

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.**

1 Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other UNKNOWN OTH		5 Lease Serial No. NMNM025503
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 P.O. BOX 18496 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 NMNM88499X
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T18S R30E NENE 990FNL 990FEL		8 Well Name and No. BENSON SHUGART WFU 5
10 Field and Pool, or Exploratory SHUGART		9 API Well No. 30-015-23697
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 checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Deepen
	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input 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 checked="" 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.)

CHESAPEAKE RAN A MIT ON NOVEMBER 12TH WHICH WAS WITNESSED BY PAUL SWARTZ, BLM. THE WELL HAD 450 PSI ON THE CASING, WHICH WE BLED DOWN. WE PRESSURED UP ON CASING HOLDING 590 PSI. DURING 30 MINUTE TEST, CASING CONTINUED TO BUILD TO 625 PSI. TUBING WAS LEFT OPEN DURING TEST. TUBING FLOWED 40 BW TO TRUCK DURING TEST. THERE IS POSSIBLY A CASING LEAK AND THE BLM WOULD LIKE FOR US TO PULL WELL & CHECK CASING.

CHESAPEAKE, RESPECTFULLY, REQUESTS PERMISSION TO TEST THE CASING ON THIS WELL PER THE FOLLOWING PROCEDURE:

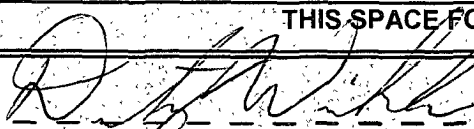
1. MIRU POH WTUBING AND PACKER. TEST TUBING.

2. RIH WITH PACKER ON TUBING TO ORIGINAL SETTING DEPTH. PRESSURE TEST CASING. IF TEST FAILS,

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Electronic Submission #78068 verified by the BLM Well Information System For CHESAPEAKE OPERATING, INC., sent to the Carlsbad	
Name (Printed/Typed) LINDA GOOD	Title SR. REGULATORY COMPLIANCE SPEC
Signature (Electronic Submission)	Date 11/30/2009

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 any statement or representation as to any matter within its jurisdiction, if such statement or representation is false, fictitious or fraudulent.		

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #78068 that would not fit on the form

32. Additional remarks, continued

PULL PACKER UP THE HOLE LOOKING FOR CASING LEAK. REPAIR CASING LEAK.

3. IF CASING TESTS GOOD, PUT WELL BACK ON INJECTION.

(CHK PN 890866)

Chesapeake Operating, Inc.
NM-025503 – Benson Shugart WFU #5
API: 30-015-23697
Eddy County, New Mexico

RE: Well Integrity Test NOI – Conditions of Approval

There is to be no surface disturbance beyond the existing pad. H2S monitoring and protection equipment is to be on site.

Contact BLM (575-361-2822) a minimum 24 hours prior to work starting.

Submit subsequent report once work is completed.

DHW 010810