

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. NMLC063079A
2. Name of Operator CHESAPEAKE FOR CHEVRON/BOPCO Contact: LINDA GOOD Email: 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. NMNM071016X
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 25 T25S R30E Mer NMP SESW 150FSL 2280FWL		8. Well Name and No. PLU PHANTOM BANKS 25 25 30 USA 1H
		9. API Well No. 30-015-40756
		10. Field and Pool, or Exploratory WILDCAT; BONE SPRING
		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

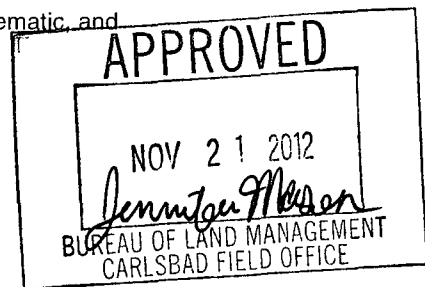
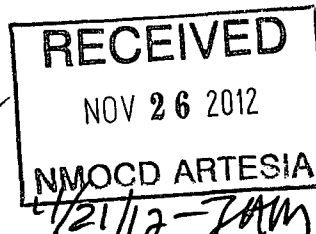
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 recompletion 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, respectfully, requests permission to replace the BOP schematic, choke schematic, and testing requirements from the original approved APD with the attached.

Attach new BOP/Choke schematic with testing requirements.

(CHK PN 645561) Accepted for record
NMOCD 105 11/26/2012



See new COA attached

14. I hereby certify that the foregoing is true and correct. Electronic Submission #159743 verified by the BLM Well Information System For CHESAPEAKE FOR CHEVRON/BOPCO, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 11/09/2012 ()	
Name (Printed/Typed) LINDA GOOD	Title REGULATORY ANALYST III
Signature (Electronic Submission)	Date 11/08/2012

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 to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

BLOWOUT PREVENTOR SCHEMATIC

CHESAPEAKE OPERATING INC

Minimum Requirements

OPERATION : Intermediate and Production Hole Sections

Minimum System

Pressure Rating : 3000 PSI

SIZE PRESSURE DESCRIPTION

A		N/A	Bell Nipple
B	13 5/8"	3,000 psi	Annular
C	13 5/8"	3,000 psi	Pipe Ram
D	13 5/8"	3,000 psi	Blind Ram
E	13 5/8"	3,000 psi	Mud Cross
F			
DSA	As required for each hole size		
C-Sec			
B-Sec	13-5/8" 3K x 11" 3K		
A-Sec	13-3/8" SOW x 13-5/8" 3K		

