

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD-HOBBSFORM 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 type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Serial No. LC-046164B
2. Name of Operator Chesapeake Operating, Inc.	6. If Indian, Allottee or Tribe Name
3a. Address P. O. Box 11050 Midland TX 79702-8050	7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) (432)687-2992	8. Well Name and No. Falcon Creek 17 Federal #1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FSL & 660' FWL, Sec. 17, T20S, R36E	9. API Well No. 30-025-34537
	10. Field and Pool, or Exploratory Area Eumont; Yates Seven Rivers Queen
	11. County or Parish, State Lea New Mexico

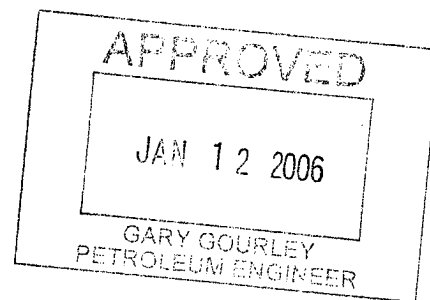
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" 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.)

Well has been plugged and abandoned per the attached report.

Approved as to plugging of the well bore
Liability under bond is retained until
surface restoration is completed.



14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Brenda Coffman	Title Regulatory Analyst
Signature <i>Brenda Coffman</i>	Date 01/04/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>Cyl</i>	Title	Date
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	

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)

CHESAPEAKE OPERATING, INC.

P. O. Box 18496
OKLAHOMA CITY, OKLAHOMA 73154-0496
405/848-8000
405/879-9573 FAX

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Operated Daily Activity Report

Status: T/A

FALCON CREEK FED 1-17

Well #: 890180 AFE: 800407

SW/4 17-20S-36E
LEA, NM

New Mexico East
SEVEN RIVERS 4,130'

Footage Cost WI: 53.521646 NRI: 40.873790

Date Day Depth Cum Cost Present Operation

06/14/05		0'	\$11,700.00	Pump 35 sx cmt plug, POOH w/ tbg
		4,130'	\$11,700.00	MIRU WS, NU BOP, POOH w/ 120 jts 2 3/8" tbg, RU Basic, RIH w/ 5 1/2" CIBP, set @ 3,885', plug fell to 3,910', RD Basic, RIH w/ 121 jts tbg, did not tag CIBP, pull to 3,896', pump 35 sx cmt plug, POOH w/ tbg, SDFN. Prepare for Plug & Abandon
06/15/05		0'	\$11,750.00	Plugged and abandoned on 6/14/05, FINAL REPORT
		4,130'	\$23,450.00	RU Tyler WS and Basic plugging unit, RIH w/ 116 jts tbg, tag cmt plug @ 3,766', displace hole w/ 90 bbls 9.5# gelled brine, LD 55 jts tbg to 2,100', pump 20 sx 100' plug, LD 44 jts tbg, pump 45 sx cmt plug to 458', pull 22 jts tbg, pump 2 sx cmt to surface, RD Basic plugging unit, cut off wellhead, put dry hole marker on, RDMO, FINAL REPORT. Plugged and abandoned on 6/14/05