

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 type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM-68821
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) 660 FNL & 2100 FEL, NWNE, SECTION 30, T23S, R34E		8. Well Name and No. PALOMA 30 FEDERAL 1
		9. API Well No. 30-025-36969
		10. Field and Pool, or Exploratory Area BELL LAKE; MORROW MID
		11. County or Parish, State LEA COUNTY, NEW MEXICO

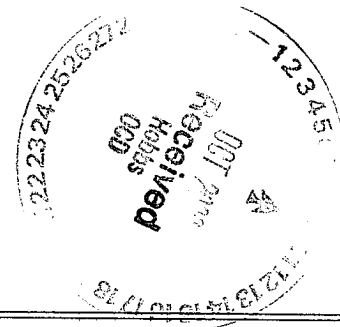
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 checked="" type="checkbox"/> Other Workover same zone
	<input type="checkbox"/> Change Plans	<input 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.)

Chesapeake, respectfully, requests permission to recompleat the Morrow zone per the attached Re-Frac Workover Procedure.

(CHK PN 819552)



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

LINDA GOOD

Title PERMITTING AGENT

Signature

Date

09/26/2006

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

Date

SEP 28 2006

Office

WESLEY W. INGRAM

PETROLEUM ENGINEER

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)

GWW

**Paloma 30 Federal #1
Re-Frac Workover Procedure
Lea County, New Mexico**

September 18, 2006

GENERAL INFORMATION

Location: 662' FNL & 2100' FEL, S30 – T23S - R34E

API No.: 35-025-36969

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>
13-3/8"	48# H40 STC	0' – 803'	12.715"	12.559"	1730	0'
9-5/8"	40# J55 LTC	0' - 5050'	8.835"	8.679"	3950	0'
7"	29# P110 LTC	0' - 12254'	6.184"	6.059"	11220	0'
4-1/2"	15.1# P110 LTC	0' - 13794'	3.826"	3.701"	14420	9690'
2-3/8" Tbg	4.7# 8rd P110	0' – 13089'	1.995"	1.901"	15400	

Morrow "A" perfs: 13181 – 92'

TD/PBTD: 13850' / 13390'

Workover Procedure

1. MIRU Wireline Service Unit. RU 5K lubricator. SI well at flowline. RIH with 1-11/16" gauge as a dummy run to PBTD. POOH. Re-perforate the Morrow "A" via 1-11/16" strip gun, 2 SPF, 8 gram charge, .20" hole, from 13181 – 92' (23 holes). Perforate additional Morrow "A" 13166 – 72' (13 holes) and 13156 – 60' (9 holes) likewise. Correlate to GR/CCL/CBL dated 2/22/2005.
2. RDMO Wireline Service Unit. Put well to sales and test
3. MIRU Service Rig and requisite equipment. Prep for kill operations. RU requisite safety equipment/personnel. Hold pre-kill safety meeting.
4. SI well at tubing head/flowline valve. RU kill truck to tubing head. Kill with 28 bbl of methanol followed by 5 bbl 7% KCL.
5. MIRU Slick Line Service Company. RU 5K lubricator and set a plug in the 'X' nipple at the on/off tool at 13,089'. Blow down tubing to ensure plug is holding.
6. Pressure test plug and tubing with nitrogen to 5000#. Bleed pressure off tbg. ND tree & NU 5K Hydraulic BOP.
7. Release tubing at on/off tool. PU tubing 1'. Let well equalize. Tie on to annulus and displace packer fluid from well with nitrogen.
8. Pump 62 bbl of methanol down the annulus followed by 47 bbl of 7% KCL.
9. Latch on to on/off tool. Release Arrowset packer. Let well equalize and ensure well is dead. POOH with tubing and packer. Prep for frac.
10. MIRU Frac Crew. NU casing saver. Pressure test lines. Establish and begin ramping rate with a 14000 gal 40# foam pad. Establish rates approaching 35 BPM per frac schedule. Anticipated treating pressures ~ 9200#. Frac the Morrow with 28,000 gal of 40# Binary Foam and 42,750

pounds of 20/40 mesh Sintered Bauxite. Ramp sand from 1/4 to 3#/gal at tail-in per schedule. Maximum pressure 12,000#. Flush to perfs with 40# foam.

11. Flow back frac overnight to clean up and test well.
12. MIRU Wireline Service Company. Lubricate in with gauge ring to verify perfs are clear of sand. If clean-out is required, MIRU CT Unit. Strip in with bit and motor. Circulate out sand and circulate hole clean to PBTD with foamed 7% KCL water. Jet wellbore clear of fluids with N2. Strip out of hole.
13. MIRU Wireline Service Company. Lubricate in with Arrowset packer, 2-3/8" 4.7# P110 tubing subs, nipples, and 2-3/8" tubing as follows: Re-entry guide, 4' sub, 'XN' w/ 1.791" no-go with plug in place, 10' sub, Arrowset packer w/ 1.875" 'X' Profile in on/off tool. Set packer at 13,050'.
14. NU BOP and RIH w/ 2-3/8" P110 production tubing. Space out tubing and circulate backside with packer fluid. Latch on to on/off tool and land tubing. ND BOP, NU tree. Test backside to 3000#.
15. Swab fluid level to 4300' from surface.
16. RU slick line and lubricator, pull plug from nipple.
17. Swab well in to kick off and put well on line.