Kill Line

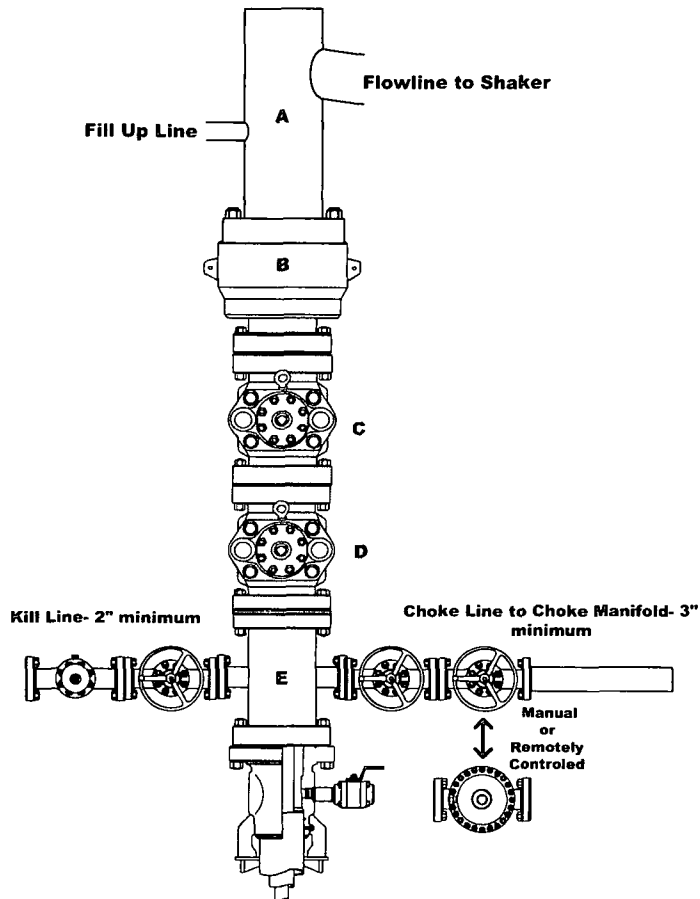
SIZE PRESSURE DESCRIPTION

2"	3,000 psi	Check Valve
2"	3,000 psi	Gate Valve

Choke Line

SIZE PRESSURE DESCRIPTION

3"	3,000 psi	Gate Valve
3"	3,000 psi	Gate Valve Or Remotely Controlled Valve



Installation Checklist

The following item must be verified and checked off prior to pressure testing of BOP equipment.

- ☐ The installed BOP equipment meets at least the minimum requirements (rating, type, size, configuration) as shown on this schematic. Components may be substituted for equivalent equipment rated to higher pressures. Additional components may be put into place as long as they meet or exceed the minimum pressure rating of the system.
- ☐ All valves on the kill line and choke line will be full opening and will allow straight through flow.
- ☐ The kill line and choke line will be straight unless turns use tee blocks or are targeted with running tress, and will be anchored to prevent whip and reduce vibration.
- ☐ Manual (hand wheels) or automatic locking devices will be installed on all ram preventers. Hand wheels will also be installed on all manual valves on the choke line and kill line.
- ☐ A valve will be installed in the closing line as close as possible to the annular preventer to act as a locking device. This valve will remain open unless accumulator is inoperative.
- ☐ Upper kelly cock valve with handle will be available on rig floor along with safety valve and subs to fit all drill string connections in use.

After Installation Checklist is complete, fill out the information below and email to Superintendent and Drilling Engineer

Wellname: _____

CHK Representative: _____

Date: _____

CHOKE MANIFOLD SCHEMATIC

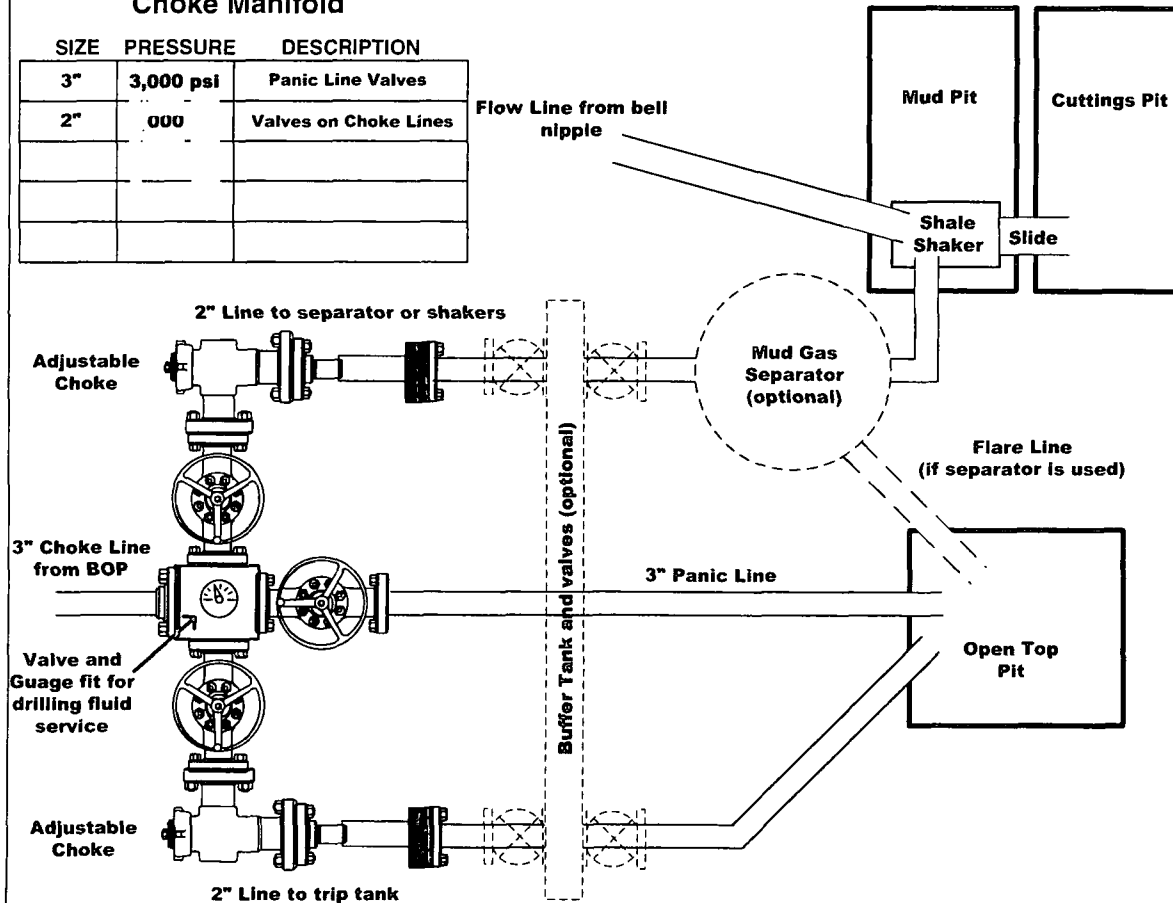
CHESAPEAKE OPERATING INC Minimum Requirements

