

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB NO 1004-0135
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS JUN 02 2008

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

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

8 Well Name and No
PAPAGAYO FEDERAL 19 API Well No
30-025-3254310 Field and Pool, or Exploratory
ANTELOPE RIDGE11 County or Parish, and State
LEA CO. COUNTY, NM

1 Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2 Name of Operator
CHESAPEAKE OPERATING, INC.Contact LINDA GOOD
E-Mail linda.good@chk.com3a. Address
P.O. BOX 18496
OKLAHOMA CITY, OK 73154-04963b. Phone No. (include area code)
Ph: 405 767.4275

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

Sec 27 T23S R34E SWSW 660FSL 660FWL

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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Off-Lease Measure
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	t

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 recompleate 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 recompletion 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.)

NOTICE OF INTENT/SUBSEQUENT REPORT.

SUBJECT TO LIKE

APPROVAL BY STATE

CTB-588

CHESAPEAKE, RESPECTFULLY, REQUEST PERMISSION TO SURFACE COMMINGLE THE FOLLOWING WELLS: PAPAGAYO FED 1 AND KELLER 27 FED 1 TO THE KELLER 34 STATE 3 METER.

STATE SURFACE COMMINGLING APPLICATION IS BEING PROCESSED.

WELLS UNDER LEASE NMLC071949:

PAPAGAYO FEDERAL 1 (SEE INFORMATION ABOVE)

KELLER 27 FEDERAL 1 - 30-025-37905, SEC 27, T23S, R34E, 1767' FSL & 660' FWL, NWSW.

Gas allocation workover -

submit detailed allocation

for these wells.

Subsequent sundry required when commingling begins.

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

Electronic Submission #59297 verified by the BLM Well Information System
For CHESAPEAKE OPERATING, INC., sent to the Hobbs

Name (Printed/Typed) LINDA GOOD

Title REGULATORY COMPLIANCE SPECIALI

Signature (Electronic Submission)

Date 03/27/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

Approved By

Chris Williams

Title

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.

Office

MAY 24 2008

MAY 24 2008
PETROLEUM ENGINEER

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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

Additional data for EC transaction #59297 that would not fit on the form

32. Additional remarks, continued

KELLER 34 STATE 3 - 30-025-37730, SEC 34, T23S, R34E, 1730' FNL & 660' FWL, SWNW

THE BONANZA FEDERAL 1 & 3, LEASE NMLC067714 ARE NOT PRODUCING ENOUGH GAS TO SELL OR COMMINGLE AT THIS TIME.

ALL INTEREST OWNERS HAVE BEEN NOTIFIED OF THIS PROPOSAL

THE GAS PIPELINE COMPANY WILL REMOVE THE METERS FROM THE WELLS MAKING LESS THAN 10 MCFD AND EACH WELL WILL HAVE IT'S OWN CHECK METER THE KELLER 27 FED 1 AND THE PAPAGAYO FED 1 ARE AT THIS 10 MCFD THRESHOLD AND THEIR GAS RESERVES WOULD BE LOST WITHOUT SURFACE COMMINGLING WITH OTHER PRODUCTIVE WELLS

ATTACHED ARE THE ANALYSIS FOR PRODUCTION, WELL TEST, SCHEMATIC DIAGRAMS AND MAP.

PLEASE LET ME KNOW IF YOU NEED ANY MORE INFORMATION.

(CHK PN 890714, 819029, 819027)



Laboratory Services, Inc.
2609 West Marland
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

FOR: Chesapeake Energy
Attention: Steve Steadham
P. O. Box 190
Hobbs, New Mexico 88241

SAMPLE: Sta. #6021116581
IDENTIFICATION Keller 27 Fed. #1
COMPANY: Chesapeake Energy
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED 11/6/07 11:44 am
ANALYSIS DATE: 11/7/07
PRESSURE - PSIG 22
SAMPLE TEMP. °F 64
ATMOS. TEMP. °F 60

GAS (XX) LIQUID ()
SAMPLED BY: Tim Henley
ANALYSIS BY: Vickie Sullivan

REMARKS: H2S = 0

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)	0.000	
Nitrogen (N2)	15.147	
Carbon Dioxide (CO2)	0.050	
Methane (C1)	59.688	
Ethane (C2)	10.329	2.756
Propane (C3)	7.757	2.132
I-Butane (IC4)	1.137	0.371
N-Butane (NC4)	2.686	0.845
I-Pentane (IC5)	0.936	0.342
N-Pentane (NC5)	0.789	0.285
Hexane Plus (C6+)	1.481	0.643
	100.000	7.374

BTU/CU.FT. - DRY 1245
AT 14.650 DRY 1241
AT 14.650 WET 1219
AT 14.73 DRY 1248
AT 14.73 WET 1226

MOLECULAR WT. 25.2017

SPECIFIC GRAVITY -
CALCULATED 0.867
MEASURED



Laboratory Services, Inc.
2609 West Marland
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

FOR: Chesapeake Energy
Attention: Steve Steadham
P. O. Box 190
Hobbs, New Mexico 88241

SAMPLE: Sta. #6021116566
IDENTIFICATION Keller 33-34 Battery
COMPANY: Chesapeake Energy
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED 11/6/07 12:41 pm
ANALYSIS DATE: 11/7/07
PRESSURE - PSIG 23
SAMPLE TEMP. °F
ATMOS. TEMP. °F 62

GAS (XX) LIQUID ()
SAMPLED BY: Tim Henley
ANALYSIS BY: Vicki McDaniel

REMARKS: H2S = 0

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)	0.000	
Nitrogen (N2)	6.637	
Carbon Dioxide (CO2)	0.050	
Methane (C1)	65.758	
Ethane (C2)	12.500	3.335
Propane (C3)	8.225	2.261
I-Butane (IC4)	1.118	0.365
N-Butane (NC4)	2.711	0.853
I-Pentane (IC5)	0.913	0.333
N-Pentane (NC5)	0.729	0.263
Hexane Plus (C6+)	1.359	0.590
	100.000	8.000

BTU/CU.FT. - DRY 1348
AT 14.650 DRY 1343
AT 14.650 WET 1320
AT 14.73 DRY 1351
AT 14.73 WET 1327

MOLECULAR WT. 24.4816

SPECIFIC GRAVITY -
CALCULATED 0.842
MEASURED



Laboratory Services, Inc.

2609 West Marland
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

FOR: Chesapeake Energy
Attention: Steve Steadham
P.O. Box 190
Hobbs, New Mexico 88241

SAMPLE: Sta. # 6021416086
IDENTIFICATION Papagayo Fed. #1
COMPANY: Chesapeake Energy
LEASE:
PLANT:

SAMPLE DATA: DATE SAMPLED: 2/16/07
ANALYSIS DATE: 2/23/07
PRESSURE - PSIA 29.5
SAMPLE TEMP. °F 80.1
ATMOS. TEMP. °F
REMARKS: H2S = 0

GAS (XX) LIQUID ()
SAMPLED BY: Lemmons
ANALYSIS BY: Vicki McDaniel

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)	0.000	
Nitrogen (N2)	7.390	
Carbon Dioxide (CO2)	0.040	
Methane (C1)	60.227	
Ethane (C2)	13.436	3.585
Propane (C3)	10.461	2.876
I-Butane (IC4)	1.516	0.495
N-Butane (NC4)	3.592	1.130
I-Pentane (IC5)	1.014	0.370
N-Pentane (NC5)	0.845	0.305
Hexane Plus (C6+)	1.479	0.642
	100.000	9.403

BTU/CU.FT. - DRY 1421
AT 14.650 DRY 1416
AT 14.650 WET 1391
AT 14.73 DRY 1424
AT 14.73 WET 1399

MOLECULAR WT. 26.0794

SPECIFIC GRAVITY -
CALCULATED 0.897
MEASURED

WELL TEST PRODUCTION

Papagayo Fed 1
Property # 890714

API# 30-025-32543-00-00
Formation: Drinkard

Well Class: Gas
Field/Pool: Bell Lake East

Test Date	BOPD	BWPD	MCFPD	Tbg Press	Csg Press	GOR	Observed Gravity	Avg. Prod. 03/08
02/28/08	14	22	12	250	46	857	38.6	12.66

Keller 27 Fed #1
Property #819029

API#30-025-37905-00-00
Formation: Delaware

Well Class: Oil
Field/Pool: Bell Lake

Test Date	BOPD	BWPD	MCFPD	Tbg Press	Csg Press	GOR	Observed Gravity	Avg. Prod. 03/08
02/28/08	17	97	10	250	30	588	37.0	19.691

Keller 34 State #3
Property #819027

API#30-025-37730-00-00
Formation: Delaware

Well Class: Oil
Field/Pool: Bell Lake;
Delaware;East-96322

Test Date	BOPD	BWPD	MCFPD	Tbg Press	Csg Press	GOR	Observed Gravity	Avg. Prod. 03/08
02/28/08	9	49	35	350	50	3889	38.2	8.827



Gas Allocation Report

Delivery System DSBONANAZACD BONANZA FED 1 STRATA CDP DEL SYS Production Date 10/31/2007 MCF Variance 1,016.03 16.12%
 Field Office HOBBS MMBTU Variance 1,374.80 16.06%

Meter Code	Meter Name	Transporter Code	Transporter Name	State Volume	MMBTU	State	Wet/Dry
Disposition	TRANS						
6099515992	KELLER 34 STATE 1 CDP SALES	301068CEMI	SOUTHERN UNION GAS	5,125.26	7,020.34	15.03	DRY
Total:				5,125.26	7,020.34		
Disposition	FUEL						
FM890732	BONANZA FEDERAL 1 FUEL			30.23	31.00	15.03	DRY
FM890686 2	CIGUENA STATE 2 FUEL USE			129.68	133.00	15.03	DRY
Total:				159.91	164.00		
Total:				5,285.16	7,184.34		

Zone Code	Zone Name	Days	Theo MCF	Theo MMBTU	BTU Factor	Flow PB	Fuel MCF	Fuel MMBTU	Fuel PB	Sales MCF	Sales MMBTU	Sales PB
890732 01	BONANZA FEDERAL 1	29	30.23	31.00	1.0000	15.03	30.23	31.00	15.03	0.00	0.00	15.03
890733 01	BONANZA FEDERAL 3	31	0.00	0.00	0.0000	15.03	0.00	0.00	0.00	0.00	0.00	15.03
890686 01	CIGUENA STATE 1	31	146.67	209.60	1.3934	15.03	0.00	0.00	0.00	174.23	249.11	15.03
890687 01	CIGUENA STATE 2	24	129.68	133.00	1.0000	15.03	129.68	133.00	15.03	0.00	0.00	15.03
610210 01	KELLER 22 FED 1	0	0.00	0.00	0.0000	15.03	0.00	0.00	0.00	0.00	0.00	15.03
819029 01	KELLER 27 FED 1	31	479.61	701.98	1.4271	15.03	0.00	0.00	0.00	418.06	612.22	15.03
810218 01	KELLER 27 FED 2	0	0.00	0.00	0.0000	15.03	0.00	0.00	0.00	0.00	0.00	15.03
819026 01	KELLER 33 STATE 2	26	780.17	1,017.42	1.3050	15.03	0.00	0.00	0.00	619.30	829.27	15.03
819025 01	KELLER 34 STATE 1	30	1,122.40	1,502.22	1.3050	15.03	0.00	0.00	0.00	914.39	1,224.42	15.03
819023 01	KELLER 34 STATE 2	24	959.44	1,284.12	1.3050	15.03	0.00	0.00	0.00	791.65	1,046.57	15.03
819027 01	KELLER 34 STATE 3	31	1,971.94	2,639.26	1.3050	15.03	0.00	0.00	0.00	1,606.51	2,151.19	15.03
890714 01	PAPAGAYO FEDERAL	31	328.59	476.75	1.4147	15.03	0.00	0.00	0.00	286.43	415.78	15.03
890734 01	PRONGHORN STATE	30	372.47	563.79	1.4759	15.03	0.00	0.00	0.00	324.67	491.68	15.03
Total:			6,301.20	8,559.14			159.91	164.00		5,125.26	7,020.34	

Delivery System = DSBONANAZACDP
 BONANZA FED 1 STRATA CDP DEL SYS
 Production Date Between 10/01/2007
 12:00:00AM AND 10/31/2007 11:59:00PM
 Min Well Count = 0
 Minimum % Variance = 0

Southern Union
Gas Services

Lease & Contract Information

Gathering System Name	Production Date:	Accounting Durr.	Lease Name	Allotment Decimal	Meter Number	State	County	Contract Number	Pressure
JAL COMPLEX	10/2007	10/2007	KOLLER STATE CPD	1.00000000	57127-01	NM	LEA	L-341-0	14.730

Settlement Summary

Residue Value	Product Value	Gross Value	Fees & Adjustments	Total Taxes	Tax Reimbursement	Net Value
\$0.00	\$39,185.38	\$39,185.38	\$0.00	\$111.01	\$0.00	\$39,074.37

Product Settlement

Wellhead Information		Thermicon Gallons	Fixed Recovery Factor	GPM	Allocated Gallons	Shrink	Net % Share	Settlement Volume	Price	Product Values		
MCF	MMBTU											
Gross Wellhead	5,228.10	7,020.80										
Split Decimals	1.000000											
Bypass Gas		ETHANE	17,885.85	70.0000	3.4211	12,571.19	830.95	25.00	-5,612.08	\$0.9659	\$18,066.89	
		PROPANE	11,630.72	90.0000	2.1864	10,287.65	942.54	25.00	8,744.50	\$1.3784	\$12,053.56	
Produce WtH	5,228.10	7,020.80	ISO BUTANE	2,209.51	92.0050	0.4209	2,024.47	351.74	25.00	-1,730.20	\$1.6419	\$2,325.43
Not Delivered	5,228.10	7,020.80	NORMAL BUTANE	4,813.60	91.0000	0.9211	4,342.30	454.34	25.00	3,734.87	\$1.6202	\$5,035.10
			NATURAL GAS	5,819.92	90.0000	1.1132	5,217.93	597.12	25.00	4,452.24	\$1.8127	\$8,204.10
BTU As Del'	1,3429											
			42,152.60		8.0527	34,452.38	3,026.67		29,264.49		\$39,185.38	

Residue Settlement

Residue Allocation		Residue Settlement			Taxes			
Met Delivered	7,020.80	Settlement Residue MMBTU(TIK)	Concitant %	Residue TIK	Tax Type	Taxed Quantity	Tax Rate	Tax Due
Strike MMBTU	3,026.67							
Plant Facility and/JA								
NNMTU	1,125.33	2,870.78	85.00	\$0.00	NMPK	4,319.48	\$0.0257	\$111.01
Allocated Residue MMBTU:	2,870.78							

Fees & Adjustments

Raise	Rate	Value
Total*	0.00	0.00

Gas Analysis Information

Component	Mol %	GPM
Sulfur	0.0000	
Nitrogen	6.1033	
Carbon Dioxide	0.1003	
Oxygen Inerts	0.0000	
Methane	64.2507	
Ethane	12.5007	3.4211
Propane	7.9469	2.1864
Iso Butane	1.2864	0.4209
Nor Butane	2.9218	0.9211
Iso Pentane	0.8657	0.3165
Nec Pentane	0.6906	0.2501
Hexane	1.2592	0.3463
Tota's	100.0000	8.0527

Pilot Contact

Contact Name:	SCOTT McDOWELL
Contact Phone No	517-302-9472
Contact Email	SCOTT.MCDOWELLS@SUG.COM

Total	4,319.48	6.03	111.01
-------	----------	------	--------

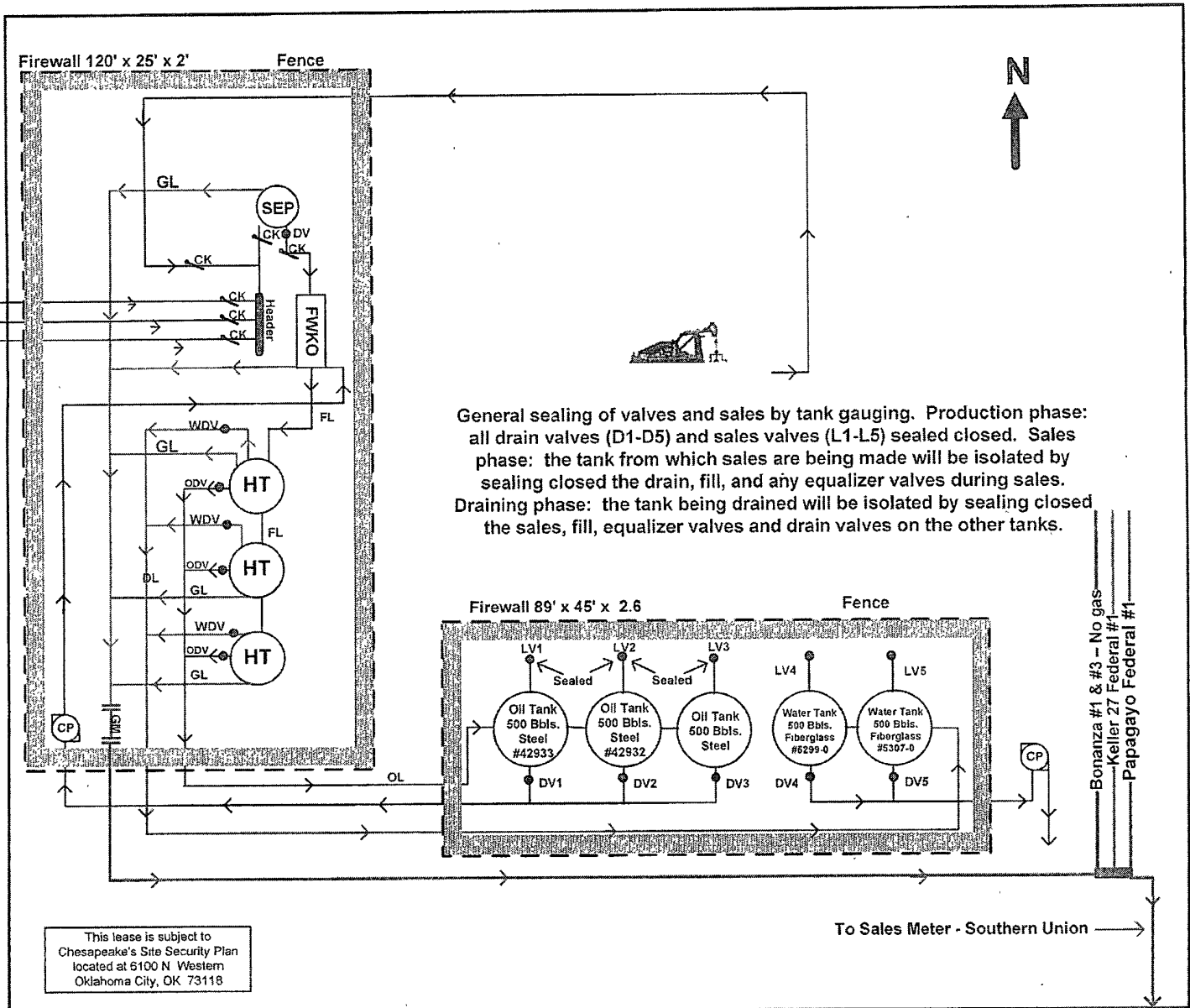
Comments

Repeat this statement for tax purposes. Duplicates will not be furnished.

CHESAPEAKE OPERATING, INC.

CHK Name & Number: KELLER 34 STATE 3 819027
 API Number: 30-025-37730
 County: LEA
 State: NM
 Field: BELL LAKE
 Qtr Qtr Calls: SWNW
 Sec/Twnshp/Rng: 34-23S-34E
 Number of Acres: 40

Regulatory Agency: STATE
 Lease Sign Type: NON-APD WELL
 CA#: NA
 APD Lease #: STATE
 Federal/Indian: STATE
 Last Violation: UNKNOWN
 District: PERMIAN NORTH
 Field Office: HOBBS



