

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.	30-025-32959 /
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	Ciguena State /
8. Well Number	2 /
9. OGRID Number	147179 /
10. Pool name or Wildcat	Bell Lake; Delaware, East

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 Gas Well Other

2. Name of Operator
 Chesapeake Operating Inc.

3. Address of Operator
 P.O. Box 11050
 Midland, TX 79702-8050

4. Well Location
 Unit Letter P : 990 feet from the South line and 560 feet from the East line
 Section 33 Township 23S Range 34E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3516 GR

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Add additional Delaware perms. <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Chesapeake, respectfully, request permission to add Delaware perms per the attached procedure.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Shay Stricklin TITLE Regulatory Assistant DATE 08/29/2006

Type or print name Shay Stricklin E-mail address: sstricklin@chkenergy.com Telephone No. (432)687-2992
For State Use Only

APPROVED BY: Shay W. Wink **TRIFIELD REPRESENTATIVE II/STAFF MANAGER** DATE SEP 25 2006
 Conditions of Approval (if any):

Ciguena State #2
Lea County, New Mexico

GENERAL INFORMATION

Location: 990' FSL & 560' FEL, Sec 33 – T23S – R34E

API No.: 35-025-32959

WELL INFORMATION

<u>String OD</u>	<u>Weight & Grade</u>	<u>Depth</u>	<u>ID</u>	<u>Drift</u>	<u>Burst</u>	<u>TOC</u>
8-5/8"	24# J55 LTC	0' - 1057'	8.097"	7.972"	2950	0'
5-1/2"	17# J55/L80 LTC	0' – 8500'	4.892"	4.767"	5320	0'

Delaware 6896 – 8374' (OA)

TD/PBTD: 8500' / 8459'

Proposed Perfs: Delaware 7234 – 70' (OA)

Workover Procedure

1. MIRU Service Rig and requisite equipment. POOH with pump and rods. NU BOP. POOH with 2-7/8" N80 tubing.
2. RU Wireline Service Unit. Make a gauge ring run then run a GR/CCL strip log. Tie in to OH Neutron/Density log dated 7/8/95. Pull log from ~ 7350' to 6850'. Set a CBP at 7300'.
3. Perforate the Delaware w/ 2 SPF, 23 gram charge, .37" holes from 7234 – 36', 7243 – 45', 7254 – 56', 7261 – 63', and 7268 – 70' (20 holes).
4. RIH with packer pressure testing tubing to ~ 7290'. Set packer and pressure test CBP to 3000#. Swing packer at 7270'.
5. RU Acid Service Company. Spot 300 gal of 7-1/2% HCL Acid containing 4 gpt of iron control, 1 gpt each of corrosion inhibitor, surface tension reducer, and non-emulsifier. Pull packer to ~ 7180'. Reverse excess acid into tubing, set packer.
6. ND BOP. NU tree. Displace spot acid, establish rate of 3 to 4 BPM w/ 2% KCL. (Keep KCL water usage to a minimum). Acidize w/ 1200 gal of same acid. Displace w/ 2% KCL. Do not over-displace. Pump at 4 to 6 BPM max. Launch 30 ball sealers during job. Note rates and pressures. Note ISIP. Max pressure 6000#. Monitor annulus for any communication to perfs 6896 - 98'.
7. Flow/swab back job. Swab test zone.
8. Prep to frac. Kill well with 2% KCL if required. ND tree, NU BOP. Release packer. Lower through perfs to clear of ball sealers. POOH w/ tubing and packer. NU frac valve. MIRU Frac Service Company. Tie on to casing and establish rate w/ 15,000 gal of 30# XL gel pad containing additives per frac schedule. Pump an additional 4000 gal of pad containing ¼ lb/gal 20/40 Ottawa as a scour. Frac per frac schedule ramping 75,000# of 20/40 Ottawa from 1 lb/gal to 4 #/gal in 35,000 gal of 30# linear gel. Tail in with 20,000# of 20/40 resin coat at 5 #/gal in 4000 gal of linear gel at tail of job. Total sand 76,000 lb of 20/40, 20,000 lb of resin coat. Obtain rates of 35 BPM, max pr 4000#. Cut resin activator in last tub of sand. Displace to top perf with 2% KCL. Anticipated treating pressure ~1500#.
9. Obtain 5, 10, and 15 min SI data. RDMO Frac Service Company. Wait on frac overnight.
10. Flow back job. Check PBTD with slickline. (NU BOP, run bit and tubing and circulate out any sand as required with 2% KCL water or foam).

11. RIH w/ MA, PS, SN, TAC (at ~ 6800') and 2-7/8" tubing. Space out and land SN ~8400'.
12. Swab well in to clean up and test.
13. Prep to PWOP. RIH w/ 1-3/4" pump and a high strength tapered rod string. Run pump, 350' of 1-1/2" sinker bars, 176 - 3/4", and 146 - 7/8". Space out/seat pump. Load and test. PWOP at 7 SPM, 144" SL.