OPERATION : Intermediate and Production Hole Sections

Minimum System
Pressure Rating : 3000 PSI

Choke Manifold

SIZE	PRESSURE	DESCRIPTION
3"	3,000 psi	Panic Line Valves
2"	000	Valves on Choke Lines



Installation Checklist

The following item must be verified and checked off prior to pressure testing of BOP equipment.

- ☐ The installed BOP equipment meets at least the minimum requirements (rating, type, size, configuration) as shown on this schematic. Components may be substituted for equivalent equipment rated to higher pressures. Additional components may be put into place as long as they meet or exceed the minimum pressure rating of the system.
- ☐ Adjustable Chokes may be Remotely Operated but will have backup hand pump for hydraulic actuation in case of loss of rig air pressure or power.
- ☐ Flare and Panic lines will terminate a minimum of 150' from the wellhead. These lines will terminate at a location as per approved APD.
- ☐ The choke line, kill line, and choke manifold lines will be straight unless turns use tee blocks or are targeted with running tress, and will be anchored to prevent whip and reduce vibration. This excludes the line between mud gas separator and shale shakers.
- ☐ All valves (except chokes) on choke line, kill line, and choke manifold will be full opening and will allow straight through flow. This excludes any valves between mud gas separator and shale shakers.
- ☐ All manual valves will have hand wheels installed.
- ☐ If used, flare system will have effective method for ignition
- ☐ All connections will be flanged, welded, or clamped (no threaded connections like hammer unions)
- ☐ If buffer tank is used, a valve will be used on all lines at any entry or exit point to or from the buffer tank.

After Installation Checklist is complete, fill out the information below and email to Superintendent and Drilling Engineer

Wellname: _____

CHK Representative: _____

Date: _____

BOPE Testing

CHESAPEAKE OPERATING INC

Minimum Requirements

Closing Unit and Accumulator Checklist

The following item must be performed, verified, and checked off at least once per well prior to high/low pressure testing of BOP equipment. This must be repeated after 6 months on the same well.

- ☐ Precharge pressure for each accumulator bottle must fall within the range below. Bottles may be further charged with nitrogen gas only. Tested precharge pressures must be recorded for each individual bottle and kept on location through the end of the well. Test will be conducted prior to connecting unit to BOP stack.

