

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.

MAY 14 2008

MCD-ARTESIA

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. NMLC030570B |
| 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. |
| 3b. Phone No. (include area code) Ph: 405-879-7562 Fx: 405-879-7908 | | 8. Well Name and No. POWER FED COM 2 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T17S R30E NESE 1400FSL 660FEL | | 9. API Well No. 30-015-27508-00-S1 |
| | | 10. Field and Pool, or Exploratory CEDAR LAKE |
| | | 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 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 checked="" 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 | Site Facility Diagram/Security Plan |
| | <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 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.)

PLEASE FIND THE ATTACHED DIAGRAM FOR POWER FEDERAL COM 2.

(CHK PN 891465)

Accepted for Record Purposes.
Approval Subject to Onsite Inspections.
Date: MAY 12 2008

| | |
|---|----------------------------------|
| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #60096 verified by the BLM Well Information System For CHESAPEAKE OPERATING, INC., sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 05/06/2008 (08KMS1644SE) | |
| Name (Printed/Typed) GABE M SEELEY | Title REGULATORY COMPLIANCE TECH |
| Signature (Electronic Submission) | Date 05/05/2008 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | | |
|---|----------|--|-----------------|
| Approved By | ACCEPTED | DUNCAN WHITLOCK Title LEAD PETROLEUM ENGINEERING TECH | Date 05/12/2008 |
| 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 **

FOR RECORDS ONLY

CHESAPEAKE OPERATING, INC.

CHK Name & Number: POWER FEDERAL COM 2 891465
 API number: 30-015-27508
 County: EDDY
 State: NM
 Field: CEDAR LAKE NORTH
 Qtr Qtr Calls: NE SE
 Sec/Twnshp/Rng: 26-17S-30E
 Number of Acres: 40

Regulatory Agency: BLM
 Lease Sign Type: FEDERAL
 CA#: 100% BLM LEASE
 APD Lease #: NMLC030570-B
 Federal/Indian: FEDERAL
 Last Violation: UNKNOWN
 District: PERMIAN
 Field Office: HOBBS

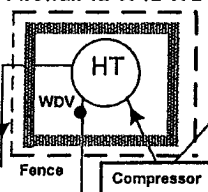
1

73 yds



General sealing of valves and sales by tank gauging. Production phase: all drain valves (D1-D4) and sales valves (L1-L4) sealed closed. Sales phase: the tank from which sales are being made will be isolated by sealing closed the drain, fill, and any equalizer valves during sales. Draining phase: the tank being drained will be isolated by sealing closed the sales, fill, equalizer valves and drain valves on the other tanks.

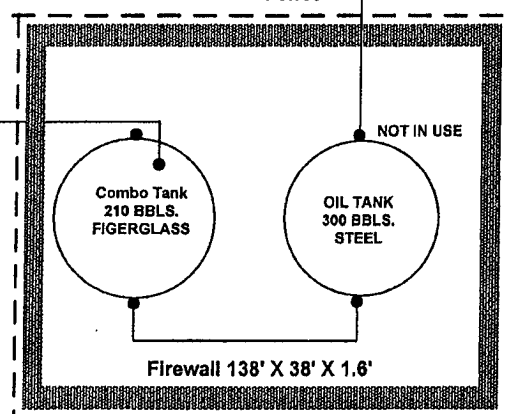
Firewall 12' X 12' X 2'



Well Head

88 yds

Fence



Direction of Flow off Site: S

This lease is subject to
 Chesapeake's Site Security Plan
 located at 6100 N. Western
 Oklahoma City, OK 73118

Prepared by: JACKIE REYNOLDS
 Date: 2 5 2008

Approved by:
 Date: