

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCDA 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. NMLC068431
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 891000303X
3b. Phone No (include area code) Ph: 405-935-2896		8. Well Name and No PLU REMUDA BASIN 4 24 30 USA 1H
4. Location of Well (Footage, Sec, T., R, M., or Survey Description) Sec 4 T24S R30E NENE 175FNL 1250FEL		9. API Well No. 30-015-40660-00-X1
		10. Field and Pool, or Exploratory UNDESIGNATED
		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"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<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 type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Change to Original APD

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.)

CONFIDENTIAL

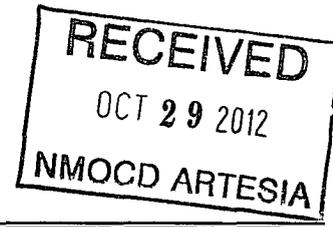
CHESAPEAKE REQUEST PERMISSION TO USE A FLEX HOSE FROM THE BOP STACK TO THE CHOKE MANIFOLD.

Midwest Hose has informed the operator that the flex hose was tested at a time when they did not have the technology to generate a pressure test charts. Therefore, no manufacturer's pressure test chart exists. We will continue to prove its integrity when we test our BOP equipment for each new well. Pressure charts for the BOP and flex hose testing will be kept on location and will be available for upon your request for every well.

CHK PN 643672

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record
NMOCD J. Wade 10/30/12



14. I hereby certify that the foregoing is true and correct.

Electronic Submission #156441 verified by the BLM Well Information System
For CHESAPEAKE OPERATING INC, sent to the Carlsbad
Committed to AFMSS for processing by WESLEY INGRAM on 10/25/2012 (13WWI0175SE)

Name (Printed/Typed) ERIN CARSON	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 10/25/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By WESLEY INGRAM	Title PETROLEUM ENGINEER	Date 10/25/2012
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.

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

INTERNAL HYDROSTATIC TEST REPORT		
Customer: LATSHAW DRILLING	P.O. Number: RIG#14	
HOSE SPECIFICATIONS		
Type: CHOKE & 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
COUPLINGS		
Type of End Fitting 956HXX+64WB		
Type of Coupling: 4 1/16 5K FLANGE		
PROCEDURE		
<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 O240643-1		
Date: 6/8/2007	Tested By: BOBBY FINK	Approved: MENDI JACKSON

PLU Remuda Basin 4 24 30 USA 1H

30-015-40660

Chesapeake as Agent for BOPCO

October 25, 2012

Conditions of Approval

1. 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 shall 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).

Note if operator does have to replace the hose, a manufacturer's hydrostatic pressure chart shall be at the rig for the replacement hose as stated in the variance approval.

WWI 102512