

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOCD HOBBS
HOBBSFORM 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.

JAN 17 2012

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

RECEIVED

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. PALOMA 30 FEDERAL 02
2. Name of Operator CHESAPEAKE OPERATING INC		9. API Well No. 30-025-37413-00-S1
3a. Address OKLAHOMA CITY, OK 73154-0496		10. Field and Pool, or Exploratory UNKNOWN
3b. Phone No. (include area code) Ph: 405.935.2411		11. County or Parish, and State LEA COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 30 T23S R34E NWSE 2430FSL 2420FEL 32.275056 N Lat, 103.508441 W Lon		

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" 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.)

CHESAPEAKE, RESPECTFULLY REQUESTS PERMISSION TO PLUG BACK THE PALOMA 30 FEDERAL 2 WELL TO THE TOP OF THE LINER WHERE CHESAPEAKE WILL BE SETTING THE CIBP. CHESAPEAKE WILL BE PERFORATING AND FRACKING THE WOLFCAMP FORMATION.

ATTACHED IS THE RECOMPLETION PROCEDURE AS WELL AS THE WELL BORE SCHEMATIC.

(CHK PN 819658)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14 I hereby certify that the foregoing is true and correct	
Electronic Submission #115095 verified by the BLM Well Information System For CHESAPEAKE OPERATING INC, sent to the Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 08/15/2011 (11DLM0697SE)	
Name (Printed/Typed) LYNDEE SONGER	Title REGULATORY COMPLIANCE ANALYST
Signature (Electronic Submission)	Date 08/12/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By (BLM Approver Not Specified)		Title	Date 01/13/2012	
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	JAN 13 2012	
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 any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction		PETROLEUM ENGINEER		

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

JAN 17 2012

JAN 23 2012

Paloma 30 Federal 2
 Sec. 30-T23S-R34E, 2430 FSL & 2420 FEL
 Lea County, NM
 API #3002537413
 CHK Prop #819658



Wolfcamp Recompletion

Well Data

Surface Casing: 9-5/8" 40# J-55 @ 5,085'
 Prod. Casing: 7" 26# P-110 @ 11,974' -
 Liner: 4.5" 13.5# P-110 @ 11,747' - 13,868'
 TOC: 5,570' (WL)
 TD: 13,870'
 PBTD: 12,465' (CIBP w/ 35' cmt)
 Elevation: 3,634' KB 3,608' GL
 WI / NRI (%): 95.00/ 71.25

DV Tool: 7,499'

Proposed Perforations:

Upper Wolfcamp (Sand) 11,548' - 51' (4 SPF)
 11,563' - 66' (4 SPF)

Tubular Specifications

SIZE	WEIGHT	GRADE	BURST	COLLAPSE	YIELD	DRIFT (ID/OD)	CAPACITY (FT./GAL)	CAPACITY (FT./BBL)
2-7/8"	6.5#	N-80	10,570 psi	11,160 psi	145K	2.347" / 3.668"	4.1135	172.76
4.5"	13.5#	P-110	12,410 psi	10,670 psi	338K	3.795" / 5.000"	1.5950	66.99
7"	26#	P-110	9,960 psi	6,210 psi	693K	6.151" / 7.656"	0.6223	26.13
9-5/8"	40#	J-55	3,950 psi	2,570 psi	520K	8.679" / 10.625"	0.3140	13.18

Procedure

- Safety is the highest priority.** Hold wellsite safety meetings prior to each significant operation. Review critical parameters and objectives as well as emergency action plans.
- Set 13 frac tanks and fill w/ ~5,700 bbls of fresh water. Obtain water samples and perform QA/QC analysis as per Chesapeake Energy Guidelines and Specifications

