

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAY 15 2008

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.

OCD-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		8. Well Name and No. HINKLE FEDERAL 2
2. Name of Operator CHESAPEAKE OPERATING, INC. Contact: GABE M SEELEY E-Mail: gabe.seeley@chk.com		9. API Well No. 30-015-23388
3a. Address P.O. BOX 18496 OKLAHOMA CITY, OK 73154-0496	3b. Phone No. (include area code) Ph: 405-879-7562 Fx: 405-879-7908	10. Field and Pool, or Exploratory SHUGART NORTH
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T18S R31E NENW 660FNL 1980FWL		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 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 HINKLE FEDERAL 2.

(CHK PN 890457).

Accepted for Record Purposes.

Approval Subject to Onsite Inspections.

Date: 5/12/08

ACCEPTED FOR RECORD

MAY 12 2008
/s/ JD Whitlock JrBUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

I hereby certify that the foregoing is true and correct.	
Electronic Submission #60165 verified by the BLM Well Information System For CHESAPEAKE OPERATING, INC., sent to the Carlsbad	
Name (Printed/Typed) GABE M SEELEY	Title REGULATORY COMPLIANCE TECH
Signature (Electronic Submission)	Date 05/07/2008

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.	FOR RECORDS ONLY	
	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 **

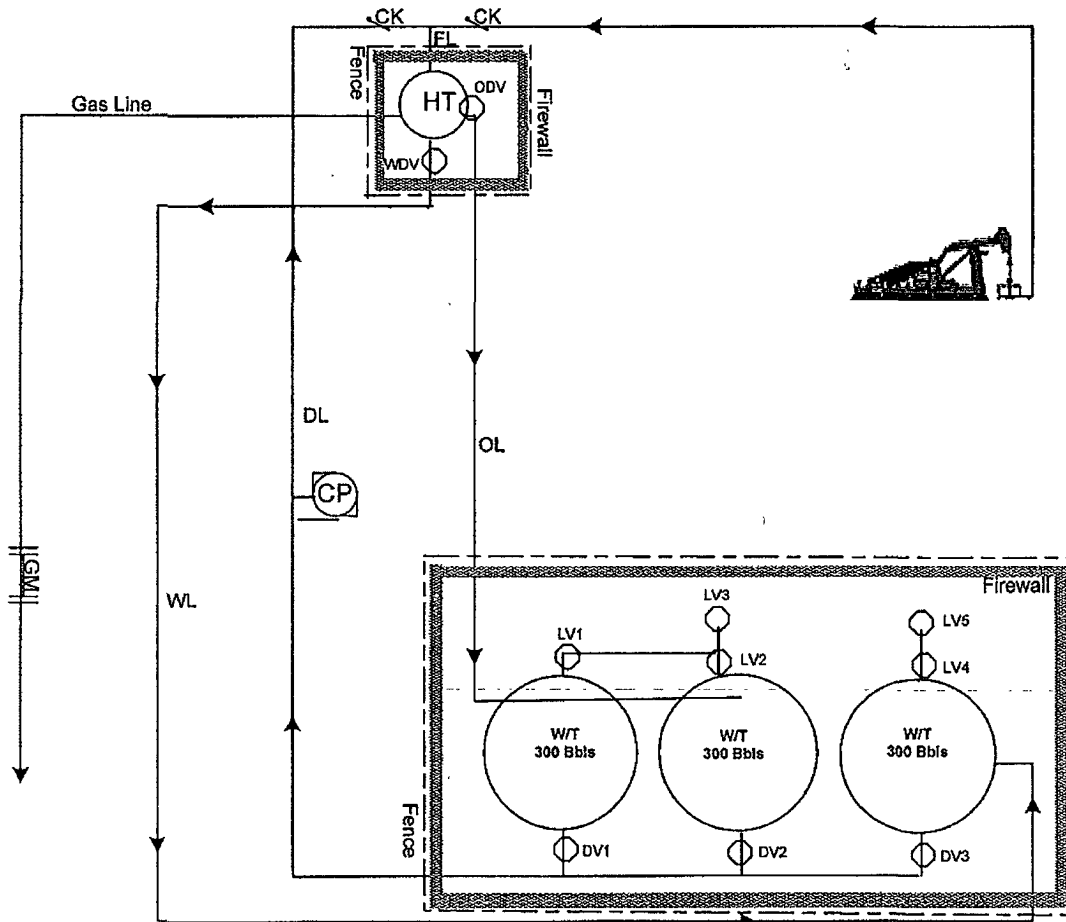
CHESAPEAKE OPERATING, INC.

CHK Name & Number: HINKLE FEDERAL 2 890457
 API number: 30-015-23388
 County: EDDY
 State: NM
 Field: SHUGART
 Qtr Qtr Calls: NENW
 Sec/Twnshp/Rng: 26-18S-31E
 Number of Acres: 40

Regulatory Agency: BLM
 Lease Sign Type: APD WELL
 CA#: 100% BLM LEASE
 APD Lease #: NMLC029392B
 Federal/Indian: FEDERAL
 Last Violation: UNKNOWN
 District: PERMIAN NORTH
 Field Office: Hobbs



General sealing of valves and sales by tank gauging. Production phase: all drain valves (D1-D3) and sales valves (L1-L5) 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.



Direction of Flow off Site: S

HINKLE FEDERAL 2 890457

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

Prepared by: DEBBIE HERNANDEZ
 Date: 3-8-2007

Approved by:
 Date: