

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

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

Form C-103
May 27, 2004

<p>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.)</p> <p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p> <p>2. Name of Operator Chesapeake Operating Inc.</p> <p>3. Address of Operator P. O. Box 11050 Midland, TX 79702-8050</p> <p>4. Well Location Unit Letter <u>E</u> : 1730 feet from the <u>North</u> line and <u>660</u> feet from the <u>West</u> line Section <u>34</u> Township <u>23S</u> Range <u>34E</u> NMPM County <u>Lea</u></p> <p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3475 GR</p> <p>Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/></p> <p>Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____</p> <p>Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____</p>		<p>WELL API NO. 30-025-37730</p> <p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input checked="" type="checkbox"/></p> <p>6. State Oil & Gas Lease No.</p> <p>7. Lease Name or Unit Agreement Name Keller 34 State</p> <p>8. Well Number 3</p> <p>9. OGRID Number 147179</p> <p>10. Pool name or Wildcat Bell Lake; Delaware, East 96322</p>
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12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Completion ☒

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.

Per attached wellbore schematic.



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 Brenda Coffman TITLE Regulatory Analyst DATE 09/11/2006

Type or print name Brenda Coffman
For State Use Only

E-mail address: bcoffman@chkenergy.com Telephone No. (432)687-2992
OCD DISTRICT SUPERVISOR/GENERAL MANAGER

APPROVED BY: Chris Williams TITLE _____ DATE _____
Conditions of Approval (if any):

OCT 23 2006

CURRENT WELLBORE SCHEMATIC

CHESAPEAKE OPERATING, INC



WELL : KELLER 34 STATE #3
FIELD : PALOMA BLANCO PROSPECT
COUNTY : LEA STATE : NM
LOCATION : 1,730' FNL & 660' FWL, SEC. 34-23S-34E
ELEVATION : GL 3,475' KB 3,493'

API #: 30-025-37730
SPUD DATE: 3/14/06
RIG REL. DATE: 3/31/06
FIRST SALES: 6/18/06
CHK PROP #: 819027

HOLE SIZE

17 1/2"

11"

7-7/8"

13-3/8" 48# H-40 STC Surf Csg. @ 559'
Cmt: Lead w/ 500 sx Class "C" + CaCl₂, 5% gel, 13.5 ppg & 1.74 yld.
Tail w/100 sx Class "C" + 2% CaCl₂, 14.8 ppg & 1.34 yld.

8-5/8" 32# J-55 LT&C Inter. Csg @ 5,050'
Cmt: Lead w/1,100 sx 50:50 POZ C + 5% salt + .25pps cf+10% gel, 11.80 ppg & 2.45 yld.
Tail w/200 sx Class "C" + 1%CaCl₂, 14.80 ppg & 1.34 yld.

Tubing details as of 8/13/06:
219 jts 2-7/8" L-80 tbg EOT @ 8,581'
5-1/2" x 2-7/8" TAC @ 7,156'
SN @ 8,561'

Rod & Pump String as of 8/13/06:
136 7/8" N-97
191 1/2" N-97
1 6" sub
1-1/4" x 26' pol rod w/liner
7/8" PU sub
14 1-1/2" K-bars
2-1/2" x 1.75" x 26' RHBM pump

TOC @ 5670' (est)

Sqz holes @ 6600'

Perf Delaware @ 7203' - 7227' OA w/
2 jsfp 36 holes

4 sqz holes @ 7,327

4 Sqz holes @ 7,900'

4 Sqz holes @ 8,100'

Perf Delaware @ 8,287-301', OA
w/ 2 spf (29 holes)

Perf Delaware @ 8,442-562', OA w/ 1 spf (48 holes)

5-1/2" 17# L-80 LTC Prod. Csg @ 8,800'
Cmt w/ 400 sx, circ cmt out w/ rig pmps, lost returns, tail w/
370 sx 61:15:11 POZ, CSE, + 6% FL25 + .1% SMS + 3%
salt, 13.20 ppg & 1.6 yld.

TD @ 8,800'
PBD @ 7,285'

WELL HISTORY

COMPLETION:

5/2006: RIH w/ 2-7/8" tbg to tag PBD @ 8,704', acdz pickle tbg w/ 3 bbls 15% HCL, displace hole w/ 200 bbls 2% KCL. **Perf Delaware @ 8,442-448, 463-469, 473-486, 532-539 547-555, 560-562'**, w/ 1 spf 48 holes. **Acadz** spot 200 gals 7.5% NeFe acid @ 8,562', rev acid into tbg w/ 7 bbls 2% KCL, predd 1000#, OK, pmp into broke @ 1284# @ 1 BPM, acdz w/ 1,300 gals 7.5% NeFe, drop 75 balls, 5 BPM @ 1500#, ball out w/ 7 bbls flush left @ 4,000#, surge balls, finish flush. **Frac Delaware 8,442-562'**, w/ 20 bbls, pmp 10,000 gals pad of Medallion 3000, 29,000 gals sand laden containing 66,000 bbls 16/30 sand, stage from 1/4 ppg, 1#, 2#, 3#, & 4 ppg, 3,000 gals containing 15,000# 16/30 Siberprop @ 5 ppg, flush w/ 8,160 gals 2% KCL wtr. P 24 hrs 0 BO, 280 BW, 18 MCFG, FTP 250#, FCP 30#. **Set CBP @ 8,390'**. **Perf Delaware @ 8,287-301'**, w/ 2 spf, 29 holes. Spot 200 gals 7.5% NeFe acid @ 8,301', rev 7 bbls press 1000#, OK, pmp broke @ 1442#. **Acadz @ 4.2 BPM @ 2322#**, drop 35 balls, flush w/ 49bbls 2% KCL, good ball action up to 4300#. **Frac Delaware w/ 2,000 gals 30# linear gel prepad**, 8,000 gals Medallion 3000 pad, 14,550 gals 30# linear gel containing 37,420# 16/30 Whites sand @ .25 ppg, ramp 1 ppg-5 ppgg, 2,100 gals linear gel containing 10,260# 16/30 Super LC @ 5 ppg, flush w/ 2,016 gals slick water. **Set CBP @ 8,210'**. **Perf 4 sqz holes @ 8,100'**. **Perf 4 holes @ 7,900'**. **RIH w/ 5-1/2" cmt retainer @ 8,070'**, pmp 20 bbls 2% KCL @ 2 BPM @ 350#. Sting out of cmt retainer, rev 68 bbls 2% KCL. Pmp dwn tbg, sting into cmt retainer, establish rate of 2 BPM @ 350# & pmp 55 sx Class "C", displace w/ 2% KCL. **Set CBP @ 7,430'** & perf 4 sqz holes @ 7,327'.
6/2006: **DO CBP @ 7,430'**. Drill out 119' cmt & stringers to cmt retainer @ 8,070', circ clean. **DO CIBP @ 8,230'** in 5 hrs, circ clean. **CBL ran TOC @ 6,800'**. **DO CBP @ 8,390'** in .5 hrs, RIH w/ tbg to 8,340', tag fill clean out 64' fill to 8,404' drill out CBP in 5 hrs. RIH w/ tbg, tag fill & clean out fill, circ clean. Run tbging & rods and turn over to prod. 24 hrs 0 BO, 318 BW & 0 MCF, FTP 350#, FCP 0#. POOH w/ rods & tbg. **CBP @ 7,285'**. Sqz holes @ 6,600' load tbg w/ 3 bbls KCL, held 15 min w/ no leak off, sqz holes leaking. CBP holding. CR @ 6541'. Pmp 20 bbls 2% through CR. Tst csg to 1500#, tst tbg to 2000#, held. Pressured cst to 1000#, est rate into sqz holes @ 6600', 2.7 BPM @ 1075', mix and pmp 150 sx Prem Plus "C" + additives, 14.8 ppg, 1.33 yield, tail w/ 50 sx Prem Plus "C" + additive, 14.8 ppg, 1.33 yield, total slurry vol 48 bbls.
7/2006: TOC @ 6533'. DO cmt & CR to 6550' then soft cmt to 6565', circ bottoms up. Tag cmt @ 6565'. DO cmt to sqz holes @ 6600', DO. RIH to CBP @ 7285'. Circ w/ 155 bbls 2% KCL. **Perf Delaware @ 7203'-7213', 7220' - 7227'** w/ 2 spf, 36 holes. **Acadz w/ 1500 gal 7/5% HCL w/ 45 - 1/3" ball sealers. Frac w/ 2000 gal 30# linear gel pre pad**, 8,000 gal Medallion 3000 pad, 16,450 gals 30# linear gel w/ 35,320# 16/30 white sd. EST TOC @ 5670' w/ CBL.
8/03/06: P: 20 BO 253 BW 20 MCFG FTP 350# FCP 35#.
8/18/06: DO CBP in 3 hrs, circ hole clean. Re-run rods & tbg. 24 hrs Prod, 80 BO, 284 BW, 49 MCFG, FTP 350#, FCP 20#.

PREPARED BY: Renee Thomas
UPDATED BY: _____

DATE: 3/31/06 - 6/10/06

DATE: _____ AJM