Check one that applies	Accumulator working pressure rating	Minimum acceptable operating pressure	Desired precharge pressure	Maximum acceptable precharge pressure	Minimum acceptable precharge pressure
<input type="checkbox"/>	1500 psi	1500 psi	750 psi	800 psi	700 psi
<input type="checkbox"/>	2000 psi	2000 psi	1000 psi	1100 psi	900 psi
<input type="checkbox"/>	3000 psi	3000 psi	1000 psi	1100 psi	900 psi

- ☐ Accumulator will have sufficient capacity to open the hydraulically-controlled choke line valve (if used), close all rams, close the annular preventer, and retain a minimum of 200 psi above the maximum acceptable precharge pressure (see table above) on the closing manifold without the use of the closing pumps. This test will be performed with test pressure recorded and kept on location through the end of the well
- ☐ Accumulator fluid reservoir will be double the usable fluid volume of the accumulator system capacity. Fluid level will be maintained at manufacturer's recommendations. Usable fluid volume will be recorded. Reservoir capacity will be recorded. Reservoir fluid level will be recorded along with manufacturer's recommendation. All will be kept on location through the end of the well.
- ☐ Closing unit system will have two independent power sources (not counting accumulator bottles) to close the preventers.
- ☐ Power for the closing unit pumps will be available to the unit at all times so that the pumps will automatically start when the closing valve manifold pressure decreases to the pre-set level. It is recommended to check that air line to accumulator pump is "ON" during each tour change.
- ☐ With accumulator bottles isolated, closing unit will be capable of opening the hydraulically-operated choke line valve (if used) plus close the annular preventer on the smallest size drill pipe within 2 minutes and obtain a minimum of 200 psi above maximum acceptable precharge pressure (see table above) on the closing manifold. Test pressure and closing time will be recorded and kept on location through the end of the well.
- ☐ Master controls for the BOPE system will be located at the accumulator and will be capable of opening and closing all preventer and the choke line valve (if used)
- ☐ Remote controls for the BOPE system will be readily accessible (clear path) to the driller and located on the rig floor (not in the dog house). Remote controls will be capable of closing all preventers.
- ☐ Record accumulator tests in drilling reports and IADC sheet

BOPE Test Checklist

The following item must be checked off prior to beginning test

- ☐ BLM will be given at least 4 hour notice prior to beginning BOPE testing
- ☐ Valve on casing head below test plug will be open
- ☐ Test will be performed using clear water.

The following item must be performed during the BOPE testing and then checked off

- ☐ BOPE will be pressure tested when initially installed, whenever any seal subject to test pressure is broken, following related repairs, and at a minimum of 30 days intervals. Test pressure and times will be recorded by a 3rd party on a test chart and kept on location through the end of the well.
- ☐ Test plug will be used
- ☐ Ram type preventer and all related well control equipment will be tested to 250 psi (low) and 3,000 psi (high).
- ☐ Annular type preventer will be tested to 250 psi (low) and 1,500 psi (high).
- ☐ Valves will be tested from the working pressure side with all down stream valves open. The check valve will be held open to test the kill line valve(s)
- ☐ Each pressure test will be held for 10 minutes with no allowable leak off.
- ☐ Master controls and remote controls to the closing unit (accumulator) must be function tested as part of the BOP testing
- ☐ Record BOP tests and pressures in drilling reports and IADC sheet

After Installation Checklist is complete, fill out the information below and email to Superintendent and Drilling Engineer along with any/all BOP and accumulator test charts and reports from 3rd parties.

Wellname: _____

CHK Representative: _____

Date: _____

CONDITIONS OF APPROVAL

Sundry EC # 159743

OPERATOR'S NAME:	Chesapeake
LEASE NO.:	LC063079A
WELL NAME & NO.:	1H PLU Phantom Banks 25 25 30 USA
SURFACE HOLE FOOTAGE:	150' FSL & 2280' FWL
BOTTOM HOLE FOOTAGE:	100' FNL & 1980' FWL
LOCATION:	Section 25, T.25 S., R.30 E., NMPM
COUNTY:	Eddy County, New Mexico

The following COA applies:

For choke manifold:

If the optional buffer tank and the mud gas separator are not used, the choke lines must follow the paths indicated on the schematic. The first choke line must go directly to the shale shaker and the other choke line must go directly to the open top pit, as indicated in the approved schematic.