Total volume for frac job is 4,381 bbls

- MIRU WOR. NU BOP. RIH w/ 2-7/8" tbg. Spot cement plug (Class H) from 12,074' - 11,627'. WOC and tag plug (Tag at 11,650' or shallower). ND BOP.
- NU remainder of 7-1/16", 10K, frac tree as follows (from bottom to top). Utilize nipple up crew and hydraulic tools. Test to 9,000 psi. RU and test 10K flowback equipment with manifolds, flowlines to pit, tank, separator, and sand separator. RU a pop-off valve on the 9-5/8" casing valve and plumb into a line running to the pit. Leave the valve on the 9-5/8" casing open.
 - 7-1/16", 10K, Full Opening, Manual Frac Valve
 - 7-1/16", 10K, Full Opening, Hydraulic Frac Valve
 - 7-1/16", 10K, Cross With 2-1/16", 10K Wing Valves
 - 7-1/16", 10K, Full Opening Swab Valve
- PU 3-3/8" perforating guns loaded w/ 4 SPF @ 60° phasing (0.39" EH or less). RIH correlating and shoot Wolfcamp. POOH. RDMO wireline.

Formation	Zone	Perforations	Interval	SPF	Total Shots
Wolfcamp	11,542' - 54'	11,548' - 51'	3'	4	12
Wolfcamp	11,556' - 69'	11,563' - 66'	3'	4	12
Totals:			6'		24

- RU Pump Company. Hold safety meeting with all personnel on location. Review procedure and discuss critical parameters (Pressures, volumes, rates, contingency plans, etc.). **Rig up backside pump and test lines to 9,000 psi. Pressure up on the 7" x 9-5/8" annulus to 1,000 psi and monitor throughout the job. Set electronic kills at 8,000 psi. Test equipment and lines to 9,000 psi.**

See
COA

annulus open to formation

Paloma 30 Federal 2
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7. Frac the Wolfcamp via the casing as follows and according to the stimulation recommendation and procedure. Frac is designed for 40 BPM and 5,000 pounds of 100 Mesh, 80,000 pounds of 30/50 white and 60,000 pounds of 20/40 resin coated. Maximum treating pressure is 6,972 psi (70% of 7" 26# P-110 max = 6,972 psi).
8. Flush 1 bbl short of top perforation based on in-line densimeter. RDMO Pump Company.
9. MIRU WL. PU JB. RIH to bottom of Wolfcamp perforations at 11,566'. POOH.
10. PU & RIH w/ the following:
 - On/Off Tool w/ 2.313" PN
 - 7" Pkr
 - 10' 2-7/8" pup jt
 - 2.205" XN nipple
 - 2-7/8" x 3-1/2" crossover
 - 10' 3-1/2" pup jt
 - Ceramic disc sub
 - WL re-entry guide
11. Set packer +/- 50' above top Wolfcamp perforation at 11,548'.
12. MIRU WOR. NU BOP. PU overshot for On/Off tool and RIH on 2-7/8" tbg Latch onto pkr Space out.
13. Put on hanger. Circ pkr fluid. Test annulus to 1,500 psi.
14. Install BP valve, land hanger with 12k compression on pkr
15. ND BOP's and frac valve. NU 2-9/16" 10k tree. Test to 10k.
16. Pull BP valve. Load tbg and test to 6,000 psi. Bleed off pressure.
17. MIRU WL. PU 1-3/4" muleshoe bailer. RIH and break disc. POOH.
18. PU 2.313 XN lock (with no V-packing), perf sub, shock absorber, 2 – 1.25" sapphire pressure gauges.
19. Set gauges to record in 10 sec intervals for 90 days and turn gauges on.
20. RIH w/ gauges and set in XN nipple and jar off. POOH.
21. Flow well back. Obtain samples every hour for the first twenty-four (24) hours of flowback for water analysis Take samples every twenty-four (24) hours thereafter, until the well stops producing load water
22. Turn well over to production.

