

Form 3160-5
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007**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. NMNM68821 |
| 2. Name of Operator CHESAPEAKE OPERATING, INC. ATTN: LINDA GOOD | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address P.O. BOX 18496, OKLAHOMA CITY, OK 73154-0496 | 3b. Phone No. (include area code) 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) 2430 FSL 2420 FEL NWSE SEC 30-23S-34E | | 8. Well Name and No. PALOMA 30 FEDERAL 2 |
| | | 9. API Well No. 30-025-37413 |
| | | 10. Field and Pool, or Exploratory Area BELL LAKE; MORROW, MID (GAS) |
| | | 11. County or Parish, 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 FINAL RIG LAYOUT |
| | <input type="checkbox"/> Change Plans | <input 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 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 FINAL RIG LAYOUT FOR THE PALOMA 30 FEDERAL 2.

BLM NATIONWIDE BOND #NM2634.

(CHK PN 819658)



| | | |
|---|------------------|------------------------|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) LINDA GOOD | | Title PERMITTING AGENT |
| Signature <i>Linda Good</i> | Date 10/14/05 | |

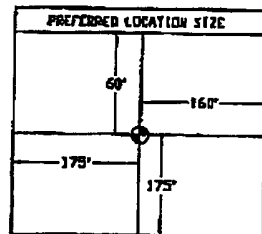
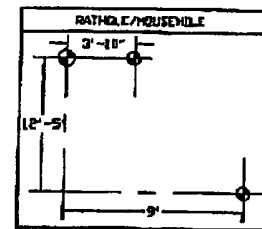
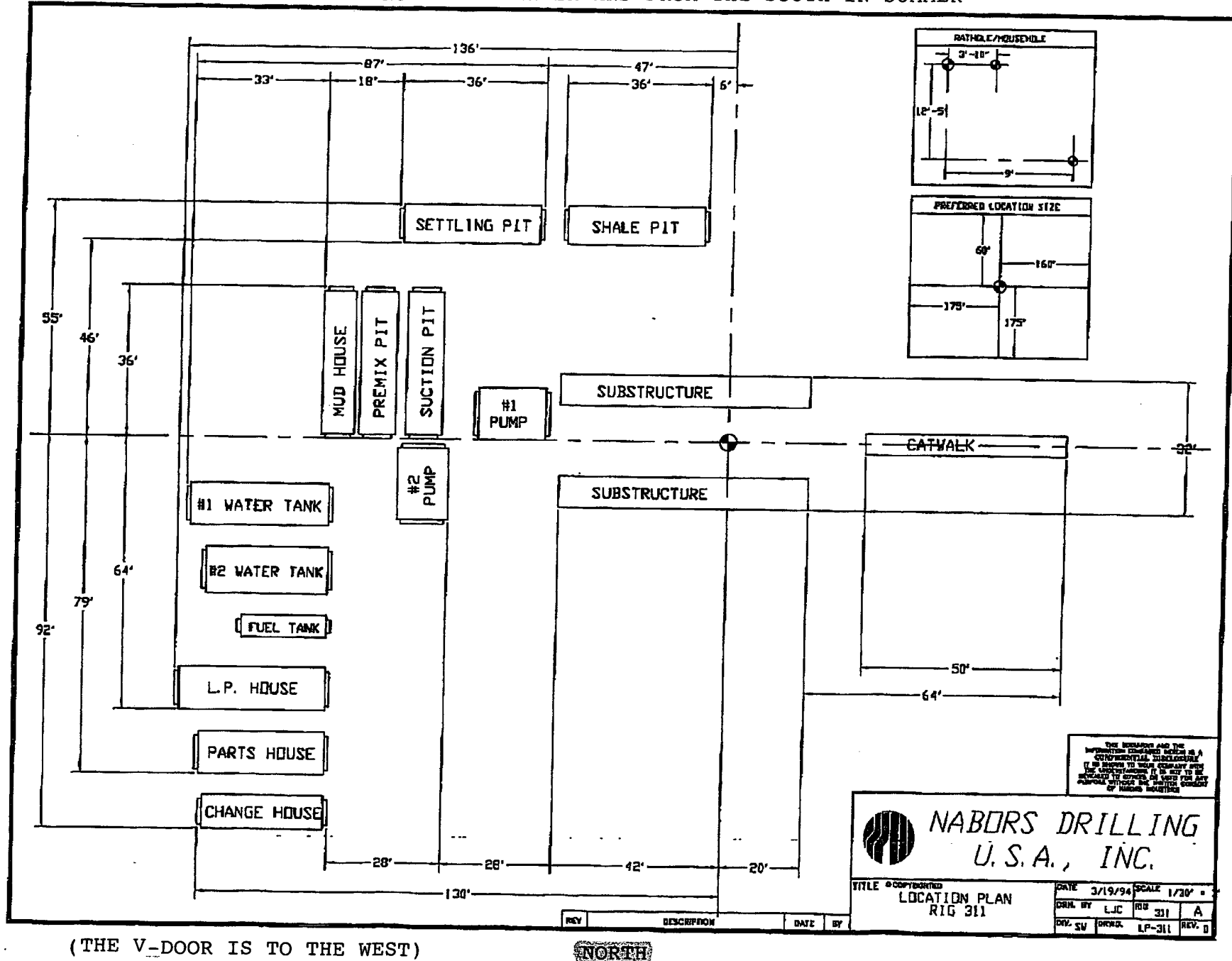
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-------------------------|---------------------------------|
| Approved by /s/ Joe G. Lara | ACTING FIELD MANAGER | Date OCT 18 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 CARLSBAD FIELD OFFICE |

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.

(Instructions on page 2)

PREVAILING WINDS FROM THE NORTH IN WINTER AND FROM THE SOUTH IN SUMMER



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NABORS DRILLING
U.S.A., INC.

| | | | | | |
|---------------|---------------|---------|-------------|-------|------------|
| TITLE | © COPYRIGHTED | DATE | 3/19/94 | SCALE | 1/20" = 1' |
| LOCATION PLAN | | DRN. BY | LJC | REV | 311 |
| RIG 311 | | DRN. SV | DRN. LP-311 | REV | 0 |

| REV | DESCRIPTION | DATE | BY |
|-----|-------------|------|----|
|-----|-------------|------|----|

NORTH