

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-26 749
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name PARDUE FARMS
8. Well Number 4
9. OGRID Number 147179
10. Pool name or Wildcat LOVING; DELAWARE, EAST

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
Chesapeake Operating, Inc.

3. Address of Operator P.O. Box 18496
Oklahoma City, OK 73154

4. Well Location
Unit Letter A : 660 feet from the NORTH line and 660' feet from the EAST line
Section 10 Township 23S Range 28E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
2998' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

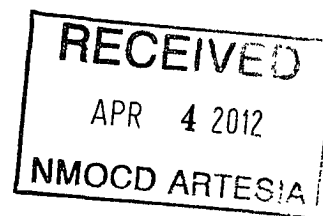
OTHER: ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Please find our intent to P&A this well. Attached is the P&A procedure, actual and proposed well-bore diagram, and NMOCD's C-144 (CLEZ) pit permit.

**Notify OCD 24 hrs. prior
To any work done.**



**SEE ATTACHED
CONDITIONS OF
APPROVAL**

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Bryan Arrant TITLE Regulatory Specialist II DATE 04/03/2012

Type or print name Bryan Arrant E-mail address: bryan.arrant@chk.com PHONE: (405)935-3782

For State Use Only

APPROVED BY: [Signature] TITLE Approval Granted providing work DATE 4/9/2012
Conditions of Approval (if any): is complete by 7/2/2012

Chesapeake Energy, Inc.
P.O. Box 18496
Oklahoma City, OK 73154-0496

Well: Pardue Farms # 4-10

P&A Procedures

1. Locate well. Brush if need's.
2. MIRU P&A equip. MI circulating pit.
3. Bleed off well, NU BOP.
4. Tally in hole w/ Tbg Tag. Tag existing CIBP, set @ 5775' TOC @ 5770'.
5. Load hole w/ 9.5 MLF, spot ²⁵15sx on top of plug.
6. PUH to 3270', spot ²⁵20sx plug.
7. PUH to 2750', spot ²⁵20sx cmt.
** - B. SAT 2400'*
8. PUH to 1300', spot ²⁵20sx cmt.
** - T. SAT 1100'*
9. PUH to ^{550'}400', spot 30sx of cmt. Circulate cmt to surf.
10. ND BOP cut off WH. Install dry hole maker.
11. Rig down P&A equip. Clean up loc. Finish & MO.