Contact List

Completion Superintendent:
Production Superintendent:
Engineer:
District Manager:

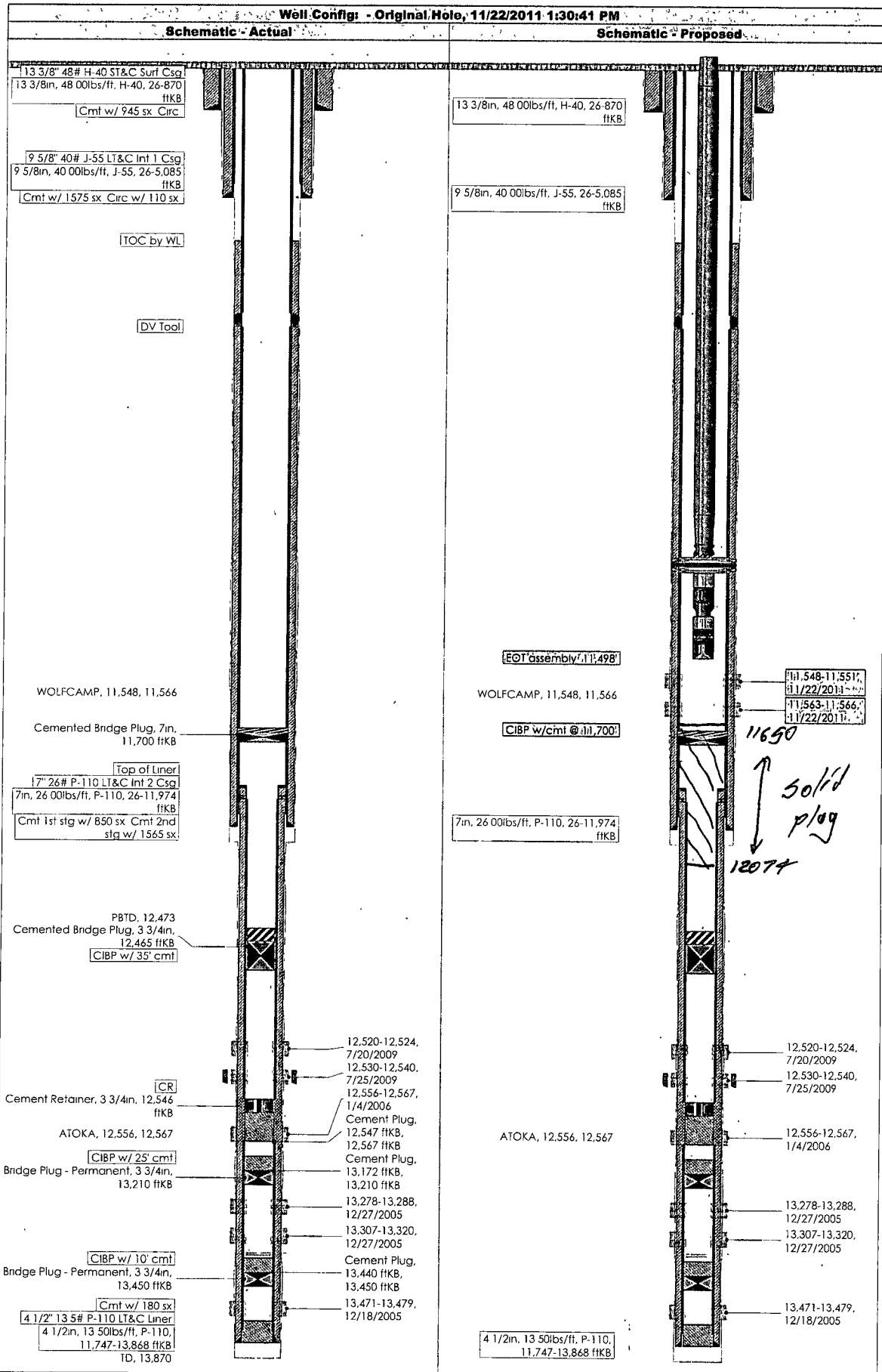
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Proposal Schematic

PALOMA 30 FEDERAL 2



**Paloma 30 Federal 2
30-025-37413
Chesapeake Operating Inc.
January 13, 2012
Conditions of Approval**

Notify BLM at 575-393-3612 a minimum of 24 hours prior to commencing work.

