

|                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 | State of New Mexico<br>Energy, Minerals and Natural Resources<br><br>Oil Conservation Division<br>1220 South St. Francis Dr.<br>Santa Fe, NM 87505 | <div style="text-align: right;">Form C-105<br/>Revised June 10, 2003</div> <div style="font-size: 1.5em; font-family: cursive;">Amended</div> WELL API NO. <span style="font-family: cursive;">to correct pipe</span><br>30-025-37638<br>5. Indicate Type of Lease<br>STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/><br>State Oil & Gas Lease No. |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| WELL COMPLETION OR RECOMPLETION REPORT AND LOG                                                                                                                                                                                                                                                                                  |                                     |                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             |                        |                |                               |             |                            |  |                                |  |                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------------------------|----------------|-------------------------------|-------------|----------------------------|--|--------------------------------|--|-----------------------------|
| 1a. Type of Well:<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>                                                                                                                                                                 |                                     |                                                                                                       | 7. Lease Name or Unit Agreement Name<br>A M York                                                                                                                                                                                                                                                                                                                                                                                                         |                                             |                        |                |                               |             |                            |  |                                |  |                             |
| b. Type of Completion:<br>NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/><br>WELL OVER <input type="checkbox"/> BACK <input type="checkbox"/> RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/> |                                     |                                                                                                       | 8. Well No.<br>4                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                             |                        |                |                               |             |                            |  |                                |  |                             |
| 2. Name of Operator<br>Chesapeake Operating Inc.                                                                                                                                                                                                                                                                                |                                     |                                                                                                       | 9. Pool name or Wildcat<br>Penrose Skelly; Grayburg 50350                                                                                                                                                                                                                                                                                                                                                                                                |                                             |                        |                |                               |             |                            |  |                                |  |                             |
| 3. Address of Operator<br>P. O. Box 11050 Midland, TX 79702-8050                                                                                                                                                                                                                                                                |                                     |                                                                                                       | 4. Well Location<br>Unit Letter <u>H</u> : <u>2310</u> Feet From The <u>North</u> Line and <u>990</u> Feet From The <u>East</u> Line<br>Section <u>20</u> Township <u>21S</u> Range <u>37E</u> NMPM <u>Lea</u> County                                                                                                                                                                                                                                    |                                             |                        |                |                               |             |                            |  |                                |  |                             |
| 10. Date Spudded<br>06/27/2006                                                                                                                                                                                                                                                                                                  | 11. Date T.D. Reached<br>07/07/2006 | 12. Date Compl. (Ready to Prod.)<br>08/04/2006                                                        | 13. Elevations (DF& RKB, RT, GR, etc.)<br>3491 GR                                                                                                                                                                                                                                                                                                                                                                                                        | 14. Elev. Casinghead                        |                        |                |                               |             |                            |  |                                |  |                             |
| 15. Total Depth<br>4475                                                                                                                                                                                                                                                                                                         | 16. Plug Back T.D.<br>4429          | 17. If Multiple Compl. How Many Zones?<br>-                                                           | 18. Intervals Drilled By                                                                                                                                                                                                                                                                                                                                                                                                                                 | Rotary Tools                                | Cable Tools            |                |                               |             |                            |  |                                |  |                             |
| 19. Producing Interval(s), of this completion - Top, Bottom, Name<br>3962 - 3715 Grayburg                                                                                                                                                                                                                                       |                                     |                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 20. Was Directional Survey Made<br>Yes      |                        |                |                               |             |                            |  |                                |  |                             |
| 21. Type Electric and Other Logs Run<br>PE High Res LL Array; HNGR/S; TD/LD; GR                                                                                                                                                                                                                                                 |                                     |                                                                                                       | 22. Was Well Cored<br>No                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                             |                        |                |                               |             |                            |  |                                |  |                             |
| 23. CASING RECORD (Report all strings set in well)                                                                                                                                                                                                                                                                              |                                     |                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             |                        |                |                               |             |                            |  |                                |  |                             |
| CASING SIZE                                                                                                                                                                                                                                                                                                                     | WEIGHT LB./FT.                      | DEPTH SET                                                                                             | HOLE SIZE                                                                                                                                                                                                                                                                                                                                                                                                                                                | CEMENTING RECORD                            | AMOUNT PULLED          |                |                               |             |                            |  |                                |  |                             |
| 8 5/8                                                                                                                                                                                                                                                                                                                           | 24                                  | 440                                                                                                   | 11                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 300 sx C                                    |                        |                |                               |             |                            |  |                                |  |                             |
| 5 1/2                                                                                                                                                                                                                                                                                                                           | 15.5                                | 4475                                                                                                  | 7 7/8                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1125 sx BJ Me & Pdz C                       |                        |                |                               |             |                            |  |                                |  |                             |
|                                                                                                                                                                                                                                                                                                                                 |                                     |                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             |                        |                |                               |             |                            |  |                                |  |                             |
|                                                                                                                                                                                                                                                                                                                                 |                                     |                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             |                        |                |                               |             |                            |  |                                |  |                             |
| 24. LINER RECORD                                                                                                                                                                                                                                                                                                                |                                     |                                                                                                       | 25. TUBING RECORD                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                             |                        |                |                               |             |                            |  |                                |  |                             |
| SIZE                                                                                                                                                                                                                                                                                                                            | TOP                                 | BOTTOM                                                                                                | SACKS CEMENT                                                                                                                                                                                                                                                                                                                                                                                                                                             | SCREEN                                      | SIZE                   |                |                               |             |                            |  |                                |  |                             |
|                                                                                                                                                                                                                                                                                                                                 |                                     |                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             |                        |                |                               |             |                            |  |                                |  |                             |
|                                                                                                                                                                                                                                                                                                                                 |                                     |                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             |                        |                |                               |             |                            |  |                                |  |                             |
|                                                                                                                                                                                                                                                                                                                                 |                                     |                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             |                        |                |                               |             |                            |  |                                |  |                             |
| 26. Perforation record (interval, size, and number)<br>3962 - 3715 1 spf (87 holes)                                                                                                                                                                                                                                             |                                     |                                                                                                       | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.<br><table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">DEPTH INTERVAL</th> <th style="text-align: left;">AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>3962 - 3715</td> <td>5000 gals NeFe acid + frac</td> </tr> <tr> <td> </td> <td>w/75000 gals 10# brine w/1250#</td> </tr> <tr> <td> </td> <td>20/40brsd 13500#14/30Ltprop</td> </tr> </table> |                                             |                        | DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED | 3962 - 3715 | 5000 gals NeFe acid + frac |  | w/75000 gals 10# brine w/1250# |  | 20/40brsd 13500#14/30Ltprop |
| DEPTH INTERVAL                                                                                                                                                                                                                                                                                                                  | AMOUNT AND KIND MATERIAL USED       |                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             |                        |                |                               |             |                            |  |                                |  |                             |
| 3962 - 3715                                                                                                                                                                                                                                                                                                                     | 5000 gals NeFe acid + frac          |                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             |                        |                |                               |             |                            |  |                                |  |                             |
|                                                                                                                                                                                                                                                                                                                                 | w/75000 gals 10# brine w/1250#      |                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             |                        |                |                               |             |                            |  |                                |  |                             |
|                                                                                                                                                                                                                                                                                                                                 | 20/40brsd 13500#14/30Ltprop         |                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             |                        |                |                               |             |                            |  |                                |  |                             |
| 28. PRODUCTION                                                                                                                                                                                                                                                                                                                  |                                     |                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             |                        |                |                               |             |                            |  |                                |  |                             |
| Date First Production<br>08/01/2006                                                                                                                                                                                                                                                                                             |                                     | Production Method (Flowing, gas lift, pumping - Size and type pump)<br>pumping 2 1/2" x 2" x 20' RHBC |                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Well Status (Prod. or Shut-in)<br>producing |                        |                |                               |             |                            |  |                                |  |                             |
| Date of Test<br>08/09/2006                                                                                                                                                                                                                                                                                                      | Hours Tested<br>24 hrs.             | Choke Size                                                                                            | Prod'n For Test Period                                                                                                                                                                                                                                                                                                                                                                                                                                   | Oil - Bbl<br>80                             | Gas - MCF<br>294       |                |                               |             |                            |  |                                |  |                             |
|                                                                                                                                                                                                                                                                                                                                 |                                     |                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Water - Bbl.<br>580                         | Gas - Oil Ratio<br>368 |                |                               |             |                            |  |                                |  |                             |
| Flow Tubing Press.                                                                                                                                                                                                                                                                                                              | Casing Pressure                     | Calculated 24-Hour Rate                                                                               | Oil - Bbl.<br>80                                                                                                                                                                                                                                                                                                                                                                                                                                         | Gas - MCF<br>294                            | Water - Bbl.<br>580    |                |                               |             |                            |  |                                |  |                             |
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.)<br>Sold                                                                                                                                                                                                                                                              |                                     |                                                                                                       | Test Witnessed By                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                             |                        |                |                               |             |                            |  |                                |  |                             |
| 30. List Attachments<br>Logs, Inclination Report, C-102, C-104                                                                                                                                                                                                                                                                  |                                     |                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             |                        |                |                               |             |                            |  |                                |  |                             |
| 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 <span style="font-family: cursive; font-size: 1.2em;">Brenda Coffman</span>                                                                                                                                                                                                                                           |                                     | Printed Name Brenda Coffman                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Title Regulatory Analyst                    |                        |                |                               |             |                            |  |                                |  |                             |
| E-mail Address bcoffman@chkenergy.com                                                                                                                                                                                                                                                                                           |                                     | Date 08/10/2006                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             |                        |                |                               |             |                            |  |                                |  |                             |

# 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                 | 1244 | T. Canyon               | T. Ojo Alamo          |
| T. Salt                 | 1335 | T. Strawn               | T. Kirtland-Fruitland |
| B. Salt                 |      | T. Atoka                | T. Pictured Cliffs    |
| T. Yates                | 2615 | T. Miss                 | T. Cliff House        |
| T. 7 Rivers             | 2875 | T. Devonian             | T. Menefee            |
| T. Queen                | 3410 | T. Silurian             | T. Point Lookout      |
| T. Grayburg             | 3688 | T. Montoya              | T. Mancos             |
| T. San Andres           | 3972 | T. Simpson              | T. Gallup             |
| T. Glorieta             |      | T. McKee                | Base Greenhorn        |
| T. Paddock              |      | T. Ellenburger          | T. Dakota             |
| T. Blinebry             |      | T. Gr. Wash             | T. Morrison           |
| T. Tubb                 |      | T. Delaware Sand        | T. Todilto            |
| T. Drinkard             |      | T. Bone Springs         | T. Entrada            |
| T. Abo                  |      | T.                      | T. Wingate            |
| T. Wolfcamp             |      | T.                      | T. Chinle             |
| T. Penn                 |      | T.                      | T. Permian            |
| T. Cisco (Bough C)      |      | T.                      | T. Penn "A"           |
|                         |      |                         | T. Penn "B"           |
|                         |      |                         | T. Penn. "C"          |
|                         |      |                         | T. Penn. "D"          |
|                         |      |                         | T. Leadville          |
|                         |      |                         | T. Madison            |
|                         |      |                         | T. Elbert             |
|                         |      |                         | T. McCracken          |
|                         |      |                         | T. Ignacio Otzte      |
|                         |      |                         | T. Granite            |
|                         |      |                         | T.                    |
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|                         |      |                         | 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    | 1244 | 1244                 | Shale & Sandstone                   |      |    |                      |           |
| 1244 | 2615 | 1371                 | Anhy/Saltw/Dolomite Stringers       |      |    |                      |           |
| 2615 | 3410 | 795                  | Sand & Anhydrite w/Dolomite String. |      |    |                      |           |
| 3410 | 3526 | 116                  | Sand, Silt & Anhydrite              |      |    |                      |           |
| 3526 | 3688 | 162                  | Sand, Silt & Dolomite               |      |    |                      |           |
| 3688 | 3972 | 284                  | Dolomite w/Minor Sand               |      |    |                      |           |
| 3972 | 4475 | 503                  | Dolomite                            |      |    |                      |           |