

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM 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 checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC 071949
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) 1967 FSL & 2055 FWL, NESW, SEC 27-T23S-R34E		8. Well Name and No. Keller 27 Federal 2
		9. API Well No. 30-025-37906
		10. Field and Pool, or Exploratory Area Bell Lake
		11. County or Parish, State Lea County, 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 checked="" 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 checked="" 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 Perf Delaware
	<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.)

7/20/2006 RU Cudd Pumping Service, acid pickle 2 7/8" tbg w/126 gal 15% HCL acid, RD Cudd Pumping.

7/21/2006 RU Wireline, TIH, log to PBTD @ 8639, RU csg guns, TIH and perf Delaware 1 SPF @ 8150', 8151', 8152', 8153', 8290', 8291', 8293', 8428', 8429', 8430', 8445', 8456', 8457', 8464', 8465', 8466', 8532', 8533', 8534', 8538', 8547', 26 holes, RD WL.

7/22/2006 RU Cudd Pumping, spot 400 gal 7 1/2% HCL, rev acid into tbg, acidize Delaware @ 8150' - 8547' w/2000 gal 7 1/2% HCL + 40 BS, RD Cudd Pumping, RU swab.

7/24/2006 WO Frac.

7/25/2006 RU BJ & frac Delaware @ 8150' to 8547' w/15,000 gal 30# Medallion gel pad, then 4000 gal 30# Medallion gel containing .1/4# gal 20/40 White sand, 26,750 gal 30# Linear gel 77,014# 20/40 White sand, 20,000# Resin Coated 16/30 sand. Set CBP @ 8010', POOH w/Wireline. Pressure up on CBP & csg to 3000 psi, held for 15 min. PU perf guns, TIH & perf Delaware @ 7533', 7534', 7535', 7606', 7607', 7608', 7619', 7620', 7621', 7622', 7623', 7624'. POOH, RD Wireline. SI till A.M.

7/26/2006 RU Cudd Pumping Ser. spot 200 gal 7 1/2% HCL, acidize 7533' - 7624' w/1300 gal 7 1/2% HCL + BS, RD Cudd. Prep to frac.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

LINDA GOOD

Title PERMITTING AGENT

Signature

Date

07/26/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Petr. Eng.

Date

Aug. 16, 2006

Office

CFO

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)