Work to be completed by June 30, 2012.

- 1. Surface disturbance beyond the originally approved pad must have prior approval.**
- 2. Closed loop system required.**
- 3. Operator to have H2S monitoring equipment on location.**
- 4. A minimum of a 3000 (3M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (3M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.**
- 5. Operator cannot maintain 1000 psi in the 7" x 9-5/8" casing as the annulus is open to the formation below the 9-5/8" shoe. Electronic kills shall be set to meet maximum fracture treating pressure in Step 7 (6972 psi).**
- 6. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.**
- 7. Subsequent sundry required detailing work done and completion report for new zone.**

WWI 011312

Paloma 30 Federal 2
 Sec. 30-T23S-R34E, 2430 FSL & 2420 FEL
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Paloma 30 Federal 2 Pump Schedule - Wolfcamp (Sand) Recompletion

Stage No.	Fluid Vol (gal)	Fluid Vol (bbls)	Slurry Rate (bpm)	Prop Conc (ppg)	Stg Sd Vol (lbs)	Cum Sd Vol (lbs)	Stage Time (min)	Time Remaining (min)	Fluid Type	Proppant Type
1	5,000	119	15		0	0	7.94	117	Linear Gel	
2	5,000	119	20		0	0	5.95	110	7.5% HCL	
3	5,000	119	20		0	0	2.98	104	Linear Gel	
4	18,500	440	40		0	0	11.01	101	20/40 Mesh	
5	10,000	238	40	0.50	5,000	5,000	5.95	90	20/40 Mesh	
6	18,500	440	40		0	5,000	11.01	84	20/40 Mesh	
7	5,000	119	40	0.50	2,500	7,500	2.98	73	30/50 White	
8	18,500	440	40		0	7,500	11.01	70	30/50 White	
9	15,000	357	40	0.50	7,500	15,000	8.93	59	30/50 White	
10	20,000	476	40	1.00	20,000	35,000	11.90	50	30/50 White	
13	25,000	595	40	2.00	50,000	85,000	14.88	38	30/50 White	
14	20,000	476	40	3.00	60,000	145,000	11.90	23	20/40 Resin Coated	
15	18,500	440	40		0	145,000	11.03	11	Linear Gel	
Sum	184,022	4,381			145,000	145,000	117			

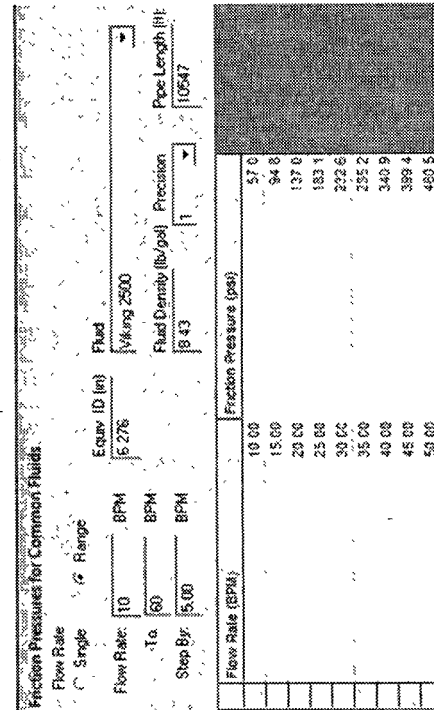
Cluster	Interval	Total Footage	SF	Total Shots
1	11,548' - 51'	3	4	12
2	11,563' - 56'	3	4	12
		6		24

Top perf: 11,548 ft
 7" 26# P-110 cap: 90,393 bbl/ft
 Vol-Top Perf = 442 bbl
 Flush = 441 bbl

Estimated Pump Time = 1hr 57min

One Stage Totals	Actual	Needed
Frac Tanks =	9,958	13
Prop'd Fluid Vol	80,000	1,905

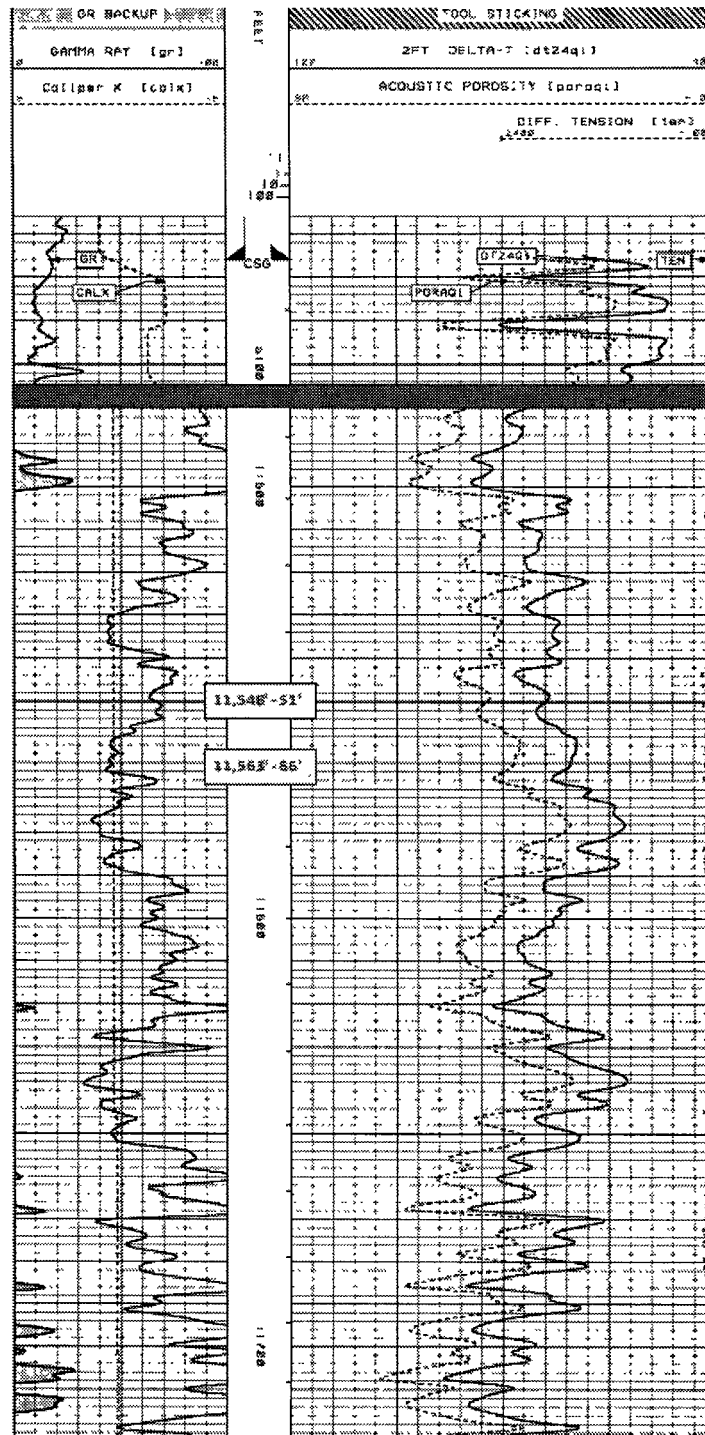
Legend
Not Calculated
Calculated



Wellbore Transit Time	Minutes
40	11.0
42	12.5
44	10.0
46	9.6
48	9.2
50	8.9
52	8.5
54	8.2
56	7.9
58	7.5
60	7.4

Wellbore Transit Time	Minutes
20	22.1
22	20.1
24	18.4
26	17.0
28	15.8
30	14.7
32	13.8
34	13.0
36	12.3
38	11.6
40	11.0

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