

New Mexico Oil Conservation Division, District I
UNITED STATES 1625 N. French Drive
DEPARTMENT OF THE INTERIOR Hobbs, NM 88240
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

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

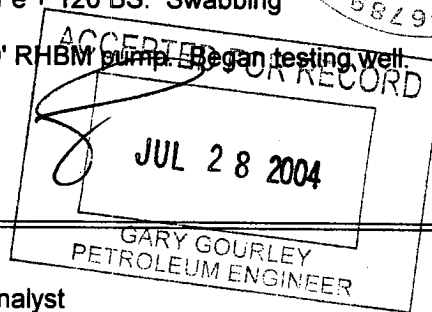
<p>1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other</p> <p>2. Name of Operator Chesapeake Operating, Inc.</p> <p>3a. Address P. O. Box 11050 Midland TX 79702-8050</p> <p>3b. Phone No. (include area code) (432)685-4373</p> <p>4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FSL & 2170' FEL, Sec. 23, T12S, R38E</p>	<p>5. Lease Serial No. NM 109434</p> <p>6. If Indian, Allottee or Tribe Name</p> <p>7. If Unit or CA/Agreement, Name and/or No.</p> <p>8. Well Name and No. Burrus "23" Federal #1</p> <p>9. API Well No. 30-025-30566</p> <p>10. Field and Pool, or Exploratory Area Trinity-Wolfcamp</p> <p>11. County or Parish, State Lea New Mexico</p>
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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 <u>Casing/Perf/Aci</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Frac</u>
	<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 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.)

6-08-04 TD'd @ 9,420'.
6-10-04 Ran 5 1/2" 17# L-80 csg and set @ 9,420'. Cmt'd w/635 sx 50:50 Poz "H" + additives. Rig released @ 5:00 a.m. on 6/10/04.
6-18-04 MIRU WS unit, unload and rack 313 jts. 2 7/8" tbg.
6-19-04 RIH w/tbg to 9,219'. PBTD @ 9,356. Ran CBL/VDL/GR/CCL from 9,338 - 7,800'. TOC @ 1,550'.
6-22-04 RU Cudd Pumping Service. Pump 3 bbls 15% NeFe HCL to pickle tbg. reverse out, spot 500 gals 15% NeFe HCL acid @ 9,219'. RD. Perforate Wolfcamp 9,148 - 9,190' @ 2 spf (85 holes) 120 deg. phasing 4" csg guns.
6-24-04 RU Cudd Pumping Service, acidize Wolfcamp w/5,000 gals 15% NeFe + 120 BS. Swabbing
6-29-04 RU Cudd, acidize Wolfcamp w/10,000 gals 20% acid. Swabbing
7-03-04 RIH w/287 jts. 2 7/8" L80 tbg. TAC @ 8,967' PU 2 1/2" x 1 3/4" x 30' RHBW pump. Began testing well.



<p>14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Brenda Coffman</p> <p>Signature <i>Brenda Coffman</i></p>	<p>Title Regulatory Analyst</p> <p>Date 07/22/2004</p>
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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.		Office

Title 18 U.S.C. Section 1001, makes 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 reverse)

GWW