Form 3160-5
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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

5 Lease Serial No
NMNM 123414

AUG 02 2007

6 If Indian, Allottee or Tribe Name

OCD-ARTESIA

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.*

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

1. Type of Well
☐ Oil Well ☑ Gas Well ☐ Other

8. Well Name and No
EMPIRE SOUTH DEEP UNIT 2

2 Name of Operator
CHESAPEAKE OPERATING, INC. ATTN: LINDA GOOD

9 API Well No.
30-015-20584

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

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

10 Field and Pool or Exploratory Area
EMPIRE SOUTH

4 Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
1980' FSL & 1900' FWL, NESW, SECTION 6, T18S, R29E

11. Country or Parish, State
EDDY CO., NM

12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☑ Recomplete	☑ Other Workover Wolfcamp and Strawn
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 to workover this well per the attached recompletion procedure.

APPROVED
JUL 31 2007
LES BABYAK
PETROLEUM ENGINEER

(CHK PN 890426)

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

Title FEDERAL REGULATORY ANALYST

Signature Linda Good

Date 07/25/2007

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)

Empire SDU #2
Re-Complete to Strawn/Wolfcamp
Eddy County, New Mexico

GENERAL INFORMATION

Location: 1980' FSL & 1900' FWL, Sec 6 – T18S – R29E
API No.: 30-015-20584

WELL INFORMATION

String OD	Weight & Grade	Depth	ID	Drift	Burst	TOC
12-3/4"	35#	0' – 318'	~12.000"	~12.000"	~1730	0'
8-5/8"	24/32#	0' – 4500'	7.921"	7.796"	2950	2410'
4-1/2"	11.6#	0' – 10992'	4.000"	3.875"	5350	8521'

Perfs: Morrow 10814 – 10890' (OA)

TD/PBTD: 10992' / 10850'

Recommended Strawn Perfs: 10167-10190'

Recommended Wolfcamp Perfs: 8060-8220' (OA)

WORKOVER PROCEDURE

1. MIRU Service Rig and requisite equipment. Kill well as required with 7% KCL. NDWH, NU BOP. Release packer and POOH with packer and 2-3/8" tubing.

2. MIRU Wireline Service Company. Run a strip log and correlate depth with attached OH log to set a 4-1/2" CIBP at +/- 10760'. Bail 2 sx (35' minimum) of cement on 4-1/2" plug.

3. Load hole with 2% KCL brine and pressure test to 1000#.

4. RU lubricator and RIH with casing gun. Perforate the Strawn with 2 spf, 120 degree phasing, 23 gram charge, 0.37" holes from 10167-90'.

5. RIH with 4-1/2" treating packer and SN on 2-3/8" tubing. Pressure test tubing in hole. Space out with EOT at 10190'.

6. RU Acid Service Company. Spot 200 gal of 15% HCL Acid containing 4 gpt of iron control, 1 gpt each of corrosion inhibitor, surface tension reducer, and non-emulsifier. Pull packer to 10117'. Reverse circulate to ensure packer is clear of acid, set packer. Pressure test annulus to 1000#.

7. ND BOP. NU tree. Pressure annulus to 1000 psi. Displace spot acid, establish rate of 4 to 5 BPM with 2% KCL. (Keep KCL water usage to a minimum). Acidize with 1,300 gal of same acid. Displace with 2% KCL. Do not over-displace. Pump at 4 to 5 BPM max. Launch 50 ball sealers during job. Note rates and pressures. Note ISIP. Max pressure 6000#.

8. Flow/swab back job. Swab/flow test zone.

9. Re-treat as warranted. Pressure backside to 1000# and re-treat with 5000 gal 20% Ultragel.

10. Flow back job. Swab to clean up and test.

11. Put well to sales. RDMO.

12. If Strawn is not economical, prep to test Wolfcamp. MIRU Service Rig and requisite equipment. Kill well as required with 7% KCL. NDWH, NU BOP. Release packer and POOH with packer and 2-3/8" tubing.

13. MIRU Wireline Service Company. Run a strip log and correlate depth with attached OH log to set a 4-1/2" CIBP at +/- 10117'. Bail 2 sx (35' minimum) of cement on 4-1/2" plug.

14. Load hole with 2% KCL brine and pressure test to 1000#.

15. Shoot two squeeze holes at 8370'. Set a cement retainer at 8320'. RDMO Wireline Service Company.

16. RIH with 2-3/8" tubing. Sting into retainer. Pressure annulus to 1000#. Break/establish circulation up 4-1/2" x 8-5/8" annulus with 2% KCL brine water. Pump 15 bbl of mud sweep and cement with 150 sx plus additives per squeeze recommendation. Sting out of retainer, reverse clean, and POOH with tubing.

17. Run temperature log to establish TOC. WOC overnight.

18. RU lubricator and RIH with casing gun. Perforate the Wolfcamp with 2 spf, 120 degree phasing, 23 gram charge, 0.37" holes from 8060–66', 8077-84', 8169-84', and 8191-220' (118 holes).

19. RIH with 4-1/2" treating packer and SN on 2-3/8" tubing. Space out with EOT at 8220'.

20. RU Acid Service Company. Spot 200 gal of 15% HCL Acid containing 4 gpt of iron control, 1 gpt each of corrosion inhibitor, surface tension reducer, and non-emulsifier. Pull packer to 8010'. Reverse circulate to ensure packer is clear of acid, set packer. Pressure test annulus to 1000#.

21. ND BOP. NU tree. Pressure annulus to 1000 psi. Displace spot acid, establish rate of 4 to 5 BPM with 2% KCL. (Keep KCL water usage to a minimum). Acidize with 1,300 gal of same acid. Displace with 2% KCL. Do not over-displace. Pump at 4 to 5 BPM max. Launch 130 ball sealers during job. Note rates and pressures. Note ISIP. Max pressure 6000#.

22. Flow/swab back job. Swab/flow test zone.

23. Re-treat as warranted. Pressure backside to 1000# and re-treat as follows:
    a. 1500 gal 20% NEFE Acid.
    b. 3000 gal 20% Ultragel.
    c. 1000 gal 20% gelled NEFE.
    d. 4000 gal 20% Ultragel.
    e. 500 gal 20% gelled NEFE. Overdisplace by 50 bbls of 2% KCL. Treat via 2-3/8" production tubing at 5 to 6 BPM.

24. Flow back job. Swab to clean up and test.

25. Put well on pump as required. POOH with tubing and packer.

26. RIH with MA, PS, SN, TAC (at ~7800') and 2-3/8" tubing. Space out and land SN at ~8230'.

27. Swab to clean up as required.

28. Set 640 PU. RIH with 1-1/2" pump and a high strength tapered rod string. Run pump, 350' of 1-1/2" sinker bars, 189 – 3/4", and 126 – 7/8". Space out/seat pump. Load and test. PWOP at 6 SPM, 144" SL.

29. Put well to sales. RDMO.