

|                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                       |                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Submit To Appropriate District Office<br>State Lease - 6 copies<br>Fee Lease - 5 copies<br><u>District I</u><br>1625 N. French Dr., Hobbs, NM 88240<br><u>District II</u><br>1301 W. Grand Avenue, Artesia, NM 88210<br><u>District III</u><br>1000 Rio Brazos Rd., Aztec, NM 87410<br><u>District IV</u><br>1220 S. St. Francis Dr., Santa Fe, NM 87505 | <b>State of New Mexico</b><br><b>Energy, Minerals and Natural Resources</b><br><br><b>Oil Conservation Division</b><br><b>1220 South St. Francis Dr.</b><br><b>Santa Fe, NM 87505</b> | <b>Form C-105</b><br>Revised June 10, 2003<br><br>WELL API NO.<br><b>30-025-37855</b><br><br>5. Indicate Type of Lease<br>STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/><br><br>State Oil & Gas Lease No. |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>WELL COMPLETION OR RECOMP LETION REPORT AND LOG</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                       |
| 1a. Type of Well:<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____<br><br>b. Type of Completion:<br>NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF.<br>WELL    OVER                      BACK    RESVR. <input type="checkbox"/> OTHER _____<br><br>2. Name of Operator<br><b>Chesapeake Operating, Inc.</b><br><br>3. Address of Operator<br><b>2010 Rankin Hiway Midland, TX 79701</b><br><br>4. Well Location<br>Unit Letter <b>D</b> : <b>1129</b> Feet From The <b>North</b> Line and <b>782</b> Feet From The <b>West</b> Line<br>Section <b>14</b> Township <b>22S</b> Range <b>37E</b> NMPM                      Lea                      County | 7. Lease Name or Unit Agreement Name<br><b>Hugh</b><br><br>8. Well No.<br><b>17</b><br><br>9. Pool name or Wildcat<br><b>Penrose Skelly; Grayburg</b> |

|                                                                                                  |                                            |                                                       |                                                          |                                 |
|--------------------------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------------------|----------------------------------------------------------|---------------------------------|
| 10. Date Spudded<br><b>08/02/2006</b>                                                            | 11. Date T.D. Reached<br><b>08/13/2006</b> | 12. Date Compl. (Ready to Prod.)<br><b>10/14/2006</b> | 13. Elevations (DF& RKB, RT, GR, etc.)<br><b>3364 GR</b> | 14. Elev. Casinghead            |
| 15. Total Depth<br><b>4200</b>                                                                   | 16. Plug Back T.D.<br><b>3850</b>          | 17. If Multiple Compl. How Many Zones?                | 18. Intervals Drilled By<br><b>0 - 4200</b>              | Rotary Tools<br><b>0 - 4200</b> |
| 19. Producing Interval(s), of this completion - Top, Bottom, Name<br><b>3632 - 3829 Grayburg</b> |                                            |                                                       | 20. Was Directional Survey Made<br><b>Yes</b>            |                                 |
| 21. Type Electric and Other Logs Run<br><b>CBL/GR/CCL</b>                                        |                                            |                                                       | 22. Was Well Cored<br><b>No</b>                          |                                 |

|                                                           |                |              |               |                     |               |
|-----------------------------------------------------------|----------------|--------------|---------------|---------------------|---------------|
| <b>23. CASING RECORD (Report all strings set in well)</b> |                |              |               |                     |               |
| CASING SIZE                                               | WEIGHT LB./FT. | DEPTH SET    | HOLE SIZE     | CEMENTING RECORD    | AMOUNT PULLED |
| <b>8 5/8</b>                                              | <b>24#</b>     | <b>1108'</b> | <b>11"</b>    | <b>600 sx Cl. C</b> |               |
| <b>5 1/2"</b>                                             | <b>15.5#</b>   | <b>4200'</b> | <b>7 7/8"</b> | <b>800 sx Poz C</b> |               |
|                                                           |                |              |               |                     |               |
|                                                           |                |              |               |                     |               |
|                                                           |                |              |               |                     |               |

|                         |     |        |              |                          |               |               |
|-------------------------|-----|--------|--------------|--------------------------|---------------|---------------|
| <b>24. LINER RECORD</b> |     |        |              | <b>25. TUBING RECORD</b> |               |               |
| SIZE                    | TOP | BOTTOM | SACKS CEMENT | SCREEN                   | SIZE          | DEPTH SET     |
|                         |     |        |              |                          | <b>2 7/8"</b> | <b>'3615'</b> |
|                         |     |        |              |                          |               |               |
|                         |     |        |              |                          |               |               |

