

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

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

5. Lease Serial No.
NMNM67986

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
XION FEDERAL 01

9. API Well No.
30-025-27846-00-S2

10. Field and Pool, or Exploratory
N YOUNG

11. County or Parish, and State
LEA COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
CHESAPEAKE OPERATING INC

Contact: LINDA GOOD
E-Mail: LGOOD@CHKENERGY.COM

3a. Address
P O BOX 18496
OKLAHOMA CTIY, OK 73154

3b. Phone No. (include area code)
Ph: 405.767.4275

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 18 T18S R32E NENE 660FNL 660FEL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION				
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off	
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity	
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other	
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	Site Facility Diagram/Security Plan	
	☐ Convert to Injection	☐ Plug Back	☐ 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 Xion Federal 1 and Xion Federal 2, SE NE, 2310 FNL 330 FEL, 30-025-31793.

(CHK PN 890806 & 890807)

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

**Electronic Submission #53201 verified by the BLM Well Information System
For CHESAPEAKE OPERATING INC, sent to the Hobbs
Committed to AFMSS for processing by ARMANDO LOPEZ on 01/20/2005 (05AL0036SE)**

Name (Printed/Typed) LINDA GOOD

Title PERMITTING AGENT

Signature (Electronic Submission)

Date 01/19/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By **ACCEPTED**

DAVID R GLASS
Title PETROLEUM ENGINEER

Date 01/20/2005

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 ****

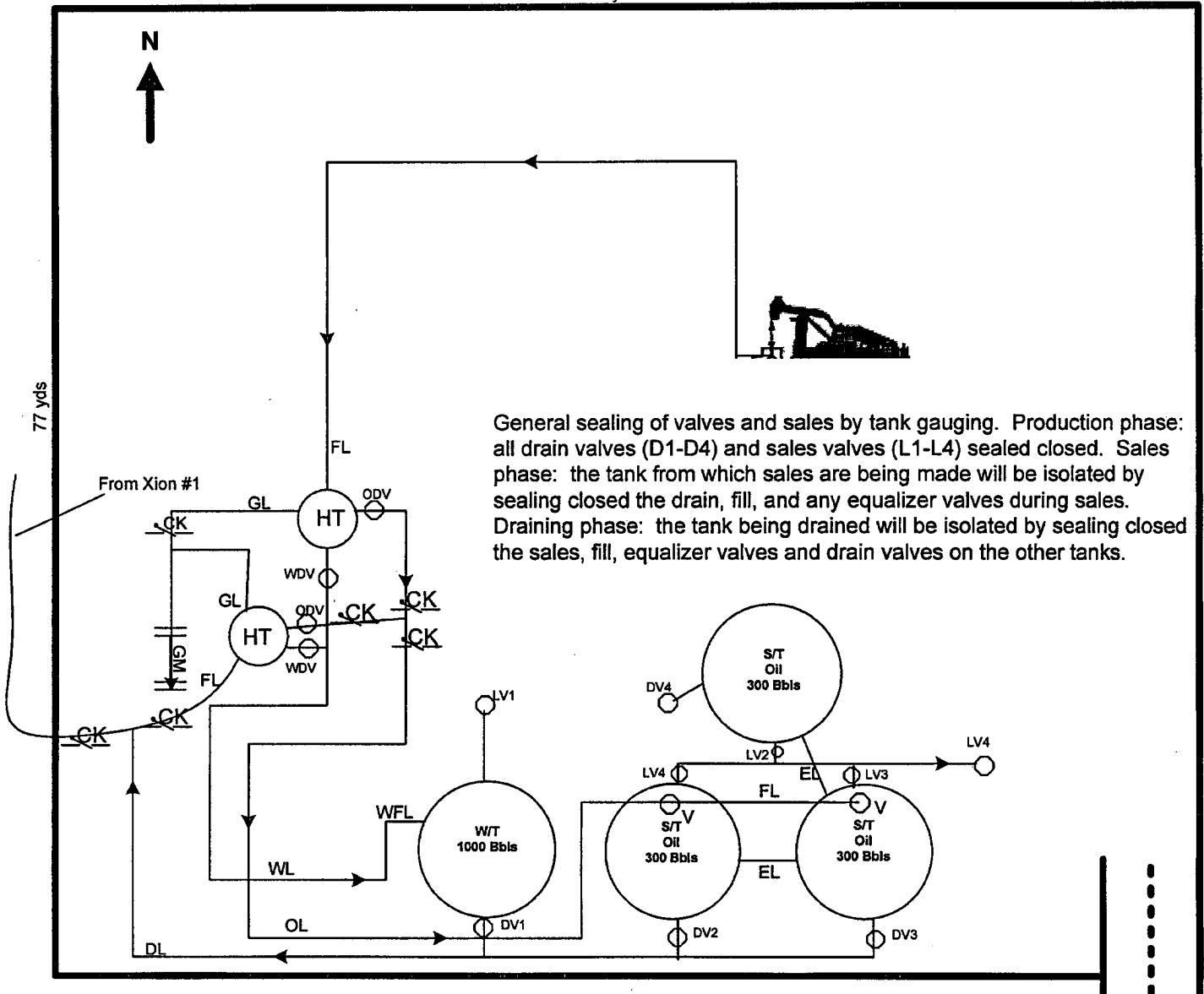
CHESAPEAKE OPERATING, INC.

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CHK Name & Number: XION FEDERAL 2 890807
 API number: 30-025-31793
 County: LEA
 State: NM
 Field: YOUNG NORTH
 Qtr Qtr Calls: SE SE NE - 2310 FNL 330 FEL
 Sec/Twnshp/Rng: 18-18S-32E
 Number of Acres: 40

Regulatory Agency: BLM
 Lease Sign Type: FEDERAL
 CA#: 100% BLM LEASE
 APD Lease #: NMNM 67986
 Federal/Indian: FEDERAL
 Last Violation: UNKNOWN
 District: PERMIAN
 Field Office: Hobbs

53 yds



General sealing of valves and sales by tank gauging. Production phase: all drain valves (D1-D4) and sales valves (L1-L4) 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.

XION FEDERAL 2_890807

Direction of Flow off Site: W

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

Prepared by: DEBBIE HERNANDEZ
 Date: 9-3-04

Approved by:
 Date: