



N.M. Oil Cons. DIV-Dist. 2

1301 W. Grand Avenue

Artesia, NM 88210

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUN 29 2009

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.**

5. Lease Serial No.
NMNM14294
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No.
PZ FEDERAL 1
9. API Well No.
30-005-61043-00-S1
10. Field and Pool, or Exploratory
PECOS SLOPE-ABO
11. County or Parish, and State
CHAVES COUNTY, NM

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
CHESAPEAKE OPERATING INC
- Contact: GABE M SEELEY
E-Mail gabe.seeley@chk.com

- 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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 7 T9S R26E SWSE 1250FSL 1650FEL

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 UPDATED DIAGRAM FOR PZ FEDERAL 1.

(CHK PN 890079)

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #59853 verified by the BLM Well Information System
For CHESAPEAKE OPERATING INC, sent to the Roswell
Committed to AFMSS for processing by LINDA ASKWIG on 04/28/2008 (08LA0251SE)

Name (Printed/Typed) GABE M SEELEY

Title REGULATORY COMPLIANCE TECH

Signature (Electronic Submission)

Date 04/23/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USEApproved By **ACCEPTED**GARY GOURLEY
Title PETROLEUM ENGINEER

Date 04/29/2008

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 Roswell

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.

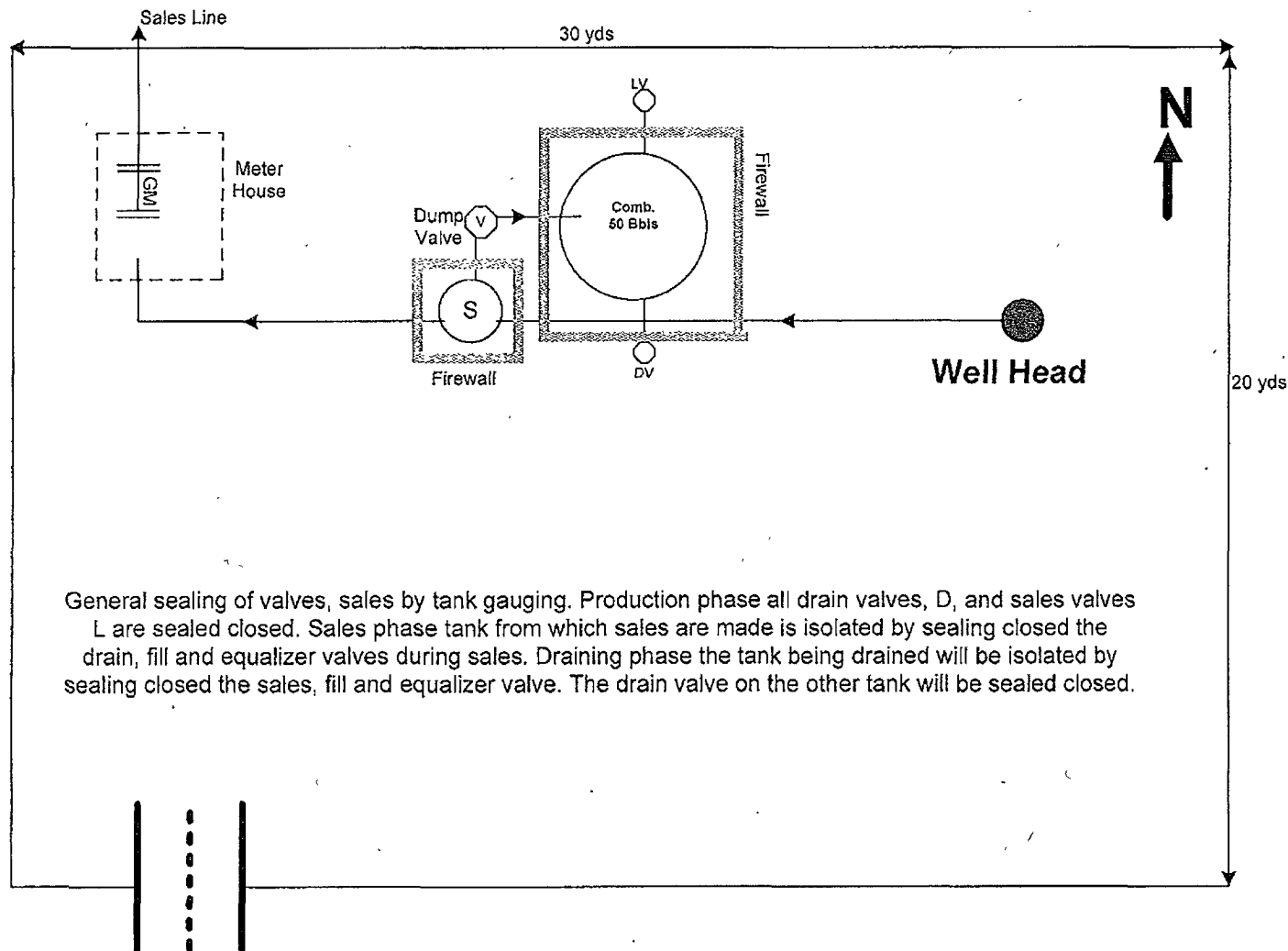
**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

CHESAPEAKE OPERATING, INC.

CHK Name & Number: PZ FEDERAL 1 890079
 API number: 30-005-61043
 County: CHAVES
 State: NM
 Field: PECOS SLOPE
 Qtr Qtr Calls: N2 NE SW SE
 Sec/Twnshp/Rng: 7-9S-26E
 Number of Acres: 160

890079

Regulatory Agency: BLM
 Lease Sign Type: FEDERAL
 CA#: 100% BLM LEASE
 APD Lease #: NMNM 14294
 Federal/Indian: FEDERAL
 Last Violation: NONE
 District: PERMIAN
 Field Office: HOBBS



General sealing of valves, sales by tank gauging. Production phase all drain valves, D, and sales valves L are sealed closed. Sales phase tank from which sales are made is isolated by sealing closed the drain, fill and equalizer valves during sales. Draining phase the tank being drained will be isolated by sealing closed the sales, fill and equalizer valve. The drain valve on the other tank will be sealed closed.

General sealing of valves, sales by tank gauging. Production phase all drain valves, (D), and sales valves (L) are sealed closed. Sales phase tank from which sales are made is isolated by sealing closed the drain, fill and equalizer valves during sales. Draining phase the tank being drained will be isolated by sealing closed the sales, fill and equalizer valve. The drain valve on the other tank will be sealed closed.

PZ FEDERAL 1 890079

Direction of Flow off Site: N

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

Prepared by: Debbie Hernandez
 Date: March 22, 2004

Approved by:
 Date: