Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

MAY 18 2009

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

| Expires | , |
|------------------|---|
| Lease Serial No. | |
| NMNM29228 | |

| 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. |

| Do not use thi abandoned wel | 6. If Indian, Allottee | 6. If Indian, Allottee or Tribe Name | | | | |
|--|---|--|---|---|--|--|
| SUBMIT IN TRII | 7. If Unit or CA/Agr | reement, Name and/or No | | | | |
| Type of Well ☐ Gas Well ☐ Oth | 8. Well Name and No BENSON 3 FED | | | | | |
| 2. Name of Operator CHESAPEAKE OPERATING, | 9. API Well No. 30-015-26260- | -00-S1 | | | | |
| 3a. Address OKLAHOMA CITY, OK 73154 | 1-0496 | 3b Phone No (include area code Ph: 405-935-4275 | e) 10. Field and Pool, o SHUGART | 10. Field and Pool, or Exploratory SHUGART | | |
| 4. Location of Well (Footage, Sec., 7 | , R., M , or Survey Description | n) | 11. County or Parish | 11. County or Parish, and State | | |
| Sec 3 T19S R30E NENE 330I | EDDY COUNT | EDDY COUNTY, NM | | | | |
| 12. CHECK APPR | ROPRIATE BOX(ES) TO | O INDICATE NATURE OF 1 | NOTICE, REPORT, OR OTHE | ER DATA | | |
| TYPE OF SUBMISSION | TYPE OF ACTION ` | | | | | |
| Notice of Intent ☐ Subsequent Report | ☐ Acidize ☐ Alter Casing ☐ Casing Repair | ☐ Deepen ☐ Fracture Treat ☐ New Construction | Production (Start/Resume) Reclamation | □ Water Shut-Off □ Well Integrity □ Other | | |
| Final Abandonment Notice | Change Plans Convert to Injection | ☐ New Construction ☐ Plug and Abandon ☐ Plug Back | ☐ Recomplete ☐ Temporarily Abandon ☐ Water Disposal | Oule | | |
| If the proposal is to deepen direction Attach the Bond under which the wo following completion of the involved | ally or recomplete horizontally rk will be performed or provid d operations. If the operation in bandonment Notices shall be f | give subsurface locations and mea the Bond No. on file with BLM/B results in a multiple completion or re | ing date of any proposed work and app sured and true vertical depths of all po IA. Required subsequent reports shall ecompletion in a new interval, a Form uding reclamation, have been complet | ertinent markers and zones l be filed within 30 days 3160-4 shall be filed once | | |
| CHESAPEAKE, RESPECTFU PROCEDURE: | ILLY, REQUESTS PERM | IISSION TO PLUG & ABAND | ON THIS WELL PER THE FOL | LOWING P&A | | |
| 1. NOTIFY THE BLM 24 HOU | RS IN ADVANCE PRIOF | R TO COMMENCING PLUG A | AND ABANDONMENT OPERA | TIONS. | | |
| 2 HOLD TAILGATE SAFETY | MEETING DRIOR TO BE | ECININING WORK EACH MO | IRNING AND AS REQUIRED E | OD SDECIEIC | | |

- OPERATIONS. 3. RACK AND TALLY 105 JOINTS OF 2-7/8" N-80 WORKSTRING.
- 4. PREPARE LOCATION. TEST ANCHORS.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

| Electronic Submission #69861 verified For CHESAPEAKE OPERATIN | IG, INC | ., sent to the Carlsbad | Ε) |
|---|---|--|--|
| yped) LINDA GOOD | Title | SR. REGULATORY COMPLIAN | ICE SPEC |
| (Electronic Submission) | Date | 05/08/2009 | |
| THIS SPACE FOR FEDERA | L OR | STATE OFFICE USE | |
| MES A AMOS | TitleS | SUPERVISOR EPS | Date 05/16/20 |
| al, if any, are attached. Approval of this notice does not warrant or ant holds legal or equitable title to those rights in the subject lease he applicant to conduct operations thereon. | 1 | e Carlsbad | 2009 |
| | For CHESAPEAKE OPERATING Committed to AFMSS for processing by CH Exped) LINDA GOOD (Electronic Submission) THIS SPACE FOR FEDERA MES A AMOS al, if any, are attached. Approval of this notice does not warrant or ant holds legal or equitable title to those rights in the subject lease | Electronic Submission #69861 verified by the For CHESAPEAKE OPERATING, INC Committed to AFMSS for processing by CHERYLE (vped) LINDA GOOD Title (Electronic Submission) Date THIS SPACE FOR FEDERAL OR MES A AMOS TitleS al, if any, are attached. Approval of this notice does not warrant or ant holds legal or equitable title to those rights in the subject lease | Electronic Submission #69861 verified by the BLM Well Information System For CHESAPEAKE OPERATING, INC., sent to the Carlsbad Committed to AFMSS for processing by CHERYLE RYAN on 05/11/2009 (09CMR0334Si (vped) LINDA GOOD Title SR. REGULATORY COMPLIAN (Electronic Submission) Date 05/08/2009 THIS SPACE FOR FEDERAL OR STATE OFFICE USE MES A AMOS al, if any, are attached. Approval of this notice does not warrant or ant holds legal or equitable title to those rights in the subject lease |

