

HOBBS OGD
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Office
 District I - (505) 393-6161
 16250 N. French Dr., Hobbs, NM 88240
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 District III - (505) 434-6178
 10000 S. Alamos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM
 87505

State of New Mexico
 Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 Revised August 1, 2011

WELL API NO. 30-025-30663	
5. Indicate Type of Lease <u>Federal Well</u> STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name SUN PEARL FEDERAL	
8. Well Number 2	
9. OGRID Number 147179	
10. Pool name or Wildcat PEARL; QUEEN	
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> 2. Name of Operator Chesapeake Operating, Inc. 3. Address of Operator P.O. Box 18496 Oklahoma City, OK 73154 4. Well Location Unit Letter I : 1850' feet from the South line and 550' feet from the East line Section 28 Township 19S Range 34E NMPM County Lea 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3709' G.L.	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: Returned Well to Prod.-Repaired Hole in Tubing <input checked="" type="checkbox"/>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Please find work that was performed in returning this well back to benfical use. NMOCD's C-104 and current well-bore diagram is attached.

3/20/12: HELD PJSM - R/U TYLER WELL SERVICE RIG #107 - CONDUCTED RIG INSPECTION UNHUNG WELL & UNSEAT PUMP - POOH W/ PUMP & RODS. SDFN.

3/21/12: HELD PJSM N/D WELLHEAD - RELEASED THE TAC - N/U BOP - RIH & TAG BOTTOM WITH MUD JOINT - RIG BROKE DOWN - MECHANIC ON LOCATION AT 2:30 PM MST - REPAIRED RIG - SECURED THE WELL & SHUT DOWN DUE TO WIND - LEFT SDFN.

(Continued next page)

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Bryan Arrant TITLE Regulatory Specialist II DATE 08/21/2012

Type or print name Bryan Arrant E-mail address: bryan.arrant@chk.com PHONE: (405)935-3782

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE AUG 23 2012

Conditions of Approval (if any):

SUN PEARL FEDERAL #2
Unit I, Section 28, T-19-S R-34-E
Lea Co., N.M.
30-025-30663

(Summary of work performed in returning well to production continued)

3/22/12:

HELD PJSM TOOH WITH 2-7/8" PRODUCTION TUBING - FOUND HOLE IN TBG (PITTED) @ 4,225' - LAID DOWN BOTTOM (14) JTS DUE TO PITTING MIRU HYDROSTATIC PIPE TESTERS - RIH HYDROTESTING @ 6,000# ABOVE THE SLIPS - FOUND TWO COLLAR LEAKS (2,840' -- 2,900') R/D & RELEASED TESTERS - N/D BOP - SET TAC IN TENSION - N/U WELLHEAD - SECURED THE WELL & SDFN. NOTE: (1) 30' MUD JT (1) 2 7/8" PERF SUB (1) STANDARD 2 7/8" S/N (12) JTS 2 7/8" TBG (1) 5-1/2 X 2 7/8" TAC (146) JTS 2-7/8 J-55 PROD TBG.

3/23/12:

HELD PJSM POURED 5 GALS CORROSION INHIBITOR DOWN TBG - RIH WITH THE PUMP & RODS - SEATED THE PUMP - HUNG THE WELL ON LOADED/TESTED THE TBG WITH 10 BBLS WATER @ 500# - HELD OK - HAD GOOD PUMP ACTION - RDSU - PLACED WELL TO FLOWLINE FINAL REPORT NOTE: REPLACED (21) - 3/4 KD RODS DUE TO PITTING.



Modified Regulatory Wellbore Schematic

SUN PEARL FED 2

Field: PEARL QUEEN
County: LEA
State: NEW MEXICO
Elevation: GL 3,709.0 KB 3,720.0 KB Height: 11.0
Location: SEC 28-19S-34E, 1850 FSL & 650 FEL

Spud Date: 11/17/1989
Rig Release Date:
Initial Compl. Date:
API #: 3002630663
CHK Property #: 890791
1st Sales Date:
PBTD: Original Hole - 5,118.0
TD: 5,153.0

