

|                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                       |                                                                                                         |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------|------------|
| Submit To Appropriate District Office<br>State Lease - 6 copies<br>Fee Lease - 5 copies<br>District I<br>1625 N. French Dr., Hobbs, NM 88240<br>District II<br>1301 W. Grand Avenue, Artesia, NM 88210<br>District III<br>1000 Rio Brazos Rd., Aztec, NM 87410<br>District IV<br>1220 S. St. Francis Dr., Santa Fe, NM 87505 | <b>State of New Mexico</b><br><b>Energy, Minerals and Natural Resources</b><br><br><b>Oil Conservation Division</b><br><b>1220 South St. Francis Dr.</b><br><b>Santa Fe, NM 87505</b> | <b>Form C-105</b><br>Revised June 10, 2003                                                              |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
|                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                       | WELL API NO.<br><b>30-025-37617</b>                                                                     |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
|                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                       | 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>     |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
|                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                       | State Oil & Gas Lease No.                                                                               |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
| <b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>                                                                                                                                                                                                                                                                        |                                                                                                                                                                                       |                                                                                                         |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
| 1a. Type of Well:<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____                                                                                                                                                                                 |                                                                                                                                                                                       | 7. Lease Name or Unit Agreement Name<br><b>Keller 34 State</b>                                          |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
| b. Type of Completion:<br>NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF.<br>WELL OVER BACK RESVR. <input type="checkbox"/> OTHER                                                                                                  |                                                                                                                                                                                       |                                                                                                         |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
| 2. Name of Operator<br><b>Chesapeake Operating Inc.</b>                                                                                                                                                                                                                                                                      |                                                                                                                                                                                       | 8. Well No.<br><b>1</b>                                                                                 |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
| 3. Address of Operator<br><b>P. O. Box 11050 Midland, TX 79702-8050</b>                                                                                                                                                                                                                                                      |                                                                                                                                                                                       | 9. Pool name or Wildcat<br><b>Undes, Bone Springs</b>                                                   |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
| 4. Well Location<br>Unit Letter <b>C</b> : <b>673</b> Feet From The <b>North</b> Line and <b>1992</b> Feet From The <b>West</b> Line<br>Section <b>34</b> Township <b>23S</b> Range <b>34E</b> NMPM Lease <b>JUN 2006</b> County                                                                                             |                                                                                                                                                                                       |                                                                                                         |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
| 10. Date Spudded<br><b>01/27/2006</b>                                                                                                                                                                                                                                                                                        | 11. Date T.D. Reached<br><b>02/16/2006</b>                                                                                                                                            | 12. Date Compl. (Ready to Prod.)<br><b>04/02/2006</b>                                                   |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
| 13. Elevations (DF& RKB, RT, GR)<br><b>3463 GR</b>                                                                                                                                                                                                                                                                           |                                                                                                                                                                                       | 14. Elevation of Head<br><b>1617.78</b>                                                                 |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
| 15. Total Depth<br><b>8800</b>                                                                                                                                                                                                                                                                                               | 16. Plug Back T.D.<br><b>8782</b>                                                                                                                                                     | 17. If Multiple Compl. How Many Zones?<br><b>0 - 8800</b>                                               |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
| 18. Intervals Drilled By<br><b>Rotary</b>                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       | 19. Producing Interval(s), of this completion - Top, Bottom, Name<br><b>6771 - 8467 - Delaware</b>      |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
| 20. Was Additional Surface Made<br><b>No</b>                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                       | 21. Type Electric and Other Logs Run<br><b>CBL/CCL/GR</b>                                               |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
| <b>23. CASING RECORD (Report all strings set in well)</b>                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       |                                                                                                         |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
| CASING SIZE                                                                                                                                                                                                                                                                                                                  | WEIGHT LB./FT.                                                                                                                                                                        | DEPTH SET                                                                                               | HOLE SIZE                            | CEMENTING RECORD                                                                                                                                                                                                                                              | AMOUNT PULLED                                      |                             |            |
| 13 3/8                                                                                                                                                                                                                                                                                                                       | 48                                                                                                                                                                                    | 565                                                                                                     | 17 1/2                               | 602 sx C                                                                                                                                                                                                                                                      | 1500g.a+10000g pad/66260 wh sd                     |                             |            |
| 8 5/8                                                                                                                                                                                                                                                                                                                        | 32                                                                                                                                                                                    | 5086                                                                                                    | 11                                   | 2800 sx 50:50 Poz + C                                                                                                                                                                                                                                         | 1584g.a+12000g pad/34820 wh sd                     |                             |            |