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional data for EC transaction #69861 that would not fit on the form

32. Additional remarks, continued

- 5. MIRU PU. NDWH. POH WITH RODS AND PUMP. NU AND TEST BOP. TAG PBTD @ 3,140' WITH PRODUCTION TUBING. TOH W/PRODUCTION TUBING.
- 6. RIH W/CIBP AND SET @ 2,900'. DUMP BAIL 35' OF CEMENT ON THE CIBP @ 2,900'. WAIT ON CEMENT AND TAG PLUB.
- 7. LOAD WELL WITH PLUGGING MUD AND PRESSURE UP TO 500# AND TEST FOR LEAK-OFF.
- 8. RIH W/CIBP AND SET @ 1,694'. DUMP BAIL 35' OF CEMENT ON THE CIBP @ 1,694'. WAIT ON CEMENT AND TAG PLUG. (BASE OF SALT @ 1,694')
- 9. RIH W/CIBP AND SET @ 665'. DUMP BAIL 35' OF CEMENT ON THE CIBP @ 665'. WAIT ON CEMENT AND TAG PLUG. (TOP OF SALT @ 665')
- 10. RIH W/OPEN ENDED TUBING TO 589' AND SET A 100' CEMENT PLUG. PULL UP HOLE, WAIT 4 HOURS AND TAG PLUG. (8-5/8" CASING SHOE a 539')
- 11. PUH W/TUBING TO 75'. FILL CASING BACK TO SURFACE WITH CEMENT. POH W/TUBING. TOP OFF CASING.
- 12. RDMO. INSTALL DRY HOLE MARKER AND CUT OFF DEAD MAN. RESTORE LOCATION.

(CHK PN 890932)

Chesapeake

Workover Proposal

BENSON 3 FEDERAL 2

Field:

SEC 3, 19S-30E, 330 FNL & 480 FEL

County:

EDDY

NEW MEXICO State:

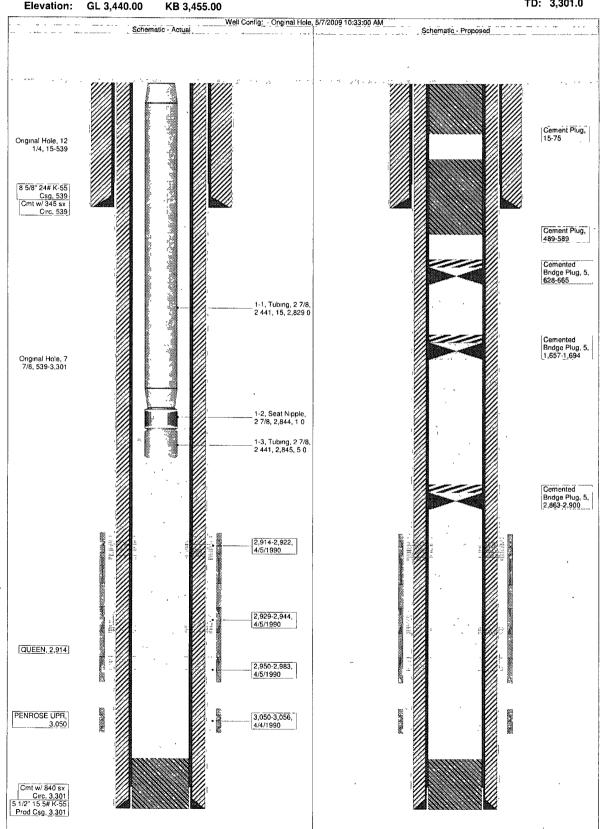
Location: SiteInspection: Go South on Hwy 222, turn Right on Grubbs Rd for 4.3,

turn Left, follow to location.

Initial Compl. Date: API #: 3001526260 CHK Propterty #: 891329 1st Prod Date: 5/1/1990 PBTD: Original Hole - 3140.0

Spud Date: 3/21/1990

TD: 3,301.0



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BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Permanent Abandonment of Federal Wells Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within <u>ninety (90)</u> days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

- 2. <u>Notification:</u> Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.
- 3. <u>Blowout Preventers</u>: A blowout preventer (BOP), as appropriate, shall be installed prior to commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet
- 4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.
- 5. <u>Cement Requirement</u>: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

- 6. <u>Dry Hole Marker</u>: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker; well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).
- 7: <u>Subsequent Plugging Reporting</u>: Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. <u>Show date well was plugged</u>.
- 8. <u>Trash:</u> All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.