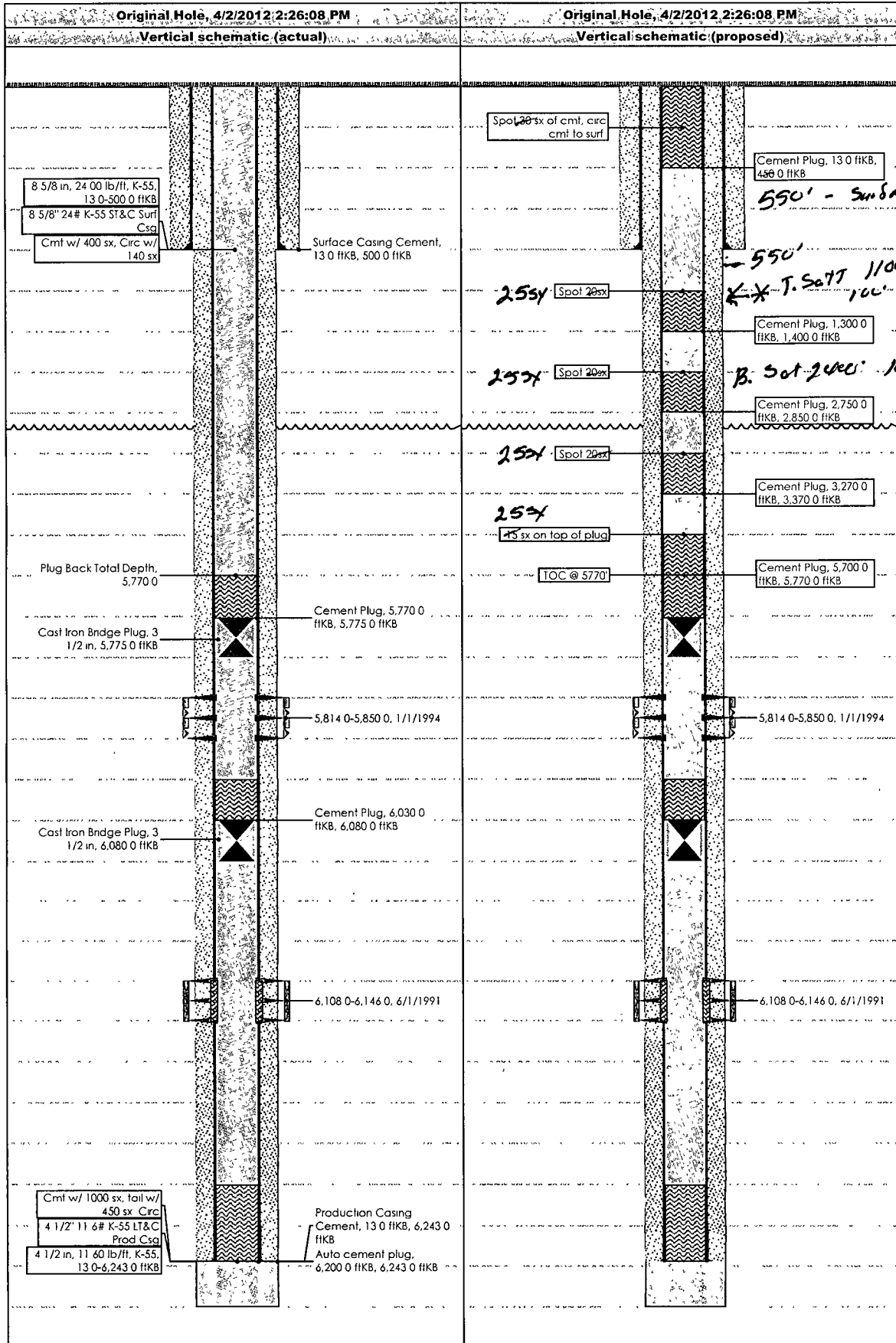
** T. SAT 1100'*
100' cmt Plug. 1150-1050' woc Tag.

** B. SAT 2400'*
100' cmt. Plug. 2450-2350' woc Tag.

Current Wellbore Schematic

WELL (PN): PARDUE FARMS 4-10 (890373)
 FIELD OFFICE: HOBBS
 FIELD: Loving East-Delaware
 STATE / COUNTY: NEW MEXICO / EDDY
 LOCATION: SEC 10-23S-28E, 660 FNL & 660 FEL
 ROUTE: HOB-NM-ROUTE 22- DAVID CHAVARIA
 ELEVATION: GL: 2,998.0 KB: 3,011.0 KB Height: 13.0
 DEPTHS: TD: 6,265.0

Chesapeake
 Energy
 API #: 3001526749
 Serial #:
 SPUD DATE: 5/22/1991
 RIG RELEASE: 5/22/1991
 FIRST SALES:
 Current Status: T/A



NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
811 S. FIRST STREET
ARTESIA, NM 88210
(575)748-1283

CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT

Operator: Chesapeake Operating, Inc.

Well Name & Number: Pardue Farms # 4

API #: 30-015-26749

1. Produced water will not be used during any part of the plugging & abandonment operation.
2. Notify NMOCD Dist. 2 office at least 24 hrs before beginning work.
3. Closed Loop System is to be used for entire plugging operation. Upon completion, contents of steel pit are to be hauled to a permitted disposal location.
4. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator, as well as the contractor, to verify that this permit is place prior to performing work. Drivers shall produce a copy upon request of NMOCD Field Inspectors.
5. A subsequent C-103 will serve as notification that the well bore has been plugged ONLY. A C-103 FINAL shall be filed before any bonding can be released on the well. Upon receipt of the Final, an inspection will be performed to verify that the location has been satisfactorily cleaned to NMOCD standards.
6. If work has not begun within 90 days of the approval of this procedure, an extension request must be filed, stating reason that well has not been plugged.
7. Every attempt must be made to clean the well bore out to below the perms, before any plugs can be set, by whatever means possible.

8. Cement Retainers may not be used.

9. Squeeze pressures not to exceed 500 psi., unless approval is given by NMOCD Plugging Supervisor.

10. Plugs may be combined after consulting with NMOCD P & A Supervisor.

11. Minimum WOC time for tag plugs will be 4 hrs.

DG

Date: 4/9/2012