

N.M. Oil Cons. DIV-Dist. 2
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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
☒ Oil Well ☐ Gas Well ☐ Other

RECEIVED

2. Name of Operator
Chesapeake Operating Inc.

JAN 30 2006

3a. Address
P. O. Box 11050 Midland TX 79702-80503b. Phone No. (include area code)
(432) 687-29924. Location of Well (Footage, Sec., T., R., M., or Survey Description)
#1: 2310' FSL & 1892' FWL; 12A #1: 630 FWL & 2021
FNL Sec. 12, T26S R29E
#4: 330' FWL & 2310' FSL5. Lease Serial No.
LC071066 & NM11039

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Brushy 12 & 12A Federal #2

9. API Well No.

30-015-25519

10. Field and Pool, or Exploratory Area
Brushy Draw, Delaware11. County or Parish, State
Eddy
New Mexico

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

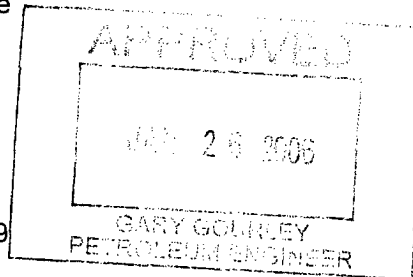
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 Surface Co-ming
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recomplete 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.)

These wells are very old and were surface co-mingled by a previous operator; however, Chesapeake did not receive the permits from the former Operator for our files. Chesapeake, respectfully, requests for the commingling permits to continue for the oil and gas production. There will be a separator placed by each well in order to keep the production separate.

Brushy 12 Federal #4, Brushy Draw, Delaware, API # 30-015-25604 - LC-071066
NW/4, SW/4Brushy 12 Federal #2, Brushy Draw, Delaware, API # 30-015-25519 - LC-071066
NE/4, SW/4Brushy 12A Federal #1, Brushy Draw, Delaware, API # 30-015-25615 - NM 11039
SW/4, NW/4

Your consideration is appreciated.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Brenda Coffman

Title Regulatory Analyst

Signature

Date 01/10/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

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.

(Instructions on page 2)

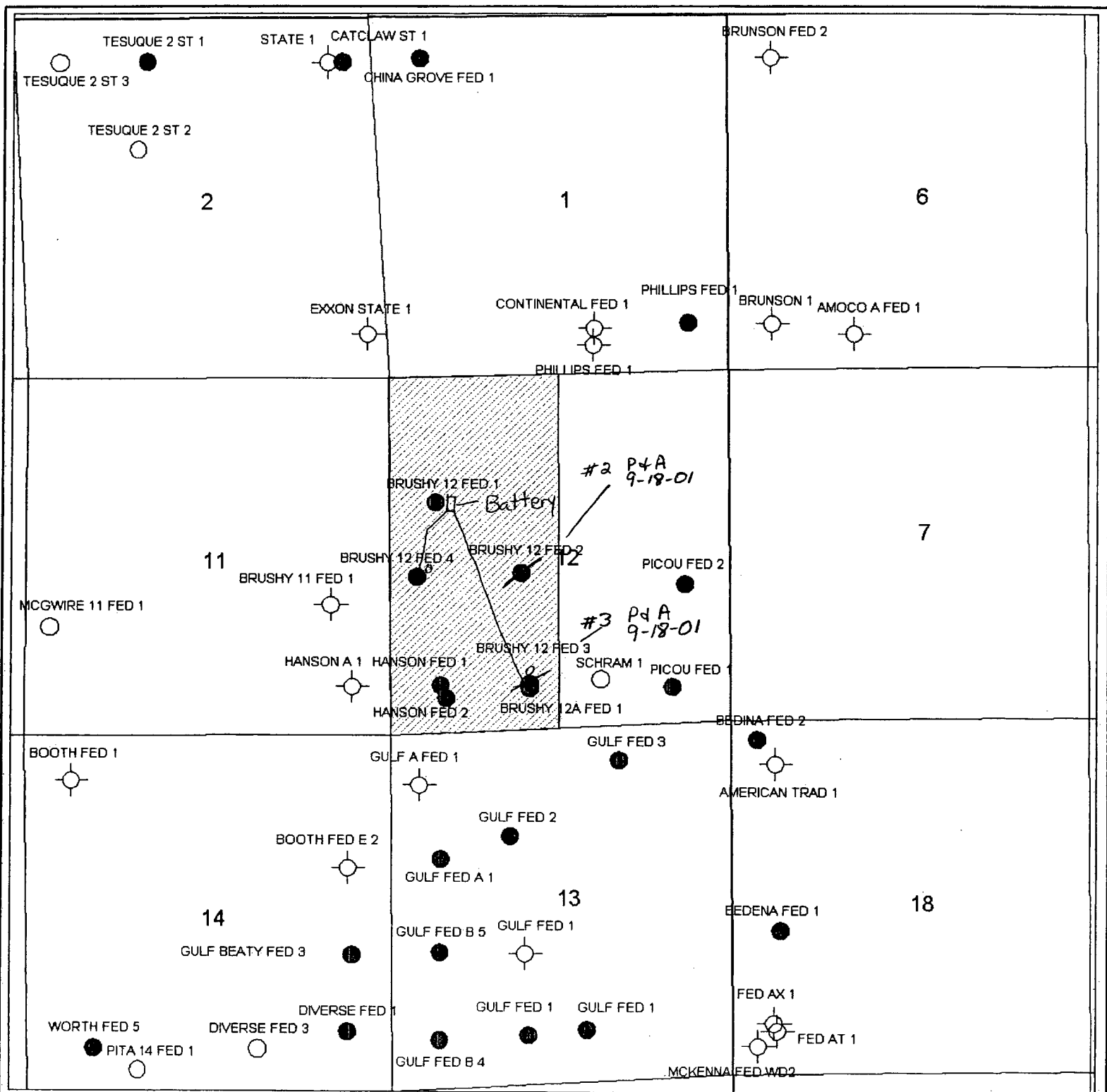


EXHIBIT "A"

