

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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
NMLC071949

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No
PAPAGAYO FEDERAL 01 ✓

2. Name of Operator

CHESAPEAKE OPERATING INC ✓

Contact: HENRY HOOD

9. API Well No

30-025-32543-00-S1 ✓

3a. Address

P O BOX 18496
OKLAHOMA CITY, OK 73154-0496

3b. Phone No. (include area code)

Ph. 405.767.4275

10. Field and Pool, or Exploratory
ANTELOPE RIDGE ✓

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

Sec 27 T23S R34E SWSW 660FSL 660FWL ✓

11. County or Parish, and State

LEA COUNTY, NM ✓

Unit m

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 type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" 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.)

PLEASE FIND THE ATTACHED SALT WATER DISPOSAL INFORMATION.

(CHK PN 890714)

RECEIVED

MAR 25 2008

HOBBS OCD

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

Electronic Submission #58754 verified by the BLM Well Information System
For CHESAPEAKE OPERATING INC, sent to the Hobbs
Committed to AFMSS for processing by KURT SIMMONS on 02/25/2008 (08KMS0437SE)

Name (Printed/Typed) HENRY HOOD

Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission)

Date 02/25/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JAMES A AMOS

Title SUPERVISOR EPS

Date 03/23/2008

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 Hobbs

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

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

ATTACHMENT TO INCIDENT OF NON COMPLIANCE NUMBER AJM 051 08

WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

1. Names(s) of all formation(s) producing water on the lease.
DELAWARE
2. Amount of water produced from all formations in barrels per day.
1.00 BWPD
3. A Current water analysis of produced water from all zones showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates. SEE ATTACHED
4. How water is stored on the lease.
500 BBL FIBERGLASS WATER TANK
5. How water is moved to the disposal facility.
FLOW LINE
6. Identify the Disposal Facility by:
 - A. Facility Operator Name CHESAPEAKE ENERGY
 - B. Name of facility of well name & number ANTELOPE RIDGE SWD #5
 - C. Type of facility of well (WDW)(WIW), etc. WDW
 - D. Location by ¼, ¼, Section, Township and Range 33-23S-34E
2310 FSL 990 FWL
7. Attach a copy of the State issued permit for the Disposal Facility.
ATTACHED

Submit all of the above required information to this office, 414 West Taylor, Hobbs, NM 88240, on a Sundry Notice Form 3160-5, 1 Original and 5 copies, within the required time frame. (This form may be used as an attachment to the Sundry Notice.) Call (505) 393-3612 if you need to further discuss this matter.

709 W INDIANA
MIDLAND, TEXAS 79701
FAX (432) 682-8819



BRUCE KING
GOVERNOR

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87605
(505) 827-7131

ADMINISTRATIVE ORDER SWD-578

***APPLICATION OF STRATA PRODUCTION COMPANY FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.***

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Rule 701(B), Strata Production Company made application to the New Mexico Oil Conservation Division on November 30, 1994 for permission to complete for salt water disposal its Antelope Ridge Unit Well No.5 located 2310 feet from the South line and 990 feet from the West line (Unit L) of Section 33, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

The applicant herein, Strata Production Company is hereby authorized to complete its Antelope Ridge Unit Well No.5 2310 feet from the South line and 990 feet from the West line (Unit L) of Section 33, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Bell Canyon (Upper Delaware) formation at approximately 5167 feet to 6200 through 2 3/8-inch plastic-lined tubing set in a packer located at approximately 5130 feet.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 1033 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Bell Canyon (Upper Delaware) formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided

Administrative Order SWD-578

Strata Production Company

December 21, 1994

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however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on this 21st day of December, 1994.



WILLIAM J. LEMAY, Director

WJL/BES

xc: Oil Conservation Division - Hobbs