Regulatory Tech.	
E-mail Address sstricklin@chkenegy.com				Date 05/01/2007	

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn "B"
T. Salt	T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorietta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinebry	T. Gr. Wash	T. Morrison	T.
T. Tubb	T. Delaware Sand 1979	T. Todilto	T.
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo	T. Lamar 1829	T. Wingate	T.
T. Wolfcamp	T. Bell Canyon 2649	T. Chinle	T.
T. Penn	T. Cherry Canyon 3744	T. Permian	T.
T. Cisco (Bough C)	T. Brushy Canyon 5188	T. Penn "A"	T.

Bone Spring 5325

OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....
 No. 2, from.....to..... No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

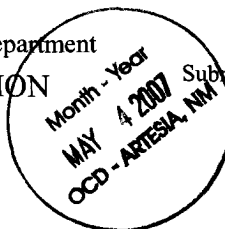
No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
0	450	450	Red Beds				
450	1800	1350	Salt, Anhy				
1829	1979	150	Limestone				
1979	2649	670	Sand, Silt, Shale				
2649	3744	1095	Sand, Silt, Shale				
3744	5188	1444	Sand, Silt, Shale				
5188	5325	137	Limestone				

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
SOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505



Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-35351		² Pool Code 22640	³ Pool Name Esperanza; Delaware
⁴ Property Code 33998	⁵ Property Name Esperanza 4		⁶ Well Number 007
⁷ OGRID No. 147179	⁸ Operator Name Chesapeake Operating Inc.		⁹ Elevation 3092 GR

¹⁰ Surface Location

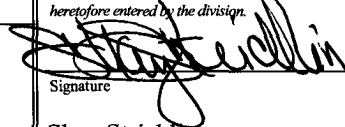
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	4	22S	27E		1650	South	585	East	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	4	22S	27E		1650	South	585	East	Eddy

¹² Dedicated Acres 40.00	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16					¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  Signature 05/01/2007 Date Shay Stricklin Printed Name
					¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>
					Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

Handwritten notes on plat: 585 (horizontal distance), 1950 (vertical distance)

WELL NAME AND NUMBER Esperanza 4-#7
LOCATION Section 4, T22S, R27E, 1650 FSL, 883 FEL, Eddy Co.
OPERATOR Chesapeake Operating, Inc.
DRILLING CONTRACTOR United Drilling, Inc.

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and had conducted deviation test and obtained the following results:

<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>
<u>1 @ 171'</u>	<u>1-3/4 @ 2060'</u>	<u>1 @ 5038'</u>
<u>1-1/2 @ 420'</u>	<u>1-1/4 @ 2186'</u>	<u>3/4 @ 5337'</u>
<u>1-1/4 @ 637'</u>	<u>1/2 @ 2598'</u>	<u> </u>
<u>1 @ 983'</u>	<u>1/2 @ 3010'</u>	<u> </u>
<u>1 @ 1268'</u>	<u>3/4 @ 3454'</u>	<u> </u>
<u>1-1/4 @ 1533'</u>	<u>1 @ 3865'</u>	<u> </u>
<u>3 @ 1775'</u>	<u>1/4 @ 4246'</u>	<u> </u>
<u>2 @ 1933'</u>	<u>1/2 @ 4626'</u>	<u> </u>

Drilling Contractor- UNITED DRILLING, INC.

By: *Luisa Garcia*
(Luisa Garcia)

Title: Assistant Office Manger

Subscribed and sworn to before me this 20 day of February 2007

Denz A. Chaves
Notary Public
Chaves NM
County State

My Commission Expires:

10-8-08