○ Separator
— Pipeline
□ Battery



**CHESAPEAKE
OPERATING, INC.**

Delaware Basin
Eddy County, NM
Brushy 12 and 12A

Date: 1 November, 2005 | Geologist: Doug Bellis

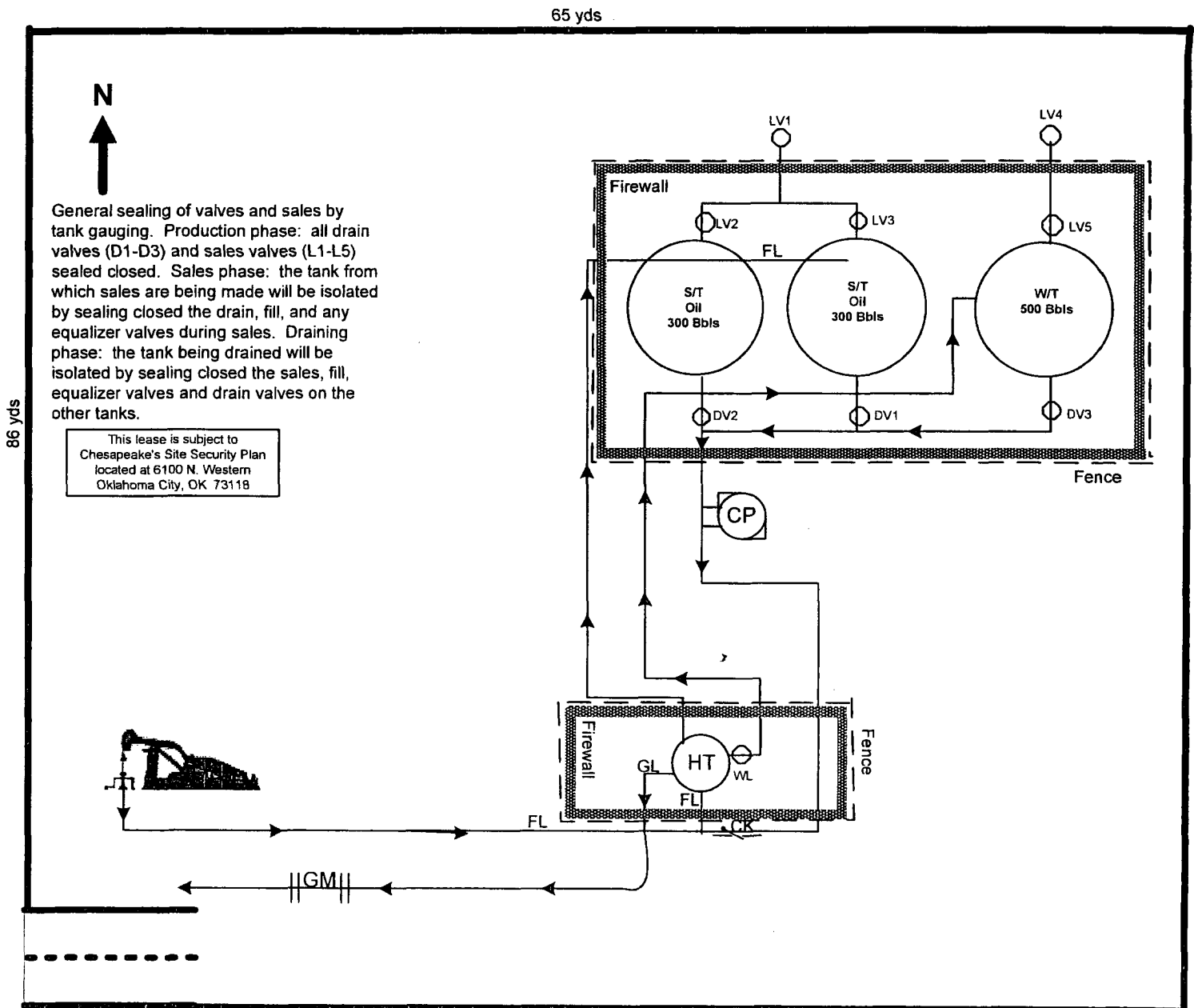
DKB Brushy12 and 12A.gmp

CHESAPEAKE OPERATING, INC.

CHK Name & Number: BRUSHY 12 FEDERAL 1 891205
 API number: 3001525416
 County: EDDY
 State: NM
 Field:
 Qtr Qtr Calls: S2 SE SW - 560 FSL 1980 FWL
 Sec/Twnshp/Rng: 0012, 026S, 029E
 Well Latitude / Longitude: 32.0510100 / -103.93840
 District: PERMIAN
 Number of Acres: 160
 Well Status: PRODUCING
 Tribe Name: undefined

Regulatory Agency:
 Lease Sign Type:
 CA#: 100% BLM LEASE
 APD Lease #: NMLC71066
 Federal/Indian: Federal
 Last Violation:
 Pumper: HOB-NM-Route 39- Mike Campbell
 Foreman: James Clary
 Field Office: HOBBS
 Alottee Name: undefined

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BRUSHY 12 FEDERAL #1 891205

EXHIBIT "B"

Direction of Flow off Site: S