UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0135 Expires July 31, 2010

Lease Serial No NMLC029392B

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.					NMLC029392B 6. If Indian, Allottee or		
SUBMIT IN TRIPLICATE - Other instructions on reverse side. MAY 2 3 2008					7. If Unit or CA/Agree	ment, Name and/or No	
1. Type of Well				- •	8. Well Name and No		
☑ Oil Well ☐ Gas Well ☐ Oth	(DCD-ARTE	SIA	PRINCIPLE FEDE	RAL 4		
Name of Operator CHESAPEAKE OPERATING,	Contact: INC. E-Mail: linda.good	LINDA GOOL			9. API Well No. 30-015-32894	~	
3a Address P.O. BOX 18496 OKLAHOMA CITY, OK 73154	3b. Phone No. (include area code) Ph: 405-767-4275			10 Field and Pool, or SHUGART	Exploratory		
4 Location of Well (Footage, Sec., 7	., R, M, or Survey Description	n)			11 County or Parish, a	ind State	
Sec 27 T18S R31E SWNW 19				EDDY COUNTY, NM			
12. CHECK APPI	ROPRIATE BOX(ES) TO	O INDICATE	NATURE OF	NOTICE, R	I EPORT, OR OTHEF	R DATA	
TYPE OF SUBMISSION	TYPE OF ACTION ,						
Notice of Intent	☐ Acidize	□ Deep	en	Produc	tion (Start/Resume)	☐ Water Shut-Off	
_	☐ Alter Casing	□ Frac	ture Treat	☐ Reclam	ation	☐ Well Integrity	
☐ Subsequent Report	☐ Casing Repair	☐ New Construction ☐ Reco			plete	Other	
Final Abandonment Notice	☐ Change Plans	— □ Plug	g and Abandon Temporarily Abandon				
	Convert to Injection	Plug Back Wate			Disposal		
Attach the Bond under which the wo following completion of the involved testing has been completed. Final Al determined that the site is ready for f CHESAPEAKE, RESPECTFU (CHK PN 890591)	operations. If the operation repandonment Notices shall be final inspection.)	esults in a multiple led only after all i	e completion or rec equirements, inclu	ompletion in a ding reclamation	new interval, a Form 316 on, have been completed,	0-4 shall be filed once and the operator has	
14. I hereby certify that the foregoing is	Electronic Submission	#60209 verified KE OPERATIN	by the BLM We G, INC., sent to	II Information the Carlsbac	n System		
Name (Printed/Typed) LINDA GC		Title REGULATORY COMPLIANCE SPECIALI			LI		
Signature (Electronic S	Submission)		Date 05/09/2	2008			
	THIS SPACE FO	OR FEDERA	L OR STATE	OFFICE U	SE		
Approved By			Title			Date	
Conditions of approval, if any, are attache certify that the applicant holds legal or equ	d. Approval of this notice doe uitable title to those rights in the	s not warrant or ne subject lease					

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

which would entitle the applicant to conduct operations thereon.

Office



Principle Federal #4 Cherry Canyon Re-Completion Eddy County, New Mexico

Location: Section 27, 18S-31E, 1920 FNL & 660 FWL

Surface

Casing: 9-5/8" 40# J-55 0-648', ID=8.835", Drift=8.679", Burst=2,570#

Production

Casing: 5-1/2" 17# J-55 0-6,367', ID=4.892", Drift=4.767", Burst=4,910#

TD: 6.367'

Current Perfs: Delaware 6,140' - 6,222'

OIH: CIBP w/ cmt cap @6,095'

Procedure

Hold Tailgate Safety meeting prior to beginning work each morning and as required for specific operations.

- 1. Prep location. Check anchors and clean area for workover.
- 2. MIRU workover rig. ND WH. NU BOP.
- 3. RU wireline unit. RIH w/ gauge ring and junk basket to CIBP @ 6,095'.
- 4. RIH and perforate Cherry Canyon as follows:

Cherry Canyon	5,261' - 5,268'	7'	3 SPF	120° phasing	21 holes
Cherry Canyon	5,190' - 5,192'	2'	3 SPF	120° phasing	6 holes
Cherry Canyon	5,173' - 5,177'	4'	3 SPF	120° phasing	12 holes
Totals		13'			39 holes

Correlate to attached log. RDMO wireline.

- Breakdown and acidize the Cherry Canyon perfs with 2,000 gallons of 15% NeFe acid @ 5-6 bpm dropping 60 ball sealers evenly throughout the job.
- 6. RU frac service and frac Cherry Canyon perfs 5,173' 5,268' (39 holes). Frac design/pump schedule will be provided separately once finalized. Record ISIP-5-10-15 min pressures.
- TIH with production tubing and SN. Set seat nipple at +/-5,320' (below perfs). Set TAC @ +/5,120'.
- 8. ND BOP. NU WH. TIH with pump and rods. Fill tubing and space out pump accordingly. Verify pump action. Place well on test. *Note: Rod design to follow this procedure.*
- 9. RDMO workover rig. Clean location.

Contacts

Workover Foreman Lynard Barrera Office: 575-391-1462 Cell: 575-631-4942

Production Foreman Ralph Skinner Office: 575-391-1462 Cell: 575-441-4921 Asset Manager Kim Henderson Office: 405-879-8583 Cell: 405-312-1840

<u>Field Engineer</u> Doug Rubick Office: 575-391-1462 Cell: 575-441-7326

Chesapeake

Current Wellbore Schematic

PRINCIPLE FEDERAL 4

Field: County: SHUGART DELAWARE

EDDY State:

NEW MEXICO Elevation: GL 3,632.00

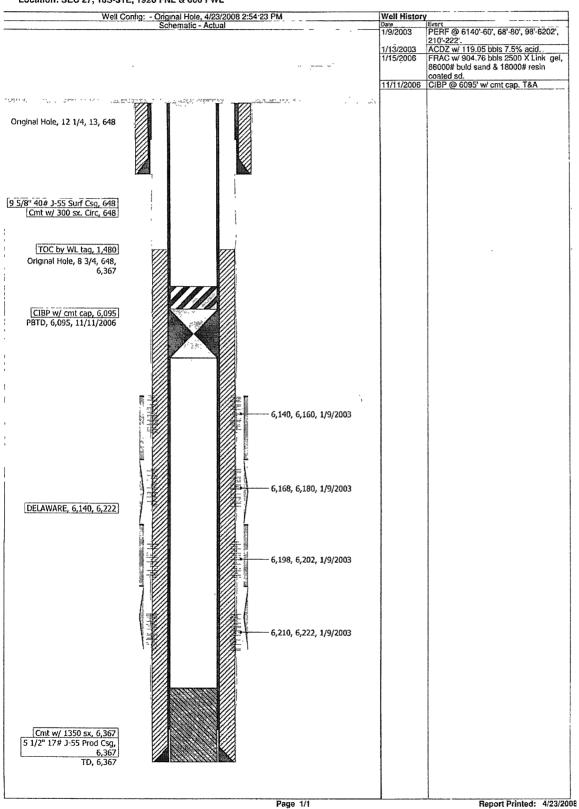
KB 3,645.00

KB Height: 13.00

Location: SEC 27, 18S-31E, 1920 FNL & 660 FWL

Spud Date: 12/3/2003 Initial Compl. Date: API #: 3001532894 CHK Property #: 890591 1st Prod Date: PBTD: Original Hole - 6095.0

TD: 6,367.3



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