

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
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.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM111243
2. Name of Operator CHESAPEAKE OPERATING INC		6. If Indian, Allottee or Tribe Name
3a. Address P O BOX 18496 OKLAHOMA CTIY, OK 73154		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 405.767.4275 Fx: 405.879.9583		8. Well Name and No. SMITH 4 FEDERAL 2
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 4 T20S R33E NENE Lot 1 990FNL 395FEL		9. API Well No. 30-025-36730-00-X1
		10. Field and Pool, or Exploratory W TEAS
		11. County or Parish, and State LEA 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.)

Attached is the site facility for the Smith 4 Federal 2.

(CHK PN 819501)

14. I hereby certify that the foregoing is true and correct.	
<p align="center"><b>Electronic Submission #50172 verified by the BLM Well Information System</b>  <b>For CHESAPEAKE OPERATING INC, sent to the Hobbs</b>  <b>Committed to AFMSS for processing by ARMANDO LOPEZ on 10/19/2004 (05AL0010SE)</b></p>	
Name (Printed/Typed) LINDA GOOD	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 10/19/2004

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

Approved By <b>ACCEPTED</b>	DAVID R GLASS Title PETROLEUM ENGINEER	Date 10/19/2004
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 Hobbs		

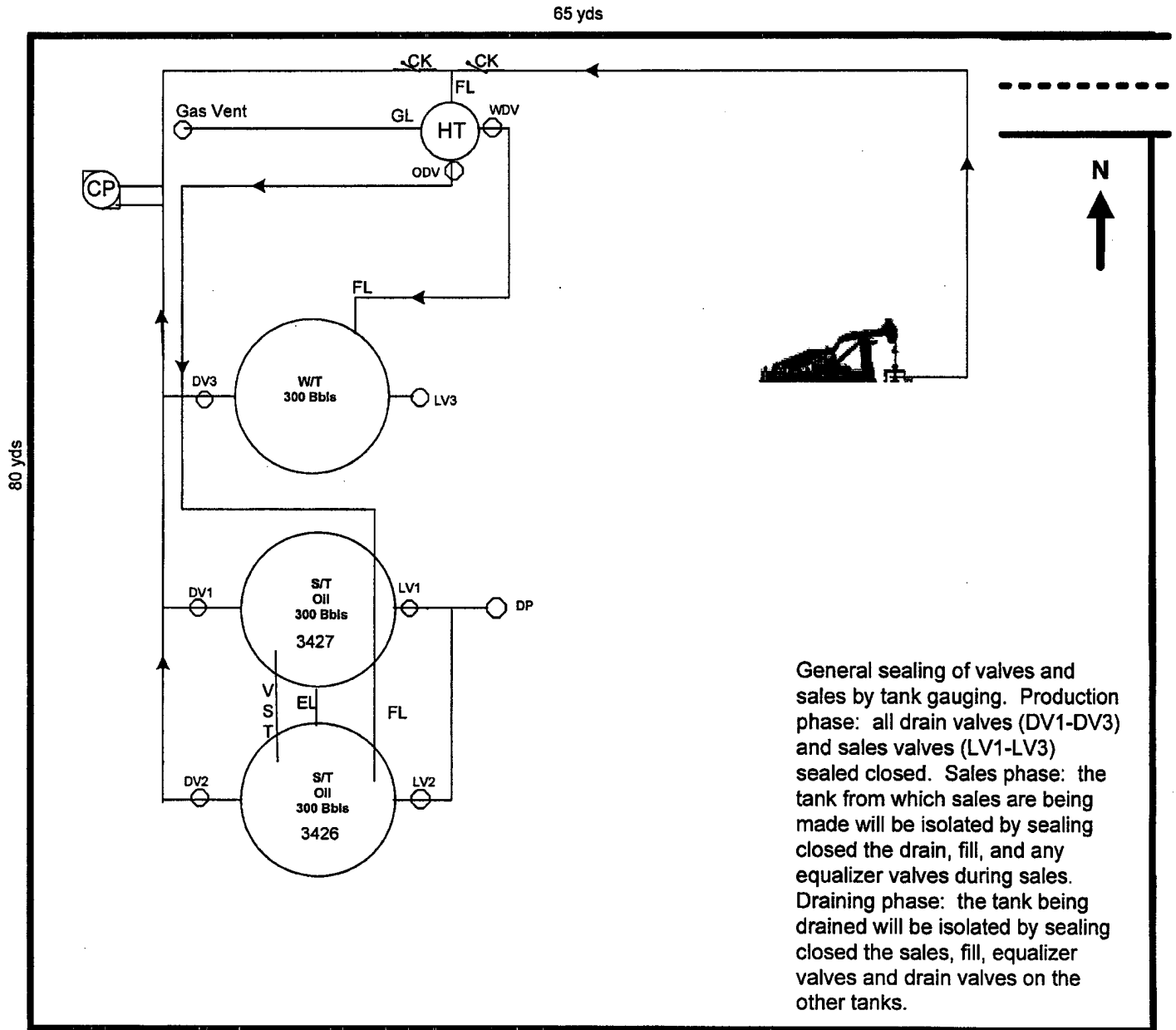
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

# CHESAPEAKE OPERATING, INC.

CHK Name & Number: SMITH 4 FEDERAL 2 819501  
 API number: 30-025-36730  
 County: LEA  
 State: NM  
 Field: W TEAS  
 Qtr Qtr Calls: SE NE NE - 990 FNL 395 FEL  
 Sec/Twnshp/Rng: 4-20S-33E  
 Number of Acres: 40

Regulatory Agency: BLM  
 Lease Sign Type: FEDERAL  
 CA#: 100% BLM LEASE  
 APD Lease #: NMNM111243  
 Federal/Indian: FEDERAL  
 Last Violation: UNKNOWN  
 District: PERMIAN  
 Field Office: HOBBS



SMITH 4 FEDERAL 2 819501

Direction of Flow off Site: NE

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

Prepared by: DEBBIE HERNANDEZ  
 Date: 9-22-2004

Approved by:  
 Date: