

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.**

5. Lease Serial No.
NMNM 112936

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

7. If Unit of CA/Agreement, Name and/or No

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No
KLEIN 1 FEDERAL 1

2. Name of Operator
CHESAPEAKE OPERATING, INC.

ATTN: LINDA GOOD

9. API Well No.
30-025-37571

3a. Address
P O BOX 18496
OKLAHOMA CITY, OK 73154-0496

3b. Phone No. (include area code)
405-767-4275

10. Field and Pool or Exploratory Area
INBE; PERMO UPPER PENN

4. Location of Well (Footage, Sec, T, R, M, or Survey Description)

109° FNL & 1579° FWL, NENW, SECTION 1, T11S, R33E

11. Country or Parish, State
LEA COUNTY, NM

12. CHECK THE 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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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, request permission to plug this well per the attached plugging procedure.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**



(CHK PN 819584)

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)
LINDA GOOD

Title FEDERAL REGULATORY ANALYST

Signature

Linda Good

Date 08/16/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

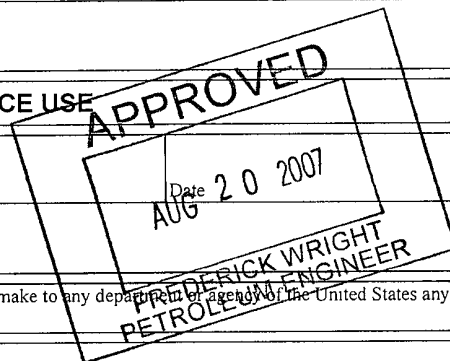
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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)

GWV



**Klein 1 Federal 1
Plug and Abandonment
Lea County, NM**

Plug and Abandonment Procedure

1. Notify the BLM 24 hrs in advance prior to commencing plug and abandonment operations.

Current Wellbore Information

Production Casing (5-1/2", 17#, L-80, LTC set at 9,962'),

Tubing (300JTS, 2-7/8", 6.5#, L-80),

Rods (16JTS 7/8" N-97, 69JTS 3/4" N-97, 120JTS 3/4" N-97 w/4 guides per rod, 60JTS 3/4" N-97, 98JTS 7/8" N-97 / 7/8"X 6' N-97 SUB, 7/8"X 4' SUB, 1-1/4"X 26' Polish Rod with 1-1/2"X 16' Polish Rod Liner)

2. Test Anchors
3. MIRUPU. Unseat Pump. POOH laying down w/ Pump and Rods.
4. ND wellhead. Release TAC. NU BOP. TOOH w/ Tbg.
5. MIRU Wireline Service Unit. RIH w/ Gauge ring/junkbasket to 9070'. RIH w/ 5-1/2" CIBP and set @ 9060'. Bail 2 - 3 sxs of cement on the CIBP (35' minimum on plug). Tag top of cement. Circulate casing with salt gel mud containing 9.5 pound brine and 25 lbs of gel per barrel.
6. PUH to 6,720' (top of Tubb Formation) Spot 160' cmt inside csg. Estimated TOC @ 6,560' – tag plug to verify.
7. PUH to 4,035' (70' below 8-5/8" csg shoe) Spot 140' cmt inside csg. Estimated TOC @ 3,895' – tag plug to verify.
8. Perforate 5-1/2" csg at 1,980' (25' below Salt) and then squeeze with cement to have 50' outside csg. Spot an additional 50' cement inside csg. Estimated TOC @ 1,930' – tag plug to verify.
9. Perforate 5-1/2" csg at 489' (50' below 13-3/8" csg shoe) and then squeeze with cement to have 100' outside csg. Spot an additional 100' cmt inside csg. Estimated TOC @ 389' – tag plug to verify.
10. Spot a 10 sack cement plug at surface.
11. ND BOP. Cut off 5-1/2", 8-5/8", and 13-3/8" casings 3' below ground level.
12. Weld on an ID plate. RD and release Well Service Unit. Restore location.

Contacts

Workover Foreman

Lynard Barrera
Office: 505-391-1462
Cell: 505-631-4942

Asset Manager

Charlie Robinson
Office: 405-879-8522
Cell: 405-213-5343

Production Foreman

Steve Serna
Office: 505-391-1462
Cell: 505-390-9053

Field Engineer

Doug Rubick
Office: 505-391-1462
Cell: 505-441-7326

SUNDRY NOTICE SPECIAL STIPULATIONS

1. Approval is granted to plug this well with the following modifications to the proposed plugging procedure.
2. **All plugs below the surface plug must be at least 25 sacks of cement and 100' plus an additional 10% for each 1000 feet of depth..**
3. Add a 25 sack plug @ 3633' for the base of the salt.
4. The perf and squeeze proposed for 1980' should be moved to 1866' and leave at least 25 sacks of cement inside of the casing and 120' outside of the casing for the Top of the Salt.
5. The surface plug should include perfs @ 60' and circulating cement to the surface through the annulus.

Plugging procedures must conform to 43 CFR 3162.6.d and Onshore Order No. 2.III.G or NMOCD orders if they are more stringent.

ALL OF THE WORK AUTHORIZED HERE MUST BE COMPLETED WITHIN 90 DAYS.

Engineering
can be reached at 505-706-2779 for any variances that might be necessary.

F Wright 8/20/07