Direction of Flow off Site: SW

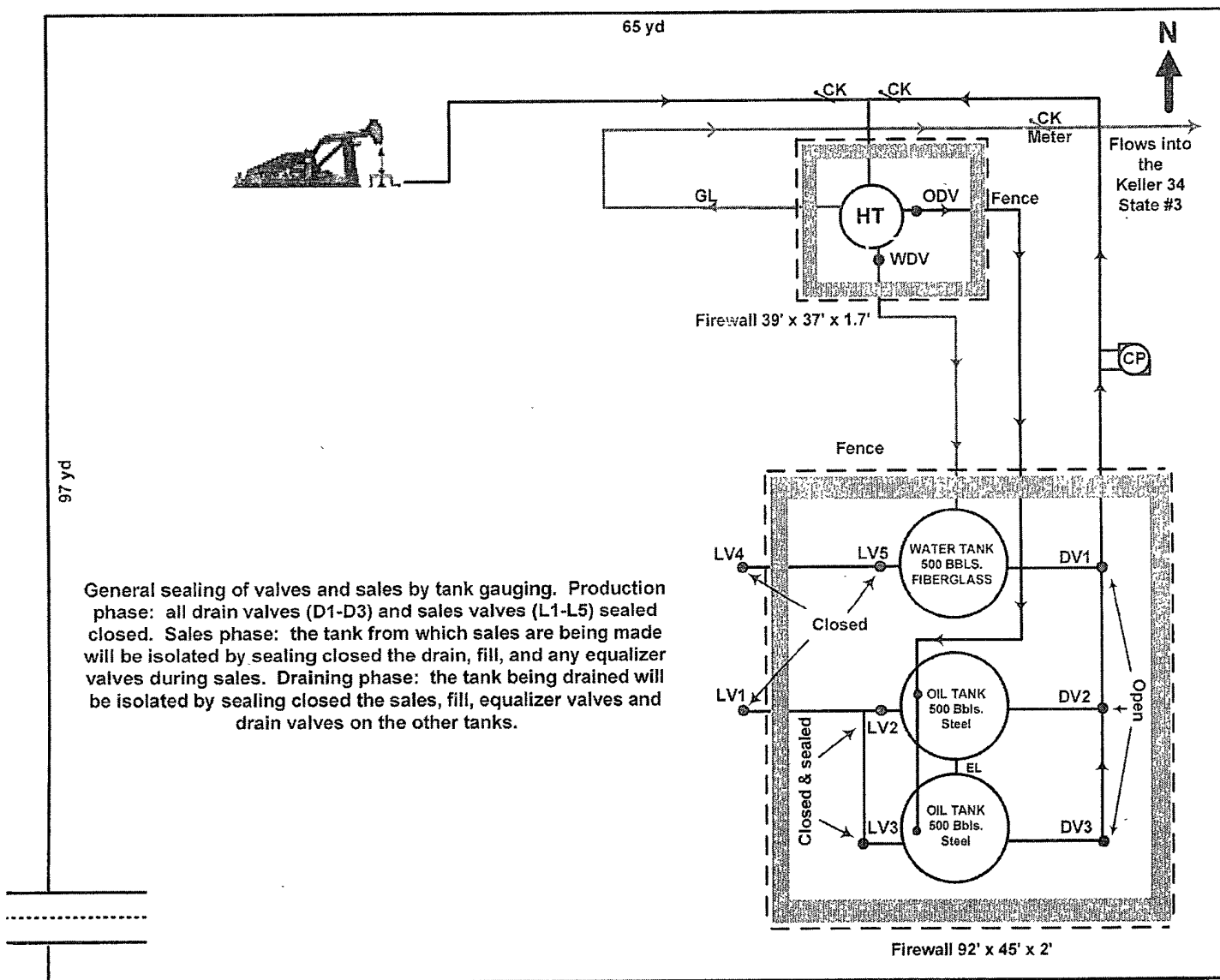
Prepared by: Jackie Reynolds
 Date: 3-24-2008

Approved by:
 Date:

CHESAPEAKE OPERATING, INC.

CHK Name & Number: PAPAGAYO FEDERAL 1 890714
 API Number: 30-025-32543
 County: LEA
 State: NM
 Field: BELL LAKE EAST
 Qtr Qtr Calls: SWSW
 Sec/Twnshp/Rng: 27-23S-34E
 Number of Acres: 600

Regulatory Agency: BLM
 Lease Sign Type: APD WELL
 CA#: 100% BLM LEASE
 APD Lease #: NMLC 71949
 Federal/Indian: FEDERAL
 Last Violation: UNKNOWN
 District: PERMIAN NORTH
 Field Office: HOBBS



Direction of Flow off Site: SW

This lease is subject to Chesapeake's Site Security Plan located at 6100 N. Western Oklahoma City, OK 73118

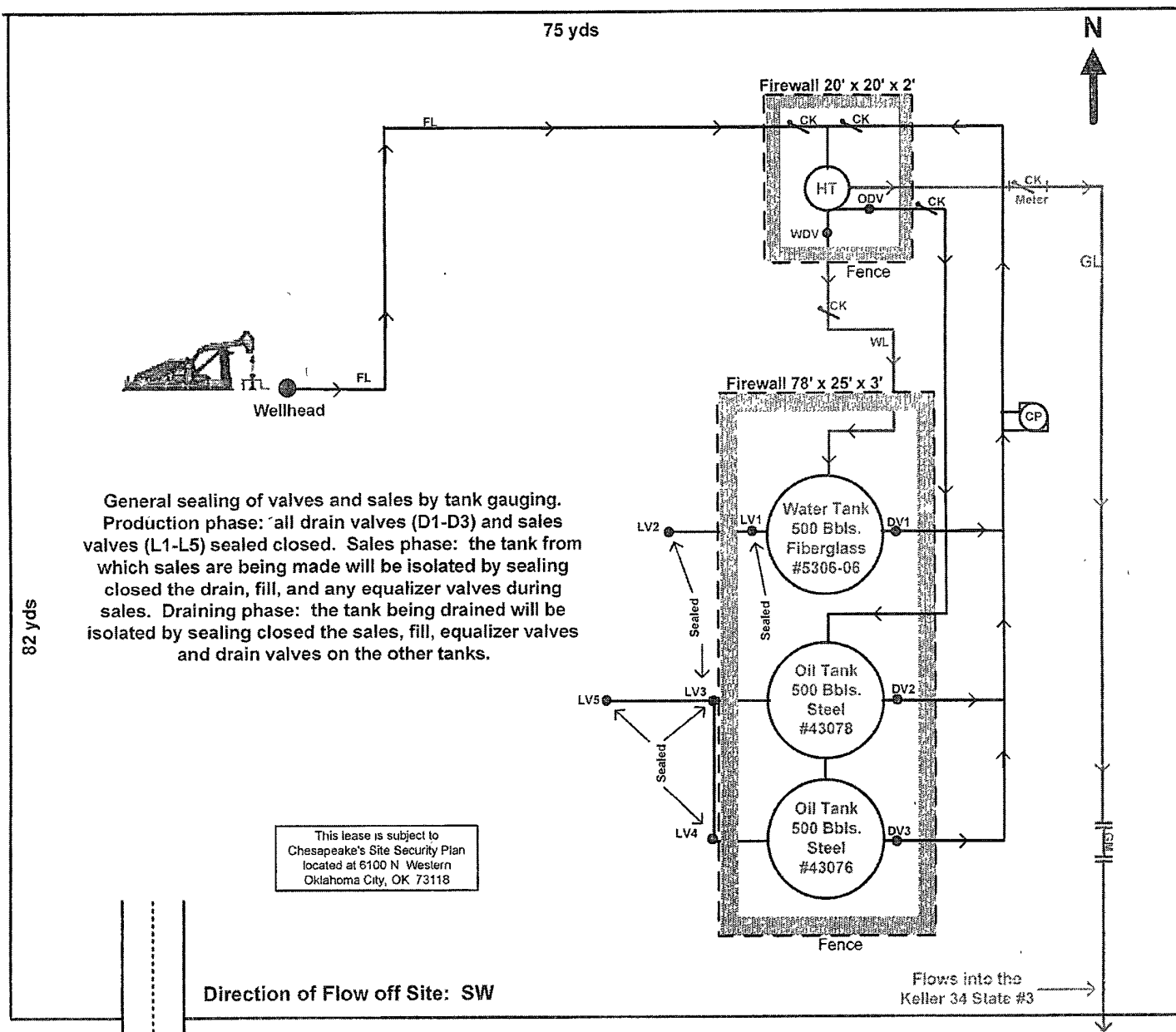
Prepared by: Jackie Reynolds
 Date: 2-12-2008

Approved by:
 Date:

CHESAPEAKE OPERATING, INC.

CHK Name & Number: KELLER 27 FEDERAL 1 819029
API Number: 30-025-37905
County: LEA
State: NM
Field: BELL LAKE
Qtr Qtr Calls: NWSW
Sec/Twnshp/Rng: 27-23S-34E
Number of Acres: 40

Regulatory Agency:	BLM
Lease Sign Type:	APD WELL
CA#	100% BLM LEASE
APD Lease #:	NMLC-071949
Federal/Indian:	FEDERAL
Last Violation:	NONE
District:	PERMIAN NORTH
Field Office:	HOBBS



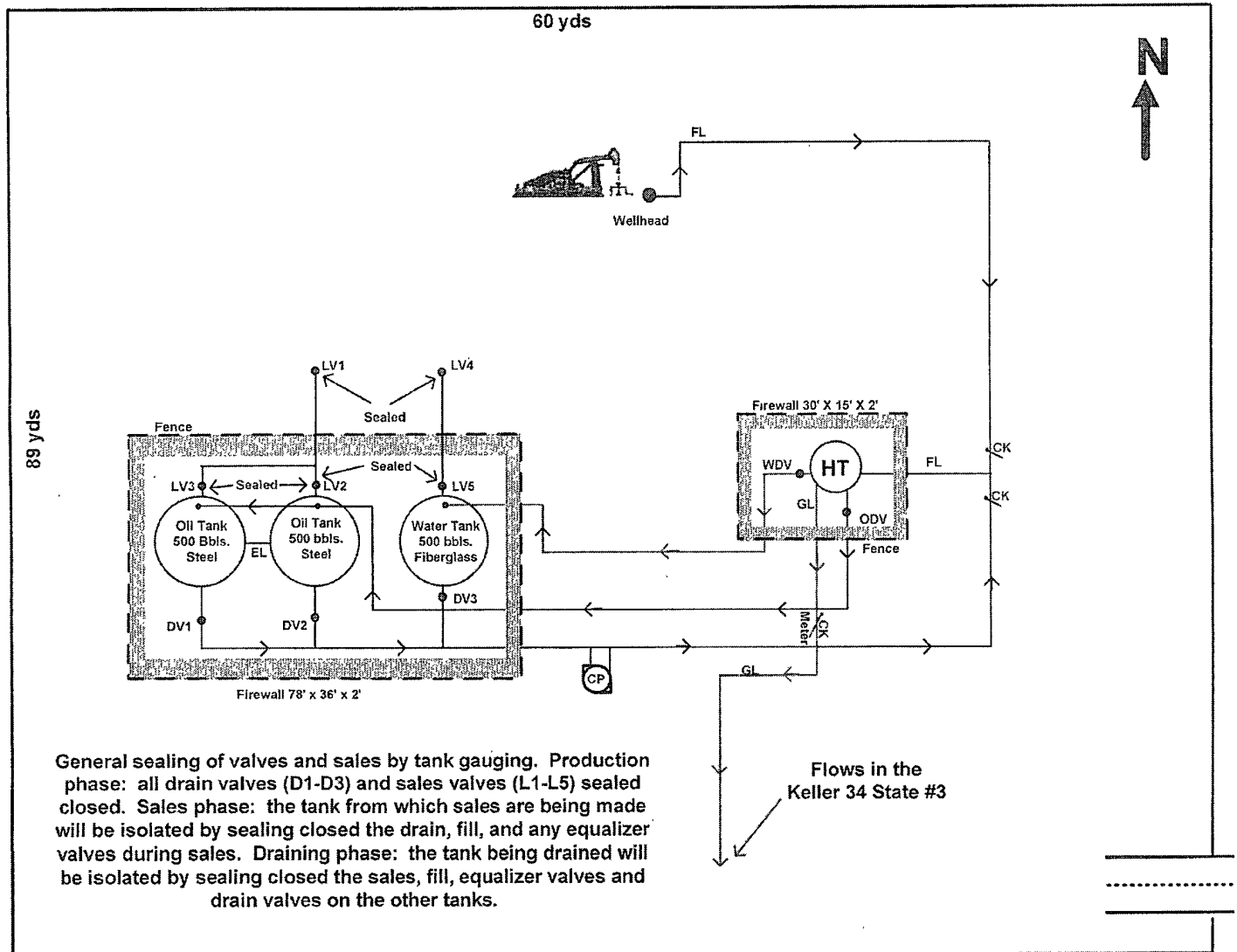
Prepared by: Jackie Reynolds
Date: 3-26-2008

Approved by:
Date:

CHESAPEAKE OPERATING, INC.

CHK Name & Number: BONANZA FEDERAL 1 890732
 API number: 30-025-33808
 County: LEA
 State: NM
 Field: BELL LAKE EAST
 Qtr Qtr Calls: NE SE
 Sec/Twnshp/Rng: 28-23S-34E
 Number of Acres: 40

Regulatory Agency: BLM
 Lease Sign Type: FEDERAL
 CA#: 100% BLM LEASE
 APD Lease #: NMLC 67715
 Federal/Indian: FEDERAL
 Last Violation: UNKNOWN
 District: PERMIAN NORTH
 Field Office: HOBBS



Direction of Flow off Site: S

This lease is subject to
 Chesapeake's Site Security Plan
 located at 6100 N Western
 Oklahoma City, OK 73118

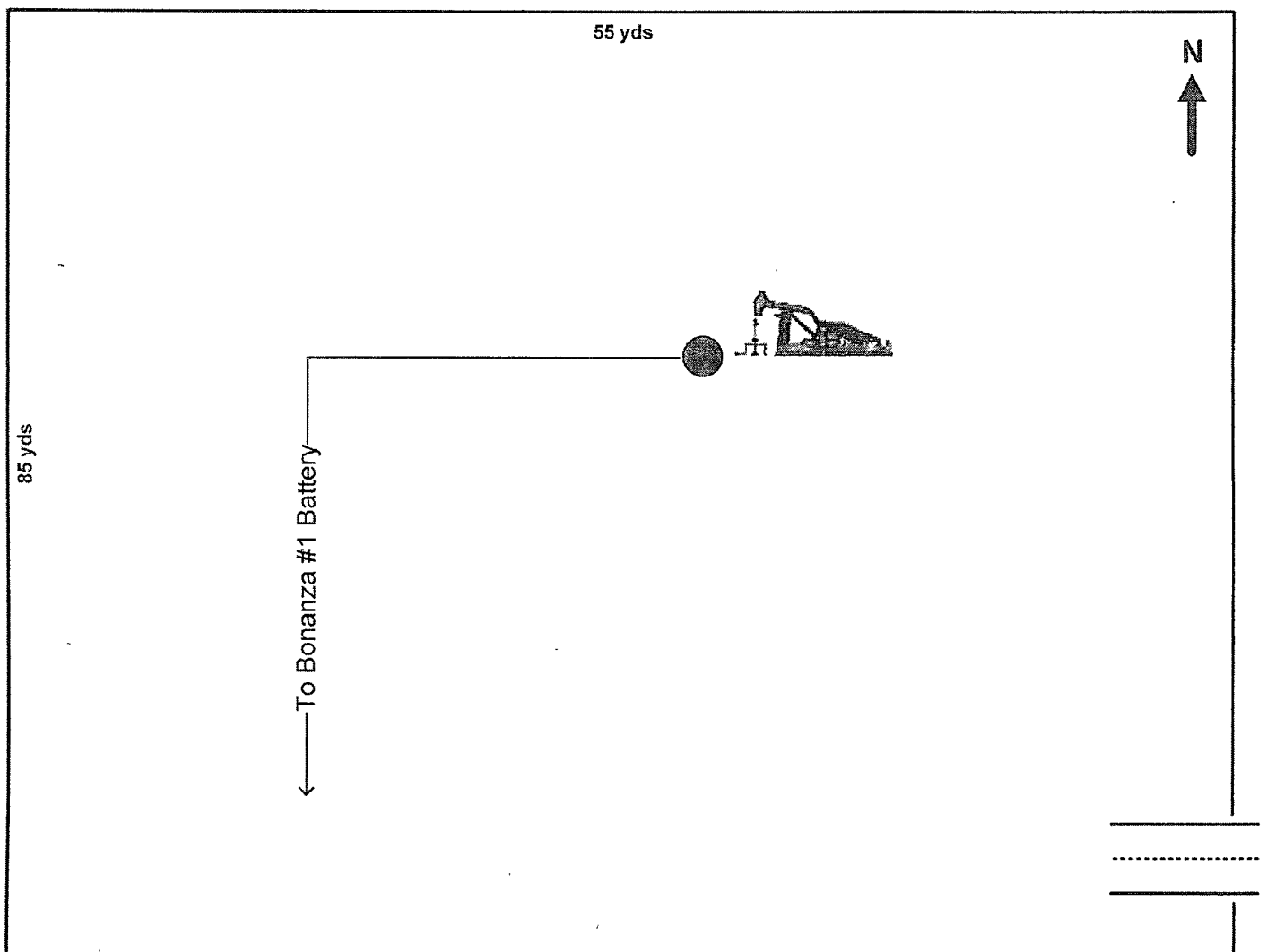
Prepared by: Jackie Reynolds
 Date: 3-26-2008

Approved by:
 Date:

CHESAPEAKE OPERATING, INC.

CHK Name & Number: BONANZA FEDERAL 3 890733
API number: 30-025-34338
County: LEA
State: NM
Field: BELL LAKE EAST
Qtr Qtr Calls: SE SE
Sec/Twnshp/Rng: 28-23S-34E
Number of Acres: 40

Regulatory Agency: BLM
Lease Sign Type: NON-APD WELL
CA#: 100% BLM LEASE
APD Lease #: NMLC 67715
Federal/Indian: FEDERAL
Last Violation: UNKNOWN
District: PERMIAN NORTH
Field Office: HOBBS



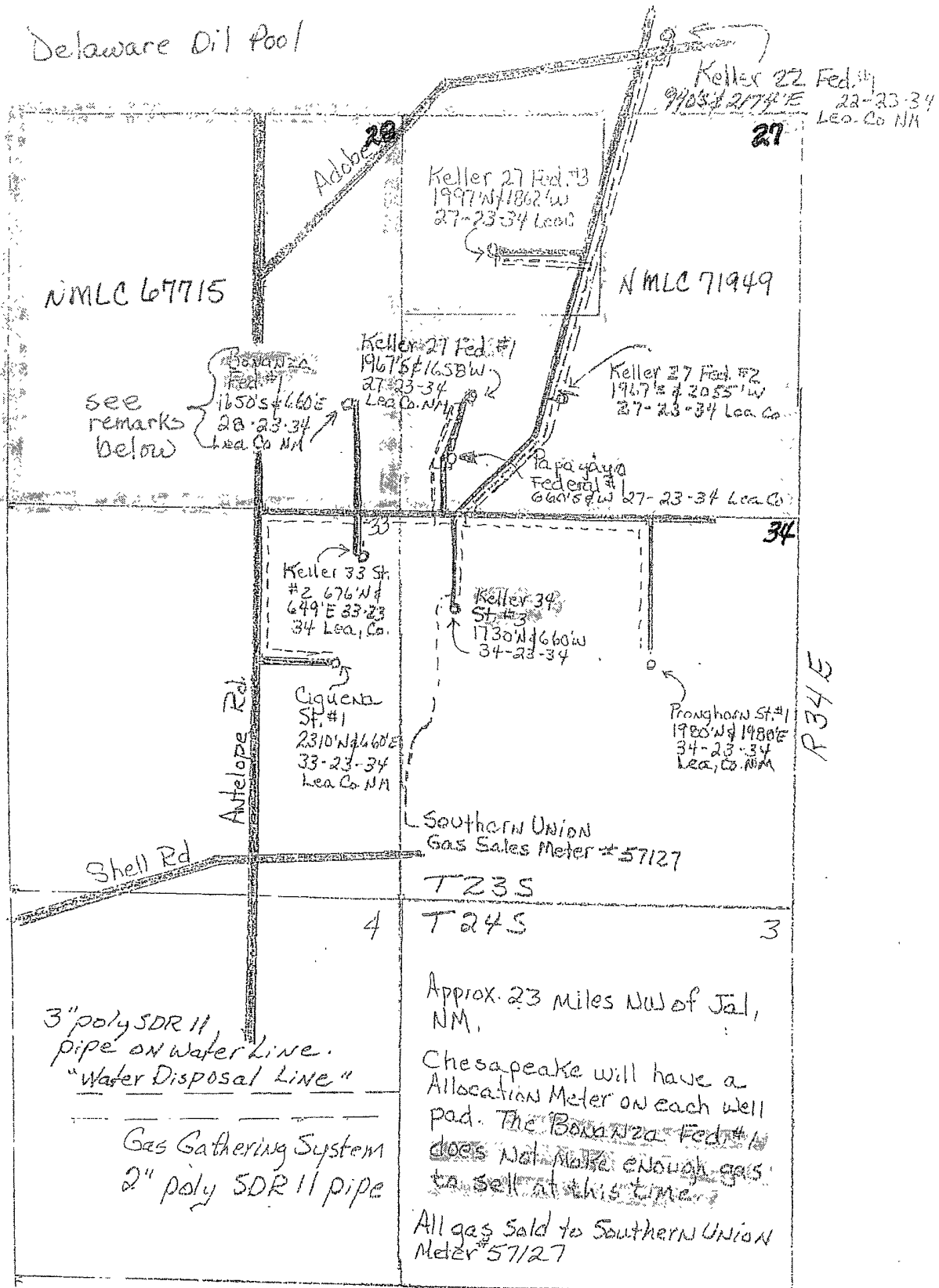
Direction of Flow off Site: SW

This lease is subject to
Chesapeake's Site Security Plan
located at 6100 N. Western
Oklahoma City, OK 73118

Prepared by: Jackie Reynolds
Date: 3-26-2008

Approved by:
Date:

Delaware Oil Pool



3" poly SDR 11 pipe on water line.
"Water Disposal Line"

Gas Gathering System
2" poly SDR 11 pipe

Approx. 23 miles NW of Jol, NM.

Chesapeake will have a Allocation Meter on each well pad. The Boranza Fed. #1 does not make enough gas to sell at this time.

All gas sold to Southern Union Meter #57127