|                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                |                               |             |                         |                    |                                     |  |                                        |
|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------------------|-------------|-------------------------|--------------------|-------------------------------------|--|----------------------------------------|
| 26. Perforation record (interval, size, and number)<br><b>4090 - 4100' 2 spf (21 holes)</b><br><b>3873 - 4030' 1 spf (73 holes)</b> | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.<br><table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;">DEPTH INTERVAL</td> <td style="width:50%;">AMOUNT AND KIND MATERIAL USED</td> </tr> <tr> <td><b>4070</b></td> <td><b>CIBP + 1 sx cmt.</b></td> </tr> <tr> <td><b>3873 - 4030</b></td> <td><b>5000 gals 15% NeFe acid + BS</b></td> </tr> <tr> <td> </td> <td><b>Frac 78650g 10#bw, 1110 20/40sd</b></td> </tr> </table> | DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED | <b>4070</b> | <b>CIBP + 1 sx cmt.</b> | <b>3873 - 4030</b> | <b>5000 gals 15% NeFe acid + BS</b> |  | <b>Frac 78650g 10#bw, 1110 20/40sd</b> |
| DEPTH INTERVAL                                                                                                                      | AMOUNT AND KIND MATERIAL USED                                                                                                                                                                                                                                                                                                                                                                                                                                            |                |                               |             |                         |                    |                                     |  |                                        |
| <b>4070</b>                                                                                                                         | <b>CIBP + 1 sx cmt.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                |                               |             |                         |                    |                                     |  |                                        |
| <b>3873 - 4030</b>                                                                                                                  | <b>5000 gals 15% NeFe acid + BS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                      |                |                               |             |                         |                    |                                     |  |                                        |
|                                                                                                                                     | <b>Frac 78650g 10#bw, 1110 20/40sd</b>                                                                                                                                                                                                                                                                                                                                                                                                                                   |                |                               |             |                         |                    |                                     |  |                                        |

|                                            |                           |                                                                                                           |                         |                        |                                                    |                             |                               |
|--------------------------------------------|---------------------------|-----------------------------------------------------------------------------------------------------------|-------------------------|------------------------|----------------------------------------------------|-----------------------------|-------------------------------|
| <b>28. PRODUCTION</b>                      |                           |                                                                                                           |                         |                        |                                                    |                             |                               |
| Date First Production<br><b>10/16/2006</b> |                           | Production Method (Flowing, gas lift, pumping - Size and type pump)<br><b>2 1/2" x 2" x 24' RHBC pump</b> |                         |                        | Well Status (Prod. or Shut-in)<br><b>producing</b> |                             |                               |
| Date of Test<br><b>01/15/2007</b>          | Hours Tested<br><b>24</b> | Choke Size                                                                                                | Prod'n For Test Period  | Oil - Bbl<br><b>22</b> | Gas - MCF<br><b>81</b>                             | Water - Bbl.<br><b>383</b>  | Gas - Oil Ratio<br><b>368</b> |
| Flow Tubing Press.                         | Casing Pressure           | Calculated 24-Hour Rate                                                                                   | Oil - Bbl.<br><b>22</b> | Gas - MCF<br><b>81</b> | Water - Bbl.<br><b>383</b>                         | Oil Gravity - API - (Corr.) |                               |

|                                                                           |                   |
|---------------------------------------------------------------------------|-------------------|
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.)<br><b>Sold</b> | Test Witnessed By |
|---------------------------------------------------------------------------|-------------------|

|                                           |  |
|-------------------------------------------|--|
| 30. List Attachments<br><b>C104; C102</b> |  |
|-------------------------------------------|--|

|                                                                                                                                        |                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| 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<br>E-mail Address <b>bcoffman@chkenergy.com</b>                                                                              | Printed Name <b>Brenda Coffman</b> Title <b>Sr. Regulatory Comp. Specialist</b> Date <b>01/25/2007</b> |

# 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                 | 1084 | T. Canyon               | T. Ojo Alamo          |
| T. Salt                 | 1175 | T. Strawn               | T. Kirtland-Fruitland |
| B. Salt                 |      | T. Atoka                | T. Pictured Cliffs    |
| T. Yates                | 2505 | T. Miss                 | T. Cliff House        |
| T. 7 Rivers             | 2757 | T. Devonian             | T. Menefee            |
| T. Queen                | 3300 | T. Silurian             | T. Point Lookout      |
| T. Grayburg             | 3582 | T. Montoya              | T. Mancos             |
| T. San Andres           | 3846 | 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.                    |

## OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....  
 No. 2, from.....to.....  
 No. 3, 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    | 1084 | 1084                 | Shale & Sandstone        |      |    |                      |           |
| 1084 | 2505 | 1421                 | Anhy/Salt/Dolo Stringers |      |    |                      |           |
| 2505 | 3300 | 795                  | Sd/Anhy/Dolo             |      |    |                      |           |
| 3300 | 3432 | 132                  | Sd/Silt/Anhy             |      |    |                      |           |
| 3432 | 3582 | 150                  | Sd/Silt/Dolo             |      |    |                      |           |
| 3582 | 3846 | 264                  | Dolo/Minor Sd            |      |    |                      |           |
| 3846 | 4200 | 354                  | Dolomite                 |      |    |                      |           |