| 5 1/2                                                                                                                                                                                                                                                                                                                        | 17                                                                                                                                                                                    | 8782                                                                                                    | 7 7/8                                | 829 sx Poz & C                                                                                                                                                                                                                                                | 1200g.a.+60BS+10000g pad 59920                     |                             |            |
| <b>24. LINER RECORD</b>                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                       |                                                                                                         | <b>25. TUBING RECORD</b>             |                                                                                                                                                                                                                                                               |                                                    |                             |            |
| SIZE                                                                                                                                                                                                                                                                                                                         | TOP                                                                                                                                                                                   | BOTTOM                                                                                                  | SACKS CEMENT                         | SCREEN                                                                                                                                                                                                                                                        | SIZE                                               | DEPTH SET                   | PACKER SET |
|                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                       |                                                                                                         |                                      |                                                                                                                                                                                                                                                               | 2 7/8                                              | 8472                        |            |
| 26. Perforation record (interval, size, and number)<br>8426 - 467 4 spf (52 holes); 8126 - 274 4 spf (42 holes);<br>7409 - 613 2 spf (54 holes);<br>6771 - 7241 4 spf (42 holes) Item #27: 8426 - 8467 1500<br>gals 7.5% NeFe acid + 60 BS; Frac 10,000 gals pad of<br>Med. 3000 & 31,000 gals sd; 66,260# wh 16/30 sd.      |                                                                                                                                                                                       |                                                                                                         |                                      | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.<br>DEPTH INTERVAL      AMOUNT AND KIND MATERIAL USED<br>8126 - 8274      1500g.a+10000g pad/66260 wh sd<br>7409 - 7613      1584g.a+12000g pad/34820 wh sd<br>6771 - 6241      1200g.a.+60BS+10000g pad 59920 |                                                    |                             |            |
| <b>28. PRODUCTION</b>                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                       |                                                                                                         |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
| Date First Production<br><b>04/10/2006</b>                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                       | Production Method (Flowing, gas lift, pumping - Size and type pump)<br><b>2 1/2 x 2 x 24' HVRP pump</b> |                                      |                                                                                                                                                                                                                                                               | Well Status (Prod. or Shut-in)<br><b>producing</b> |                             |            |
| Date of Test<br><b>05/26/2006</b>                                                                                                                                                                                                                                                                                            | Hours Tested<br><b>24</b>                                                                                                                                                             | Choke Size<br><b>155</b>                                                                                | Prod'n For Test Period<br><b>155</b> | Oil - Bbl<br><b>162</b>                                                                                                                                                                                                                                       | Gas - MCF<br><b>255</b>                            | Water - Bbl.<br><b>1045</b> |            |
| Flow Tubing Press.                                                                                                                                                                                                                                                                                                           | Casing Pressure                                                                                                                                                                       | Calculated 24-Hour Rate                                                                                 | Oil - Bbl.<br><b>155</b>             | Gas - MCF<br><b>162</b>                                                                                                                                                                                                                                       | Water - Bbl.<br><b>255</b>                         | Oil Gravity - API - (Corr.) |            |
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.)<br><b>Sold</b>                                                                                                                                                                                                                                                    |                                                                                                                                                                                       |                                                                                                         |                                      |                                                                                                                                                                                                                                                               |                                                    | Test Witnessed By           |            |
| 30. List Attachments<br><b>Logs, C-102, C-104, Inclination Report</b>                                                                                                                                                                                                                                                        |                                                                                                                                                                                       |                                                                                                         |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
| 31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief                                                                                                                                                                                       |                                                                                                                                                                                       |                                                                                                         |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |
| Signature <i>Brenda Coffman</i>                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                       | Printed Name <b>Brenda Coffman</b>                                                                      |                                      | Title <b>Regulatory Analyst</b>                                                                                                                                                                                                                               |                                                    | Date <b>06/22/2006</b>      |            |
| E-mail Address <b>bcoffman@chkenegy.com</b>                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                       |                                                                                                         |                                      |                                                                                                                                                                                                                                                               |                                                    |                             |            |



INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

## OIL OR GAS SANDS OR ZONES

## IMPORTANT WATER SANDS

No. 1, from.....to.....feet.....  
 No. 2, from.....to.....feet.....  
 No. 3, from.....to.....feet.....

| From | To   | Thickness<br>In Feet | Lithology       |
|------|------|----------------------|-----------------|
| 0    | 1000 | 1000                 | Permian Redbeds |
| 1000 | 5061 | 4061                 | Salt and anhy.  |
| 5061 | 5125 | 64                   | Limestone       |
| 5125 | 7264 | 2139                 | Sand/shale      |
| 7264 | 8800 | 1536                 | Limestone       |

## INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

### INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

| Southeastern New Mexico |                              | Northwestern New Mexico |                  |
|-------------------------|------------------------------|-------------------------|------------------|
| T. Anhy                 | T. Canyon                    | T. Ojo Alamo            | T. Penn "B"      |
| T. Salt                 | T. Strawn                    | T. Kirtland-Fruitland   | T. Penn. "C"     |
| B. Salt                 | T. Atoka                     | T. Pictured Cliffs      | T. Penn. "D"     |
| T. Yates                | T. Miss                      | T. Cliff House          | T. Leadville     |
| T. 7 Rivers             | T. Devonian                  | T. Menefee              | T. Madison       |
| T. Queen                | T. Silurian                  | T. Point Lookout        | T. Elbert        |
| T. Grayburg             | T. Montoya                   | T. Mancos               | T. McCracken     |
| T. San Andres           | T. Simpson                   | T. Gallup               | T. Ignacio Otzte |
| T. Glorieta             | T. McKee                     | Base Greenhorn          | T. Granite       |
| T. Paddock              | T. Ellenburger               | T. Dakota               | T.               |
| T. Blinbry              | T. Gr. Wash                  | T. Morrison             | T.               |
| T. Tubb                 | T. Delaware Sand             | T. Todilto              | T.               |
| T. Drinkard             | T. Bone Springs 8573         | T. Entrada              | T.               |
| T. Abo                  | T. <i>Brushy Canyon 7269</i> | T. Wingate              | T.               |
| T. Wolfcamp             | T. <i>Brushy Canyon 5987</i> | T. Chinle               | T.               |
| T. Penn                 | T. <i>Manzanito 6247</i>     | T. Permian              | T.               |
| T. Cisco (Bough C)      | T.                           | T. Penn "A"             | T.               |

### OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....  
No. 2, from.....to..... No. 4, from.....to.....

### IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....  
No. 2, from.....to.....feet.....  
No. 3, from.....to.....feet.....

### LITHOLOGY RECORD (Attach additional sheet if necessary)

| From | To   | Thickness<br>In Feet | Lithology       | From | To | Thickness<br>In Feet | Lithology |
|------|------|----------------------|-----------------|------|----|----------------------|-----------|
| 0    | 1000 | 1000                 | Permian Redbeds |      |    |                      |           |
| 1000 | 5061 | 4061                 | Salt and anhy.  |      |    |                      |           |
| 5061 | 5125 | 64                   | Limestone       |      |    |                      |           |
| 5125 | 7264 | 2139                 | Sand/shale      |      |    |                      |           |
| 7264 | 8800 | 1536                 | Limestone       |      |    |                      |           |