

OCD-ARTESIA

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.

Month - Year  
MAY 2  
OCD - ARTESIA

Lease Serial No.  
NMM 029234

If Indian, Allottee or Tribe Name

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)

660' FSL & 1980' FEL, SWNE, SECTION 9, T24S, R31E

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

8. Well Name and No.  
LOTOS C FEDERAL 912

9. API Well No.  
30-015-35356

10. Field and Pool or Exploratory Area  
COTTON DRAW

11. Country or Parish, State  
EDDY 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 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 <u>Change BOP</u>
	<input checked="" 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 must 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 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 the following:

For the first BOP installation (drilling out below 13 3/8" casing), Chesapeake would like to receive approval to install a 13 5/8", 2000 psi minimum operating pressure Annular Preventer rather than the original proposed 11" 5000 psi stack with annular preventer, pipe rams and blind rams. Chesapeake doesn't feel the interval from surface casing shoe (765') to intermediate casing point (4350') warrants anything more than a single shut-in devise (annular prevent, a.k.a. Hydril) that has a working pressure of at least 2000 psi. Test as per Onshore Order 2.

(CHK PN 613357)

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

Name (Printed/Typed)  
LINDA GOOD

Title FEDERAL REGULATORY ANALYST

Signature

*Linda Good*

Date 05/10/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

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.

APPROVED

MAY 15 2007

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 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)