

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NMOC

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**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 checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM69369
2. Name of Operator CHESAPEAKE OPERATING, INC.		6. If Indian, Allottee or Tribe Name
3a. Address OKLAHOMA CITY, OK 73154-0496		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 405.767.4275 Fx: 405.879.9583		8. Well Name and No. SOTOL FEDERAL 2
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 1 T24S R31E NESW 1980FSL 1980FWL		9. API Well No. 30-015-23977-00-S1
10. Field and Pool, or Exploratory COTTON DRAW		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.)

Attached is the site facility for Sotol Federal 2.

(CHK PN 890536)

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #52037 verified by the BLM Well Information System For CHESAPEAKE OPERATING, INC., sent to the Carlsbad Committed to AFMSS for processing by LINDA ASKWIG on 12/20/2004 (05LA0208SE)</b>	
Name (Printed/Typed) LINDA GOOD	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 12/17/2004

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <b>ACCEPTED</b>	ALEXIS C SWOBODA PETROLEUM ENGINEER	Date 12/20/2004
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

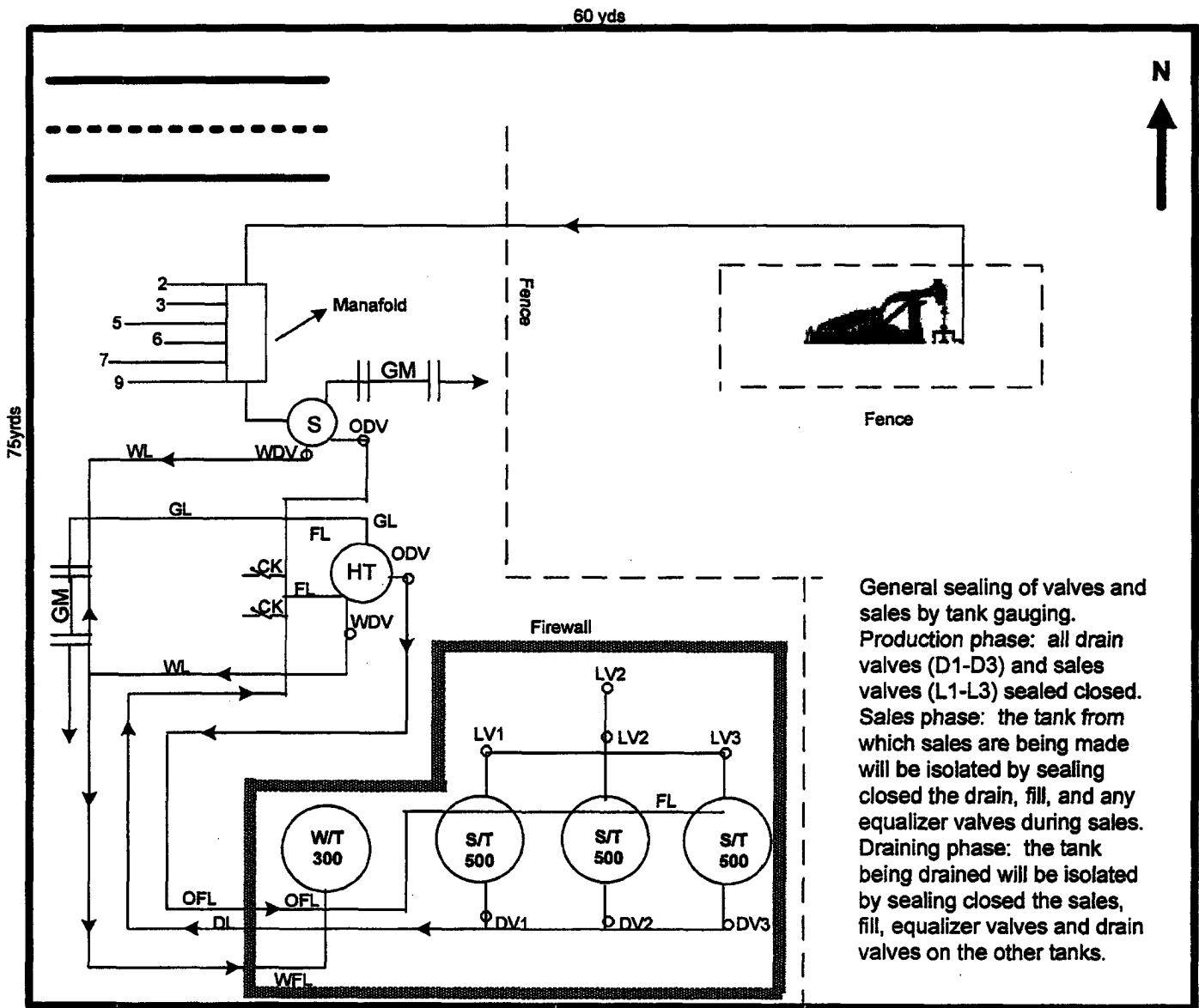
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

# CHESAPEAKE OPERATING, INC.

CHK Name & Number: SOTOL FEDERAL 2 890536  
 API number: 30-015-23977  
 County: EDDY  
 State: NM  
 Field: COTTON DRAW  
 Qtr Qtr Calls: C NE SW  
 Sec/Twnshp/Rng: 1-25S-31E  
 Number of Acres: 40

Regulatory Agency: BLM  
 Lease Sign Type: FEDERAL  
 CA#: 100% BLM LEASE  
 APD Lease #: NMNM 69369  
 Federal/Indian: FEDERAL  
 Last Violation: UNKNOWN  
 District: PERMIAN  
 Field Office: Hobbs



General sealing of valves and sales by tank gauging.  
 Production phase: all drain valves (D1-D3) and sales valves (L1-L3) sealed closed.  
 Sales phase: the tank from which sales are being made will be isolated by sealing closed the drain, fill, and any equalizer valves during sales.  
 Draining phase: the tank being drained will be isolated by sealing closed the sales, fill, equalizer valves and drain valves on the other tanks.

SOTOL FEDERAL 2 890536

Direction of Flow off Site: S

This lease is subject to  
 Chesapeake's Site Security Plan  
 located at 6100 N. Western  
 Oklahoma City, OK 73118

Prepared by: Patricia Chihuahua  
 Date: 10-06-2004

Approved by:  
 Date: