

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

AUG 19 2008

FORM APPROVED  
OMB NO 1004-0135  
Expires: July 31, 2010**S****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.**

WIND-ARTESIA

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1 Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5 Lease Serial No NMNM9545
2 Name of Operator CHESAPEAKE OPERATING, INC. Contact LINDA GOOD E-Mail linda.good@chk.com		6 If Indian, Allottee or Tribe Name
3a. Address OKLAHOMA CITY, OK 73154-0496	3b Phone No. (include area code) Ph: 405-767-4275	7 If Unit or CA/Agreement, Name and/or No
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 17 T22S R26E SENW 1961FNL 2113FWL		8 Well Name and No. FEDERAL AA 2
		9 API Well No. 30-015-32575-00-S1
		10 Field and Pool, or Exploratory HAPPY VALLEY
		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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" 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 recompleate 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 recompleation 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 PLUG AND ABANDON THIS WELL PER THE FOLLOWING PROCEDURE. (WBS & PROCEDURE ATTACHED)

1. NOTIFY THE BLM 24 HRS IN ADVANCE PRIOT TO COMMENCING PLUG AND ABANDONMENT OPERATIONS.

CURRENT WELLBORE INFORMATION

SURFACE CASING (13 3/8", 48# H-40, set at 690') TOC SURFACE,  
INTERMEDIATE CASING (9 5/8", 40# J-55 LTC, SET @ 2,594') TOC SURFACE,  
PRODUCTION CASING (5 1/2", 17# N-80 & S-95 LTC SET @ 12,385') TOC 1,804'  
PRODUCTION TUBING (2 7/8" N-80 SET @ 9,585')  
GL: 3,654' KB: 15' KB HEIGHT: 3,669' TD: 12,385'

2. TEST ANCHORS

3. RACH 4 JOINGS OF 2 7/8" N-80 WORKSTRING.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL****APPROVED**

AUG 14 2008

JAMES A. AMOS  
SUPERVISOR-FPS

14 I hereby certify that the foregoing is true and correct	
Electronic Submission #62209 verified by the BLM Well Information System For CHESAPEAKE OPERATING, INC., sent to the Carlsbad Committed to AFSS for processing by KURT SIMMONS on 08/13/2008 (08KMS2436SE)	
Name (Printed/Typed) LINDA GOOD	Title REGULATORY COMPLIANCE SPEC.
Signature (Electronic Submission)	Date 08/12/2008

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By (BLM Approver Not Specified)		ACCEPTED FOR RECORD	
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 08/15/2008
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.		AUG 19 2008 Office Carlsbad Gerry Gaye, Deputy Field Inspector NMOCD-District II ARTESIA	

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

**Additional data for EC transaction #62209 that would not fit on the form**

**32. Additional remarks, continued**

4. MIRU PULLING UNIT AND WIRELINE TRUCK. ND WELLHEAD. NU BOP.
5. TIH W/2 7/8" TUBING. TAG CIBP APPROX @ 9,666'.
6. FILL 5 1/2" CASING WITH SALT GEL MUD CONTAINING 9.5 POUND BRING AND 12.5 LBS OF GEL PER BARREL.
7. PUH TO 9,080'. SPOT 25 SX CMT INSIDE 5 1/2" CSG. TOP OF CISCO @ 9,030'. 190' PLUG.
8. PUH TO 8,786'. SPOT 25 SX CMT INSIDE 5 1/2" CSG. TOP OF WOLFCAMP @ 8,695'. 180' PLUG.
9. PUH TO 5,090'. SPOT 25 SX CMT INSIDE 5 1/2" CSG. TOP OF BONE SPRINGS @ 5,040'. 150' PLUG.
10. PUH TO +/-2,644'. SPOT 25 SX CMT INSIDE 5 1/2" CSG (50' BELOW 9 5/8" CSG SHOE). ESTIMATED TOC @ 2,544' - TAG PLUG TO VERIFY. NO LOWER THAN 2,514'.
11. PERFORATE 5 1/2" CSG @ 740' (50' BELOW 10 3/4" CSG SHOE) AND THEN SQUEEZE WITH CEMENT TO HAVE 50' OUTSIDE CSG. SPOT AN ADDITIONAL 50' CEMENT INSIDE CSG. ESTIMATED TOC @ 690' - TAG PLUG TO VERIFY.
12. PERFORATE 5 1/2" CSG @ 60'. CIRC CMT INSIDE AND OUT.
13. ND BOP. CUT OFF 5 1/2", 9 5/8" AND 13 3/8" CASINGS 3' BELOW GROUND LEVEL.
14. WELD ON AN ID PLATE. RD AND RELEASE WELL SERVICE UNIT. RESTORE LOCATION.

NOTE - ALL PLUGS ARE 100' PLUG 10% PER 1000' OF DEPTH.

(CHK PN 890437)

**Federal AA 2  
Plug and Abandonment  
Eddy County, NM**

**Plug and Abandonment Procedure**

1. Notify the NMOCD 24 hrs in advance prior to commencing plug and abandonment operations.

**Current Wellbore Information**

**Surface Casing** (13-3/8", 48# H-40, set at 690') TOC Surface,  
**Intermediate Casing** (9-5/8", 40# J-55 LT&C, set @ 2,594') TOC Surface,  
**Production Casing** (5-1/2", 17# N-80 & S-95 LT&C Set @ 12,385') TOC 1,804'  
**Production Tubing** (2-7/8" N-80 set @ 9,585')  
**GL:** 3,654' **KB:** 15' **KB Height:** 3,669' **TD:** 12,385'

2. Test anchors
3. Rack 4 joints of 2-7/8" N-80 workstring.
4. MIRU pulling unit and wireline truck. ND wellhead. NU BOP.
5. TIH w/ 2-7/8" tubing. Tag CIBP apprx. @ 9,666'.
6. Fill 5-1/2" casing with salt gel mud containing 9.5 pound brine and 12.5 lbs of gel per barrel.
7. PUH to 9,080'. Spot 25 sx cmt inside 5-1/2" csg. Top of Cisco @ 9,030'. 190' plug.
8. PUH to 8,786'. Spot 25 sx cmt inside 5-1/2" csg. Top of Wolfcamp @ 8,695'. 180' plug.
9. PUH to 5,090'. Spot 25 sx cmt inside 5-1/2" csg. Top of Bone Springs @ 5,040'. 150' plug.
10. PUH to +/-2,644'. Spot 25 sx cmt inside 5-1/2" csg (50' below 9-5/8" csg shoe). Estimated TOC @ 2,544' - tag plug to verify. No lower than 2,514'.
11. Perforate 5-1/2" csg at 740' (50' below 10-3/4" csg shoe) and then squeeze with cement to have 50' outside csg. Spot an additional 50' cement inside csg. Estimated TOC @ 690' - tag plug to verify.
12. Perforate 5-1/2" csg @ 60'. Circ cmt inside and out.
13. ND BOP. Cut off 5-1/2", 9-5/8" and 13-3/8" casings 3' below ground level.
14. Weld on an ID plate. RD and release Well Service Unit. Restore location.

*180' in/out of 5 1/2"  
from 740 - 640'*

**Note – All plugs are 100' plus 10% per 1000' of depth.**

**Contacts**

**Workover Foreman**

Lynard Barrera  
Office: 575-391-1462  
Cell: 575-631-4942

**Asset Manager**

Kim Henderson  
Office: 405-879-8583  
Cell: 405-312-1840

**Production Foreman**

Rip Clary  
Office: 575-391-1462  
Cell: 575-631-4864

**Field Engineer**

Doug Rubick  
Office: 575-391-1462  
Cell: 575-441-7326

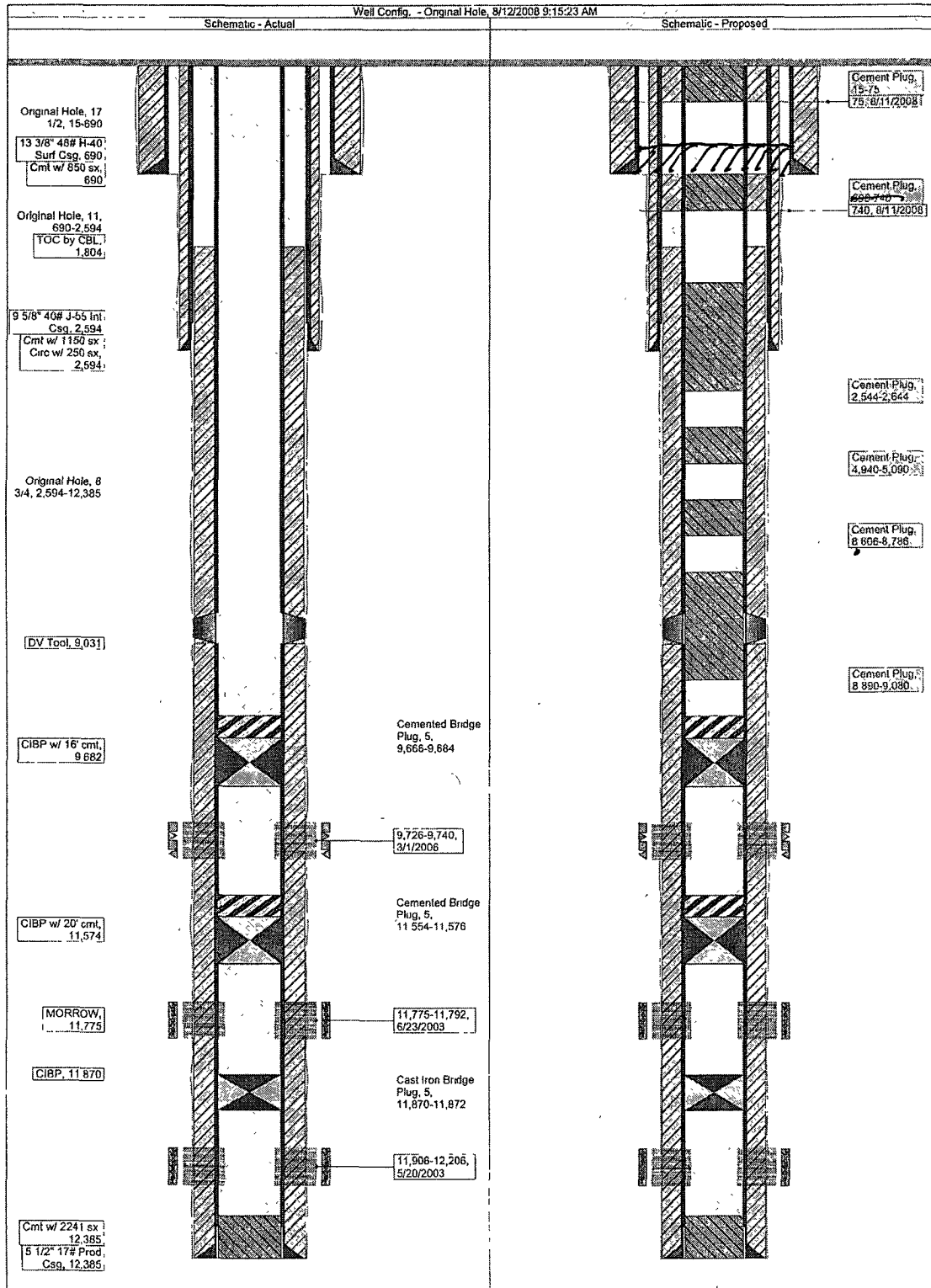


# Proposal for Workover

FEDERAL AA 2

Field: Happy Valley (Morrow Gas)  
County: EDDY  
State: NEW MEXICO  
Location: SURF LOC: SEC 17-22S-26E, 1961 FNL & 2113 FWL  
Elevation: GL 3,654.00 KB 3,669.00  
KB Height: 15.00 SEC 17, 22S-26E, 1961 FNL & 2113 FWL

Spud Date: 3/26/2003  
Initial Compl. Date:  
API #: 3001532575  
CHK Property #: 890437  
1st Prod Date: 6/26/2003  
PBDT: Original Hole - 9666.0  
TD: 12,385.0



**BUREAU OF LAND MANAGEMENT**  
**Carlsbad Field Office**  
**620 East Greene Street**  
**Carlsbad, New Mexico 88220**  
**575-234-5972**

**Permanent Abandonment of Federal Wells**  
**Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

**If you are unable to plug the well by the 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.**

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. **Dry Hole Marker:** All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. **Subsequent Plugging Reporting:** Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.