

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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.

RECEIVED
DEC 31 2009
NMOCD ARTESIA

| | | |
|--|---|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM13074 |
| 2. Name of Operator CHESAPEAKE OPERATING, INC. | | 6. If Indian, Allottee or Tribe Name |
| Contact: LINDA GOOD E-Mail: linda.good@chk.com | | 7. If Unit or CA/Agreement, Name and/or No |
| 3a. Address OKLAHOMA CITY, OK 73154-0496 | 3b. Phone No. (include area code) Ph: 405-935-4275 | 8. Well Name and No MOSAIC 34 FEDERAL 3H |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 34 T24S R28E NESW 1670FSL 25FWL | | 9. API Well No. 30-015-36001-00-S1 |
| | | 10. Field and Pool, or Exploratory WILLOW LAKE |
| | | 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 checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Deepen |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Alter Casing |
| | <input type="checkbox"/> Fracture Treat |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Change Plans |
| | <input type="checkbox"/> Plug and Abandon |
| | <input type="checkbox"/> Convert to Injection |
| | <input type="checkbox"/> Plug Back |
| | <input checked="" type="checkbox"/> Production (Start/Resume) |
| | <input type="checkbox"/> Reclamation |
| | <input type="checkbox"/> Recomplete |
| | <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Water Disposal |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Well Integrity |
| | <input type="checkbox"/> Other |

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.)

CLEANED OUT WELL, INSTALLED PUMP AND RETURNED TO PRODUCTION ON 12/20/2009.

12/15/2009 PSIND WH, NU 7 1/6 5K VALVES & FLOW CROSS. MI & FILL FRAC TANKS FOR DRILL OUT. MIRU FRONTIER SERV. MANIFOLD, LINES & FLOW BACK PIT. SECURE WELL.

12/16/2009 PU 4 5/8 BUTTERFLY MILL, 2 7/8 BAKER "EXTREME" MTR & BHA. RIH TO 4500' PUMPING 1/2 BPM 2% KCL & 500 SCF N2. INCREASE RATE TO 2.0 BPM WTR, 700 SCF N2. CONT IN HOLE TO 1ST PLG, TAG @ 6287' DO PLG, CONT IN HOLE TO 6602'. LOST CIRC. CHANGE RATE TO 1 BPM WTR, 900 SCF N2. POH, TO 3500'. RECOVERED CIRCULATION. GO BACK IN HOLE. TAG 2ND PLG @ 6700'. DRILLED ON PLG 2 HRS, DID NOT DRILL UP. POH W/MTR & BHA. SECURE WELL.

12/17/2009 PSIPU NEW 4 5/8 BUTTERFLY MILL, BAKER EXTREME MTR & BHA. RIH TO 4500'. EST RATE OF

| | |
|---|--------------------------------------|
| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #79059 verified by the BLM Well Information System For CHESAPEAKE OPERATING, INC., sent to the Carlsbad Committed to AFMSS for processing by CHERYLE RYAN on 12/22/2009 (10KMS0388SE) | |
| Name (Printed/Typed) LINDA GOOD | Title SR. REGULATORY COMPLIANCE SPEC |
| Signature (Electronic Submission) | Date 12/21/2009 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|---|------------------|
| Approved By ACCEPTED | MYLES KRISTOF Title PETROLEUM ENGINEER | Date 12/28/2009 |
| 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 ****

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Additional data for EC transaction #79059 that would not fit on the form

32. Additional remarks, continued

1.5BPM WTR & 1000 SCF H2. START IN HOLE TO DO 2ND PLG LOST CIRC @ 6100'. POH TO 4500'. RE-ESTABLISH CIRC. RIH. TAG 2ND PLG @ 6700'. DO PLG IN 15 MIN. CONTINUE IN HOLE TO 7250'. LOST CIRC. POH TO 3500'. RE-ESTABLISH CIRC. RIH. TAG 3RD PLG @ 7404'. DRILLED ON PLG 10 MIN. LOST CIRC. CONTINUE DRILLING ON PLG 20 MORE MIN. PLG DID NOT DRILL UP. POH TO 1900'. RE-ESTABLISH RATE. RUN BACK IN HOLE TO 7350' TO CIRC HOLE CLEAN. PUMP 10 MIN. STARTED LOSING CIRC. POH RD CTU. PUMPED TOTAL OF 570,000 SCF N2 FOR DAY. LEAVE WELL OPEN TO FLOWBACK PIT OVERNIGHT TO BLEED OFF N2.

12/18/2009 MIRU INTEGRITY WELL SERVICE, HAVE SAFETY MEETING, NU BOP PICK UP 2 3/4 PUMP, PICK UP & HYDRO-TEST TBG IN HOLE TO 4429'. RIG TESTERS DOWNED BOP SET 12 PTS ON TAC, NU WELL HEAD, GO IN HOLE WITH ON & OFF TOOL 25-1", 76-7/8 & 71-1", SPACE WELL OUT, SDON. RETURNED TO PRODUCTION.

12/19/2009 RIG DOWN MOVE OFF, INSTALL PUMPING UNIT, FINAL REPORT.

(CHK PN 616369)



Linda Good
<linda.good@chk.com>

12/21/2009 11:34 AM

To: "kurt_simmons@nm.blm.gov"
<kurt_simmons@nm.blm.gov>; "betty_hill@blm.gov"
<betty_hill@blm.gov>; "cheryle_ryan@blm.gov"
cc: "Wesley_Ingram@blm.gov" <Wesley_Ingram@blm.gov>;
"christopher_walls@nm.blm.gov"
<christopher_walls@nm.blm.gov>

bcc:

Subject: Mosaic 34 Federal 3H Sundry

Please put this email with the sundry I filed this morning for this well. One of the COA's was to provide a current well test. I submitted the sundry before I remembered I needed a test. Here is the test. P 7-MCFPD, 65 BOPD, 585 BWPD.

Thank you,
Linda Good
Sr. Regulatory Compliance Specialist
Southern Division - Permian North
Chesapeake Energy Corporation
Bldg. 11, Rm #451
Office: (405) 935-4275
Fax: (405) 849-4275
E-mail: linda.good@chk.com

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