

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT **OCD-HOBBS**FORM APPROVED  
OMB NO. 1004-0135  
Expires July 31, 2010**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.  
NMNM0557256

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
ELLIOTT FEDERAL 2 ✓9. API Well No.  
30-025-22755 ✓10. Field and Pool, or Exploratory  
PENROSE SKELLY *Grayburg*11. County or Parish, and State  
LEA COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator  
CHESAPEAKE OPERATING, INC. Contact: LINDA GOOD  
E-Mail: linda.good@chk.com ✓3a. Address  
P.O. BOX 18496  
OKLAHOMA CITY, OK 73154-04963b. Phone No. (include area code)  
Ph: 405-767-4275  
Fx: 405-879-78994. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 15 T22S R37E SWNE 1650FNL 1980FEL ✓

## 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 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 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 PLUG AND ABANDONED THIS WELL PER THE ATTACHED PROCEDURE.

(CHK PN 891355)

**RECEIVED**

MAR 06 2008

**HOBBS OCD****SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

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

Electronic Submission #58535 verified by the BLM Well Information System  
For CHESAPEAKE OPERATING, INC., sent to the Hobbs  
Committed to AFMSS for processing by KURT SIMMONS on 02/11/2008 ()

Name (Printed/Typed) LINDA GOOD

Title REGULATORY COMPLIANCE SPECIALI

Signature (Electronic Submission)

Date 02/08/2008

**THIS SPACE FOR FEDERAL OR STATE OFFICE APPROVED**

Approved By

*Chris Williams***OCD DISTRICT SUPERVISOR/GENERAL MANAGER**

Title

MAR 5 2008

Office

*W. J. Williams*  
WESLEY W. WILLIAMS  
PETROLEUM ENGINEERMAR 10 2008  
Date

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 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.

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***



**Elliott Federal #2  
Plug and Abandonment  
Lea County, NM**

**Plug and Abandonment Procedure**

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

**Current Wellbore Information**

Surface Casing (8-5/8", 24#, J-55, 0-376', ID=8.097", Drift=7.972", Burst=1,370# TOC=1,567'  
Production Casing (5 1/2", 14#, J-55, 0-4,010', ID=5.012", Drift=4.887", Burst=3,120#  
GL: 3,394' KB: 3,407' KB Height: 13.00'  
Current Perfs: Grayburg 3,708'- 3,888'

2. Test Anchors
3. Rack 134 joints of 2-3/8" N-80 Workstring.
4. MIRU PU. POH w/ tubing. ND wellhead. NU BOP.

**Determine where the hole in the casing is located**

5. RIH w/ RBP, PKR and SN on 2-3/8" WS.
6. Set PKR @ 1,000'. Load backside and test to 1,000#. If csg holds release PKR and reset PKR @ 2,000'. Load backside and test to 1,000#. Repeat process every 1,000' until csg leak located.
7. Isolate csg leak w/ RBP and PKR. Set PKR 50' above top hole. Establish inj. rate and pressure.
8. Release PKR. RIH and release RBP. POOH w/ PKR and RBP.
9. RIH w/ 5-1/2" cmt retainer and stinger on 2-3/8" WS. Displace tbq w/ fresh water. (4 bbls/1,000' + 2bbls excess to ensure displaced)
10. Set cmt. retainer below casing hole.
11. RU HES. Establish Injection rate. Mix and pump cmt as per recommended.

**Plugging Procedure (procedure order dependant on location of hole in tbq)**

12. MIRU PU. POH w/ tubing. ND WH/NU BOP.
13. RU wireline unit. RIH w/ gauge ring and junk basket to 4,001'. RIH and set CBP @ 3,608'. Then dump bail 35' cement.
14. RIH and set CIBP @ 1,155'. Then dump bail 35' of cement.
15. Perforate casing w/ 4 squeeze holes @ 426'.
16. RIH w/ open ended tbq to 426' and set a 25 sxs cement plug. Pull up hole, wait 4 hours and tag plug and POH w/ tbq.
17. PUH w/ tbq to 60'. Fill casing back to surface w/ cement. POH w/ tbq. Top off casing w/ cement.
18. RDMO. Install dry hole marker and cut off dead man. Restore location.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

Chesapeake Elliott Federal #2  
NM0557256 SWNE Sec 15-22S-37E  
March 4, 2008  
Plug and Abandonment  
Conditions of Approval

1. Notify the BLM (575-393-3612) 24 hours prior to beginning plugging operation.
2. Ok
3. Ok
4. Ok
5. Run in hole with gauge ring to 3625' POH. Run and set 5.5" CIBP @ 3608', tag CIBP to verify depth, dump minimum of 35' of cement on top with Dump Bailer or 25 sacks pumped through tubing.
6. Run in hole with 5.5" packer and locate hole in 5.5" casing. Establish injection rate into hole.
7. **Following plugs are required. Hole in casing may be covered by one of these. Hole in casing to be squeezed as planned, but do not block plugs required below. Casing hole to be tagged a minimum of 50' above hole.**
8. Top of Yates and Base of Salt plug required. Plug to be set from 2585-2335', WOC 4 hours and tag at 2335' or shallower. This plug will require approximately 30 sacks.
9. Plug required at Top of Salt. Perforate at 1255', establish injection rate and squeeze a minimum of 25 sacks. WOC 4 hours. Tag plug at 1155' or shallower.
10. Perforate at 430', attempt to establish injection rate to surface. If injection rate established pump sufficient cement to fill annulus to surface either by pumping down 5.5" casing or down annulus and back up casing.
11. If injection rate is not established, squeeze 25 sacks at 430', WOC 4 hours and tag plug at 325' or shallower. Then perforate at 60', establish injection rate and fill annulus and 5.5" casing to surface.
12. Cut off wellhead and casing, install dry hole marker and clean location.

WWI 030508



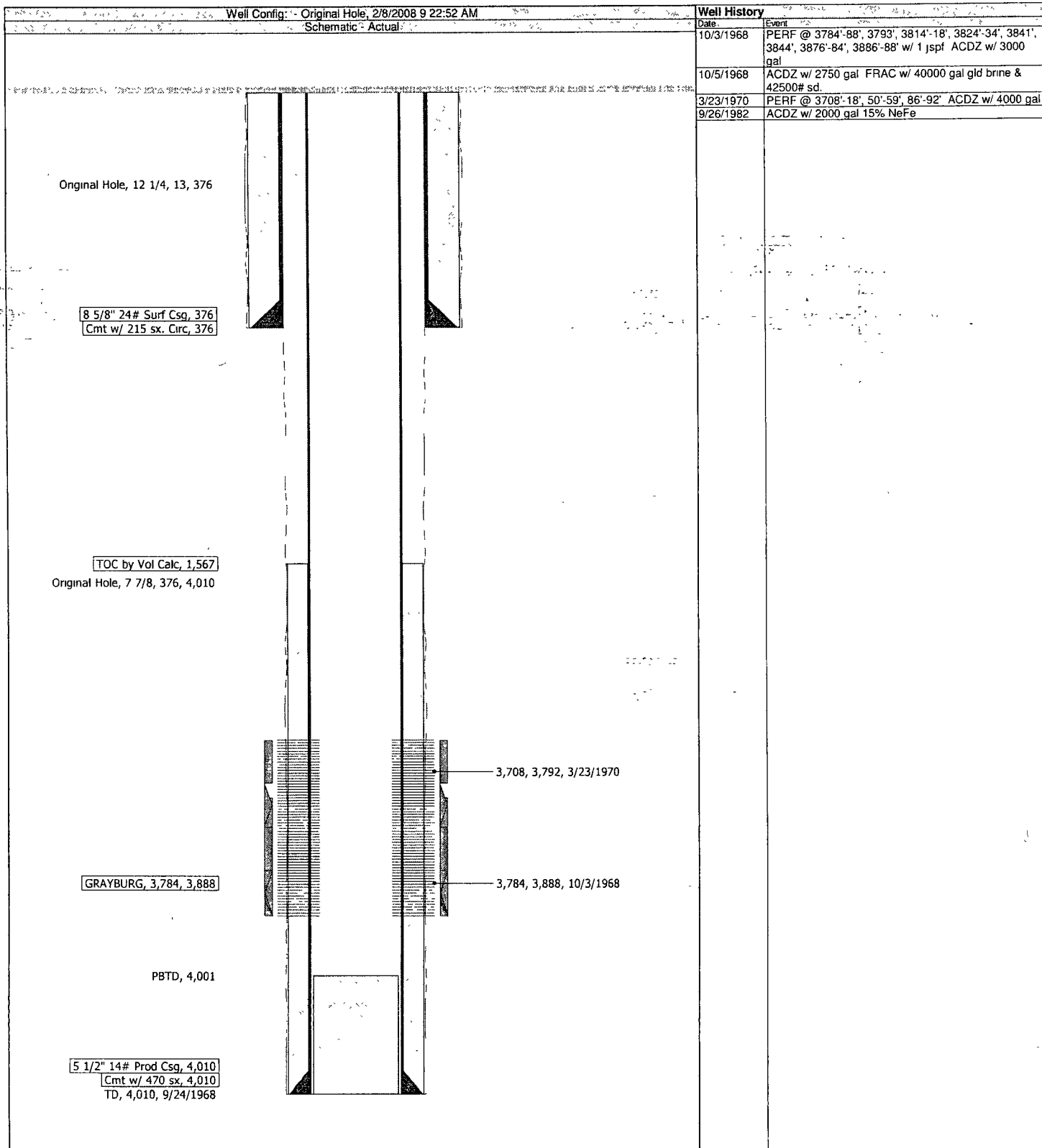
# Current Wellbore Schematic

ELLIOTT FEDERAL 2 (LEA)

Field: PENROSE SKELLY  
County: LEA  
State: NEW MEXICO  
Elevation: GL 3,394.00 KB 3,407.00  
KB Height: 13.00

Location: SEC 15, 22S-37E, 1650 FNL & 1980 FEL

Spud Date: 9/16/1968  
Initial Compl. Date:  
API #: 3002522755  
CHK Property #: 891355  
1st Prod Date:  
PBTD: Original Hole - 4001.0  
TD: 4,010.0



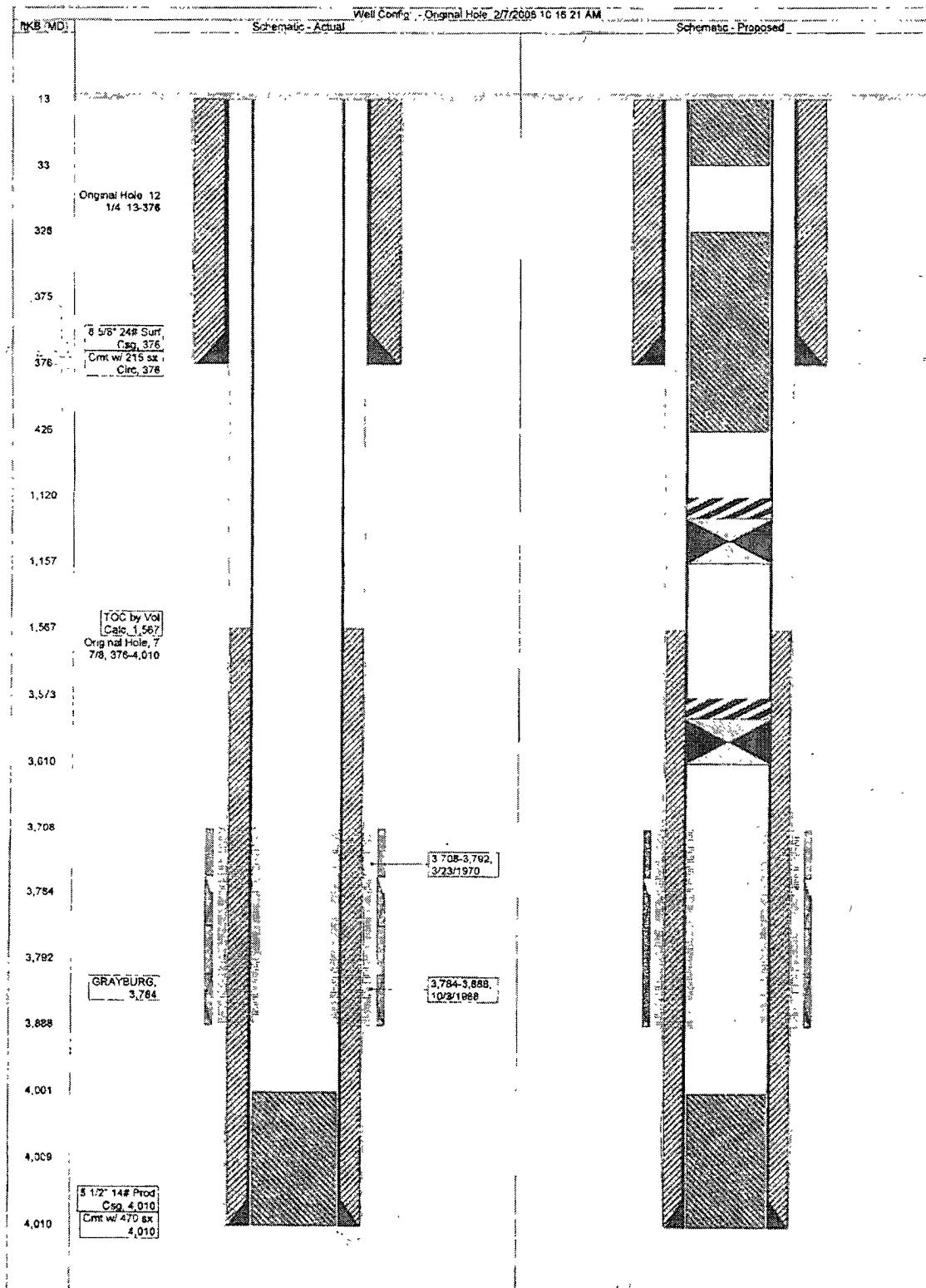


# Proposal - Workover

ELLIOTT FEDERAL 2 (LEA)

Field: PENROSE SKELLY  
County: LEA  
State: NEW MEXICO  
Elevation: GL 3,394.00 KB 3,407.00  
KB Height: 13.00  
Location: SEC 15, 22S-37E, 1650 FNL & 1980 FEL

Spud Date: 9/16/1968  
Initial Compl. Date:  
API #: 3002522755  
CHK Property #: 891355  
1st Prod Date: 10/15/1968  
PBTD: Original Hole - 4001.0  
TD: 4,010.0



**BUREAU OF LAND MANAGEMENT  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**Permanent Abandonment of Federal Wells  
Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

**If you are unable to plug the well by the 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.**

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. **Dry Hole Marker:** All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. **Subsequent Plugging Reporting:** Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office  
620 E. Greene St.  
Carlsbad, NM 88220

**Interim Reclamation Procedures for Permanently Abandoned Federal Wells**

1. After Subsequent Report of Abandonment, Form 3160-5, is filed and approved by the BLM the surface protection specialist (SPS) will conduct a surface inspection of the abandonment. The SPS will establish the reclamation requirements the operator will need to complete. **DO NOT START RECLAMATION UNTIL THE SPS HAS INSPECTED THE LOCATION.**

2. The reclamation requirements will be given to an environmental protection specialist (EPS). The EPS will issue the operator a Notice of Written Order outlining the reclamation requirements. **DO NOT START RECLAMATION UNTIL A NOTICE OF WRITTEN ORDER FOR RECLAMATION HAS BEEN RECEIVED.** The EPS will be responsible for all further abandonment work and inspections.

3. **Notification: CONTACT THE EPS 3 DAYS PRIOR TO RECLAMATION WORK.** This notification gives the EPS an opportunity to discuss by phone or on location the reclamation requirements, any special concerns and the timeframes. It also allows the EPS an opportunity to witness various aspects of the reclamation work to determine if an adequate seedbed has been prepared and all reclamation requirements have been completed. **CONTACT THE EPS AT LEAST 3 DAYS PRIOR TO SEEDING.** This allows the EPS to witness the seeding operation to make sure the location is seeded properly and with the appropriate seed mixture. **DO NOT START RECLAMATION UNTIL THE EPS HAS BEEN NOTIFIED.**

4. After reclamation work has been completed, submit the **I & E copy of the Notice of Written Order** to the BLM. It will need to be signed by a company representative and dated. Also submit one original and five copies of the **Final Abandonment Notice, Form 3160-5.** The report should state that all reclamation work has been completed, and the location is ready for a final abandonment inspection.

5. The BLM will continue to monitor the location to ensure the location vegetates successfully, and salts from the reserve pit do not leach to the surface. The location will be monitored until such time as vegetation (20%) is established evenly across the location (including the reserve pit and access road). Once EPS determines that vegetation (20%) is evenly spread across the location, final abandonment will be authorized.

If there are any questions please feel free to contact any of the following:

Jim Amos  
Supervisory Environmental Protection Specialist  
(575) 234-5909

Barry Hunt  
Surface Protection Specialist  
(575) 234-5965

Todd Suter  
Surface Protection Specialist  
(575) 234-5987

Trishia Bad Bear  
Natural Resource Specialist – Lea County  
(575) 393-3612

Cody Layton  
Natural Resource Specialist  
(575) 234-5959

Paul Evans  
Environmental Protection Specialist  
(575) 234-5977

Terry Gregston  
Environmental Protection Specialist  
(575) 234-5958

10/18/2006