

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 checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No NMLC069514B
2. Name of Operator CHESAPEAKE OPERATING INC		6. If Indian, Allottee or Tribe Name
Contact LYNDÉE SONGER E-Mail lyndee.songer@chk.com		7. If Unit or CA/Agreement, Name and/or No. 891000303X
3a. Address OKLAHOMA CITY, OK 73154-0496	3b. Phone No. (include area code) Ph: 405-935-2411	8. Well Name and No PLU PHANTOM BANKS 4-26-31 USA 1H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 4 T26S R31E SESW Lot N 300FSL 2180FWL		9. API Well No. 30-015-39847-00-X1
		10. Field and Pool, or Exploratory UNKNOWN
		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"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input 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	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

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 REQUESTS PERMISSION TO USE A COFLEX LINE FROM THE BOP STACK TO THE CHOKE MANIFOLD. THE HOSE IS RATED TO 5,000 PSI AND WAS TESTED BY THE MANUFACTURER TO 10,000 PSI. IT WILL BE USED WITH A BOP STACK AND CHOKE MANIFOLD RATED TO 5,000 PSI. CHESAPEAKE ALSO REQUESTS PERMISSION TO CHANGE THE RIG TO THE LATSHAW 14.

ATTACHED IS THE RIG SCHEMATIC AND THE MANUFACTURER TEST DATA. THE WELL IS SCHEDULED TO SPUD TUESDAY, APRIL 3, 2012.

(CHK PN 641197)

BLM BOND ESB000159

RECEIVED

APR 4 2012

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct		NMOCD ARTESIA	
Electronic Submission #134362 verified by the BLM Well Information System For CHESAPEAKE OPERATING INC, sent to the Carlsbad. Committed to AFMSS for processing by CHRISTOPHER WALLS on 04/03/2012 (12CRW0022SE)			
Name (Printed/Typed)	LYNDÉE SONGER	Title	REGULATORY COMPLIANCE ANALYST
Signature	(Electronic Submission)	Date	03/30/2012

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

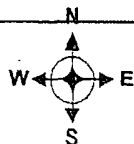
Approved By DON PETERSON	Title AFM LANDS AND MINERALS	Date 04/03/2012
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations 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 \*\***

**M I D W E S T**  
**HOSE AND SPECIALTY INC.**

INTERNAL HYDROSTATIC TEST REPORT			
Customer: LATSHAW DRILLING		P.O. Number: RIG#14	
<b>HOSE SPECIFICATIONS</b>			
Type: CHOKER & KILL		Length: 37'	
I.D. 3 1/2" INCHES		O.D. 7" INCHES	
WORKING PRESSURE 5,000 PSI	TEST PRESSURE 10,000 PSI	BURST PRESSURE PSI	
<b>COUPLINGS</b>			
Type of End Fitting 956HXX+64WB			
Type of Coupling: 4 1/16 5K FLANGE			
<b>PROCEDURE</b>			
<i>Hose assembly pressure tested with water at ambient temperature.</i>			
TIME HELD AT TEST PRESSURE 1 MIN.		ACTUAL BURST PRESSURE: 0 PSI	
COMMENTS: S/N 0240643-1			
Date: 6/8/2007	Tested By: BOBBY FINK		Approved: MENDI JACKSON



Latshaw #14

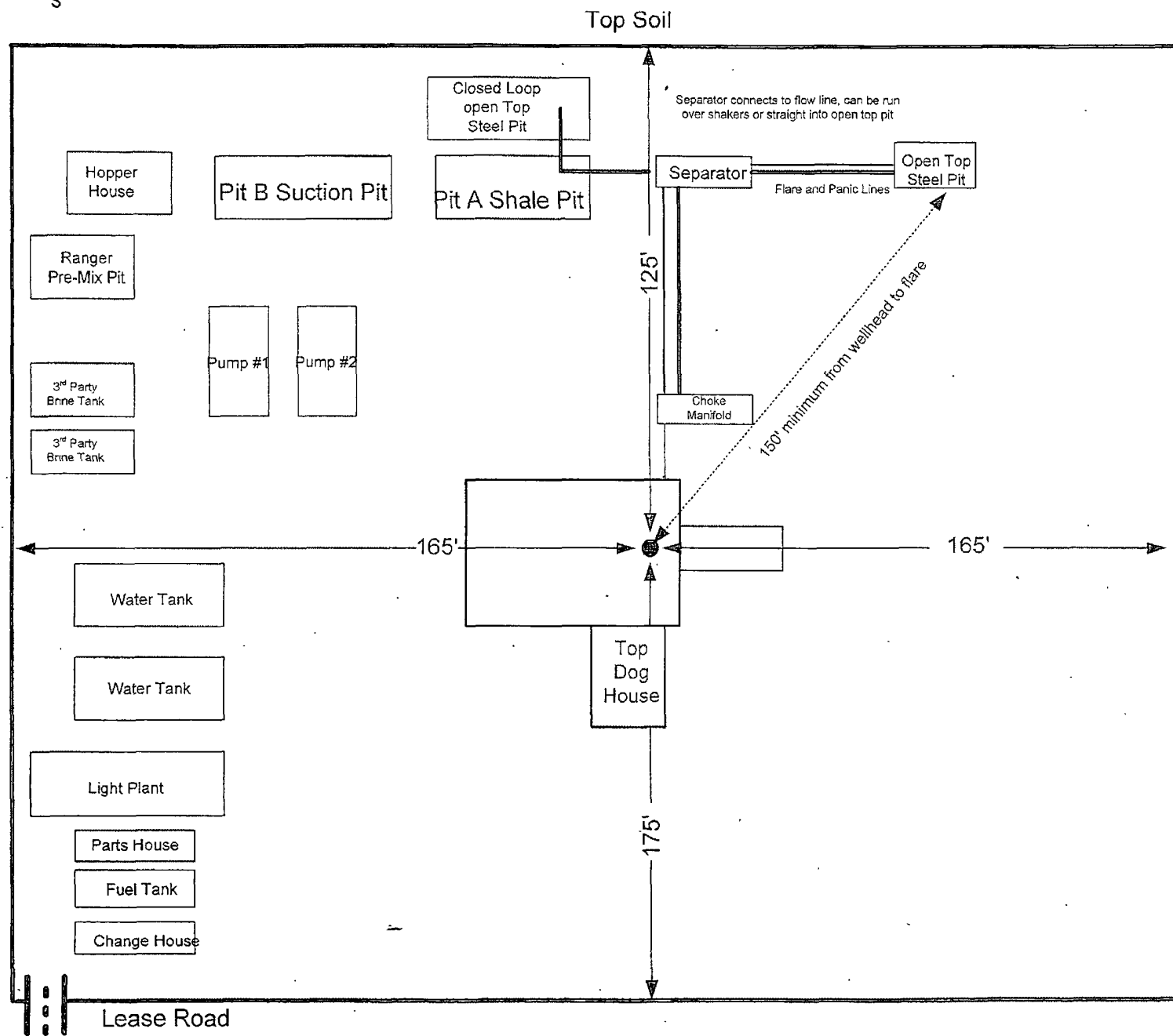


EXHIBIT D

**Co-Flex line**  
**Conditions of Approval**

Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. **Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).