

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FEB - 3 2009

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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 reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM13406
2. Name of Operator CHESAPEAKE OPERATING, INC. Contact: LINDA GOOD E-Mail: linda.good@chk.com		6. If Indian, Allottee or Tribe Name
3a. Address OKLAHOMA CITY, OK 73154-0496	3b. Phone No. (include area code) Ph: 405-935-4275	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 17 T22S R26E SENE		8. Well Name and No. FEDERAL BN 1
		9. API Well No. 30-015-23498-00-S1
		10. Field and Pool, or Exploratory HAPPY VALLEY
		11. County or Parish, and State EDDY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Site Facility Diagram/Security Plan
	<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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

PLEASE FIND THE ATTACHEM UPDATED DIAGRAM FOR FEDERAL BN 1.

(CHK PN 890438)

Accepted for Record Purposes.
Approval Subject to Onsite Inspections.
Date: 1-31-09

ACCEPTED FOR RECORD

FEB 03 2009

Gerry Guye, Deputy Field Inspector
NMOCD-District II ARTESIA

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #66701 verified by the BLM Well Information System For CHESAPEAKE OPERATING, INC., sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 01/28/2009 (09KMS0750SE)	
Name (Printed/Typed) LINDA GOOD	Title SR. REGULATORY COMPLIANCE SPEC
Signature (Electronic Submission)	Date 01/27/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	DUNCAN WHITLOCK Title LEAD PETROLEUM ENGINEERING TECH	Date 01/31/2009
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 Carlsbad		

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.

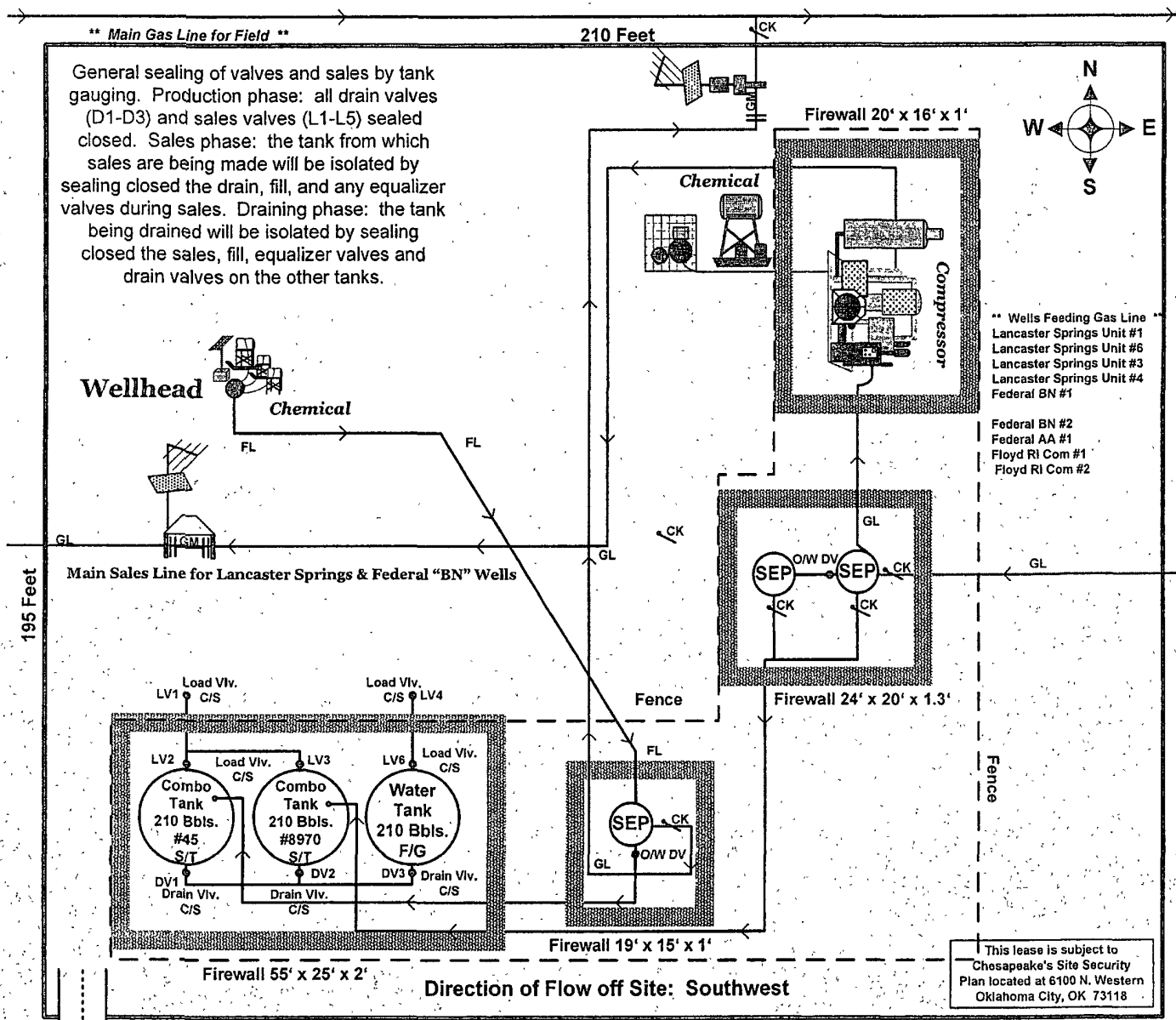
**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

CHESAPEAKE OPERATING, INC.

CHK Name & Number: FEDERAL BN 1
 API Number: 30-015-23498
 County: EDDY
 State: NM
 Field: HAPPY VALLEY
 Qtr Qtr Calls: SENE
 Sec/Twnshp/Rng: 17-22S-26E
 Number of Acres: 360.33

890438

Regulatory Agency: BLM
 Lease Sign Type: APD WELL
 CA#: 100% BLM LEASE
 APD Lease #: NMNM13406
 Federal/Indian: FEDERAL
 Last Violation: UNKNOWN
 District: PERMIAN NORTH
 Field Office: HOBBS



Prepared by: Jackie Reynolds
 Date: 12-17-2008

Approved by:
 Date: