Submit 3 Copies To Appropriate District Office
District I
1625 N French Dr , Hobbs, NM 88240
District II
1301 W Grand Ave , Artesia, NM 88210
District III
1000 Rio Brazos Rd , Aztec, NM 87410
District IV
1220 S. St Francis Dr , Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO. 30-025-25536

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

7. Lease Name or Unit Agreement Name
Quail State SWD

1. Type of Well: Oil Well [ ] Gas Well [ ] Other SWD

8. Well Number 1

2. Name of Operator
Chesapeake Operating, Inc.

9. OGRID Number 147179

3. Address of Operator P.O. Box 18496 Oklahoma City, OK 73154-0496

10. Pool name or Wildcat
SWD; Queen

4. Well Location
Unit Letter O : 660' feet from the South line and 1980' feet from the East line
Section 11 Township 19S Range 34E NMPM County Lea

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3974'

Pit or Below-grade Tank Application [ ] or Closure [ ]

Pit type Steel **Depth to Groundwater** _____ **Distance from nearest fresh water well** _____ **Distance from nearest surface water** _____

Pit Liner Thickness: _____ **mil** **Below-Grade Tank: Volume** _____ **bbls; Construction Material** _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]	CHANGE PLANS [ ]	COMMENCE DRILLING OPNS. [ ]	P AND A [ ]
PULL OR ALTER CASING [ ]	MULTIPLE COMPL [ ]	CASING/CEMENT JOB [ ]	
OTHER:Return to Injection SWD-690	[X]	OTHER:	[ ]

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Chesapeake Operating, Inc. plans are to fish packer and acidize exisitng perforations in order to bring this well back to beneficial use.
Please find the attached: Work Procedure, Density Neutron log in zone of interest and well bore diagram.
Please note that this well is on NMOCD's inactive well list.

RECEIVED
JUN 26 2008
HOBBS OCD

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines [X], a general permit [ ] or an (attached) alternative OCD-approved plan [ ].**

SIGNATURE Linda Weeks TITLE Reg. Compliance Specialist DATE 06/25/2008

Type or print name E-mail address: linda.weeks@chk.com Telephone No. (405)879-6854

For State Use Only

APPROVED BY: Chris Williams TITLE OC DISTRICT SUPERVISOR/GENERAL MANAGER DATE JUL 07 2008

Conditions of Approval (if any):

Chesapeake ENERGY

Acidize

Quail State SWD
Fish Packer & Perfs
Lea County, New Mexico

Well Information

Location: 660' FSL & 1,980' FEL Sec. 11-T19S-R34E
CHK Prop Num: 891043
API Num: 3002525536
PBTD/TD: 5,217' / 5,500'

Casing and Tubular Data:

STRING	OD (in)	WEIGHT (lb/ft)	GRADE	ID (in)	DRIFT (in)	BURST (psi)	DEPTH (ft)	TOC
Surface	9.625	36		8.921	8.765	3,520	400'	Surf
Production	4.500	9.5 & 10.5	J-55	4.000	3.875	4,790	5,484'	4,000' (Calc.)
Tubing	2.375	4.7		1.995	1.901	7,700	5,201'	N/A

Perforation Data:

FORMATION	TOP	BOTTOM	HEIGHT	SHOT DENSITY	HOLES	PHASING	COMMENTS
Queen	*4,792'*	*4,804'*	*12'*	*??*	*??*		*Squeezed*
Queen	5,036'	5,043'	7'	??	??		Injecting
Queen	5,097'	5,107'	10'	??	??		Injecting
Queen	5,132'	5,140'	8'	??	??		Injecting
Queen	5,168'	5,170'	2'	??	??		Injecting
Total	5,036'	5,170'	27'	??	??		Injecting

For further detail, please see attached wellbore schematic.

Procedure

NOTE: In December 2005, an attempt was made to release the packer and was unsuccessful. A free point was run and the tubing was 100% free at 2,300'. It should also be mentioned that there is a set of squeezed perforations from 4,792' – 4,804'.

1. MIRU workover rig. Attempt to release 4-1/2" Guiberson ER-VI packer and POOH. If packer will not release, then MIRU wireline unit and determine free point to verify if same as in December 2005.

2. RIH w/cutter and cut tubing at free point to release pipe. TOOH with free tubing and LD.

3. Begin fishing operations to remove 2-7/8" tubing set above Guiberson ER-VI packer set at 5,000'. TIH w/wash pipe and tubing to clean and remove tubing. ***NOTE: Fishing operations can and will change as things progress in the well.***

4. Once tubing has been removed down to packer, PU and RIH with mill, DC's and tubing and drill Guiberson ER-VI packer set at 5,000'. Push remains of packer to bottom of well (PBTD at 5,217'). Circulate hole clean, TOH.

5. MIRU wireline unit. RIH and perforate as follows:

FORMATION	TOP	BOTTOM	HEIGHT	SHOT DENSITY	HOLES	PHASING	COMMENTS
Queen	5,036'	5,043'	7'	3 SPF	21	60	Squeezed
Queen	5,053'	5,072'	19'	3 SPF	57	60	Injecting
Queen	5,077'	5,086'	9'	3 SPF	27	60	Injecting
Queen	5,097'	5,107'	10'	3 SPF	30	60	Injecting
Queen	5,110'	5,116'	6'	3 SPF	18	60	Injecting
Queen	5,132'	5,140'	8'	3 SPF	24	60	Injecting
Queen	5,168'	5,170'	2'	3 SPF	6	60	Injecting
Total	5,036'	5,170'	61'	3 SPF	183	60	Injecting

Correlate to CD/CN log from 7/2/77. RDMO wireline unit.

6. PU 4-1/2" x 2-3/8" treating packer and 2-3/8" tubing and TIH to 5,201' and spot 15% HCl acid across Queen (5,036' – 5,170'). PUH and set packer at ~4,950'.

7. MIRU acid service and acidize Queen (5,036' – 5,170') with 5,000 gals of 15% HCl acid using rock salt as diversion. Shut down and record ISIP, 5 min, 10 min and 15 min pressures. RDMO acid service.

8. Flow back well to recover spent acid. Once well is dead, unset treating packer and TOH.

9. TIH w/ 4-1/2" x 2-3/8" injection packer and 2-3/8" TK-99 plastic coated tubing to ~4,900'. Circulate packer fluid and set packer. Test backside to 500 psi for 15 minutes.

10. ND BOP. NU WH. RDMO workover rig.

11. Return well to injection.

Contact Information

Workover Superintendent:	Lynard Barerra	Office 575-391-1462 Cell 575-631-4942
Production Superintendent:	Curtis Blake	Office 575-391-1462 Cell 575-631-9936
Production Foreman:	Ralph Skinner	Office 575-391-1462 Cell 575-441-4921
Asset Manager:	Charlie Robinson	Office 405-879-8522 Cell 405-213-5343

Compensated Dual Laterolog
Compensated Neutron

FILE NO.

COMPANY READ & STEVENS, INC.

WELL QUAIL STATE NO. 1

FIELD QUAIL

COUNTY LEA STATE NEW MEXICO

LOCATION 660' FSL & 1980' FEL

SEC 11 TWP 19-S RGE 34-E

Other Services: DLL/MLL

Permanent Datum GROUND LEVEL Elev. 3963.8 KB 3974

Log Measured from K. B. 10 Ft. Above Permanent Datum DF

Drilling Measured from K. B. GL 3963.8

Date	7-2-77			
Run No.	ONE			
Depth-Driller	7636?			
Depth-Logger	5500			
Bottom Logged Interval	5476			
Top Logged Interval	5474			
Casing-Driller	SURF.			
Casing-Logger	958@ 400	@	@	@
Bit Size	394			
Type Fluid in Hole	7 7/8			
Density and Viscosity	SEA MUD & STARCH			
pH and Fluid Loss	10.3 41			
Source of Sample	8.5 9.6 cc	cc	cc	cc
Rm @ Meas. Temp.	FLOWLINE			
Rmf @ Meas. Temp.	.066@ 85 °F	@ °F	@ °F	@ °F
Rmc @ Meas. Temp.	.06@ 85 °F	@ °F	@ °F	@ °F
Source of Rmf and Rmc	- @ °F	@ °F	@ °F	@ °F
Rm @ BHT	MEAS			
Time Circ. Stopped	.059@ 102 °F	@ °F	@ °F	@ °F
Max. Rec. Temp. Deg. F	4 HOURS			
Equip. No. and Location	102 °F	°F	°F	°F
Recorded By	6124 HOBBS			
Witnessed By	DUEWEKE			
	REDDY			

14 COMPLETION RECORD

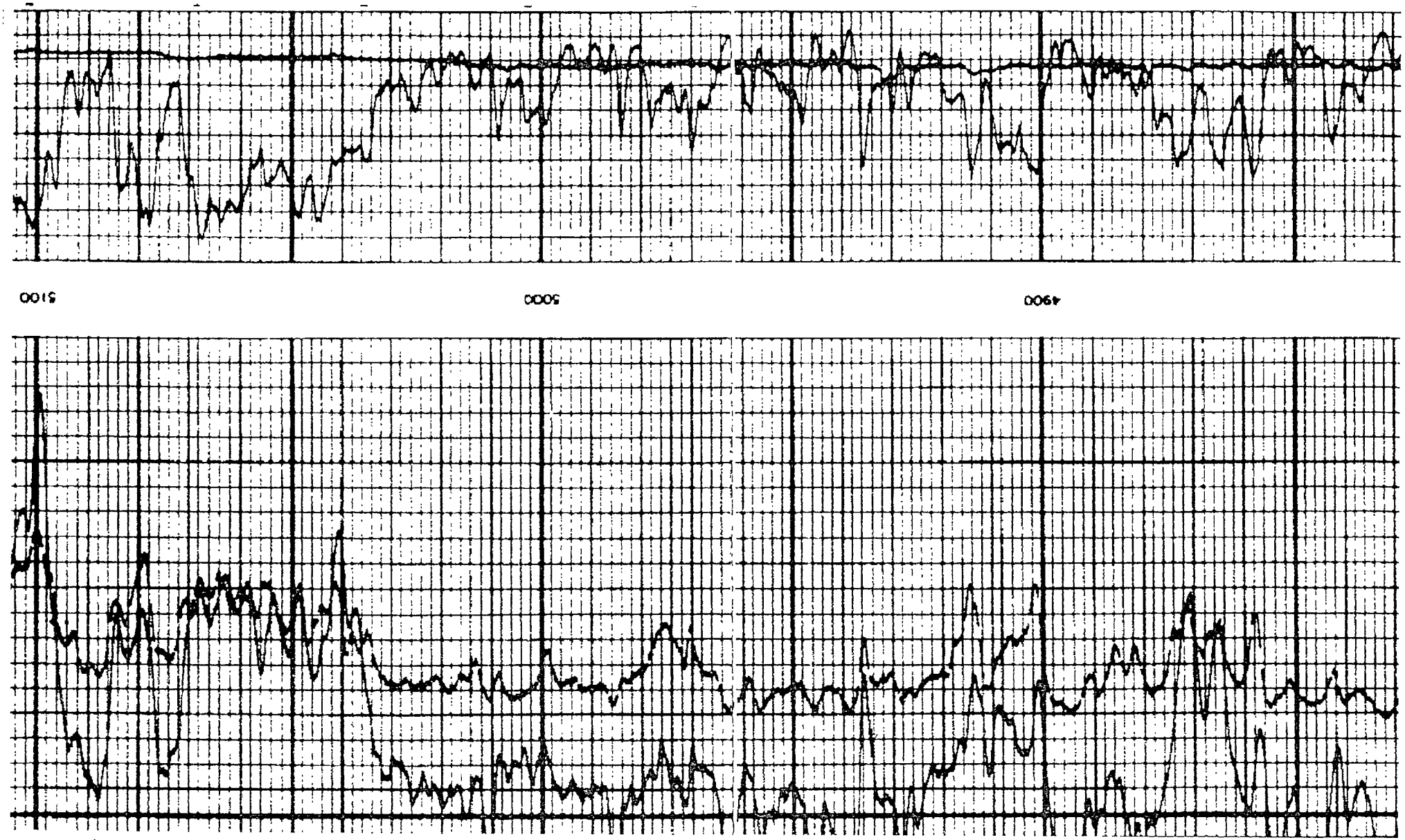
SPUD DATE

COMP DATE 2-15-79.11

DST RECORD

API NO. API 25536

CASING RECORD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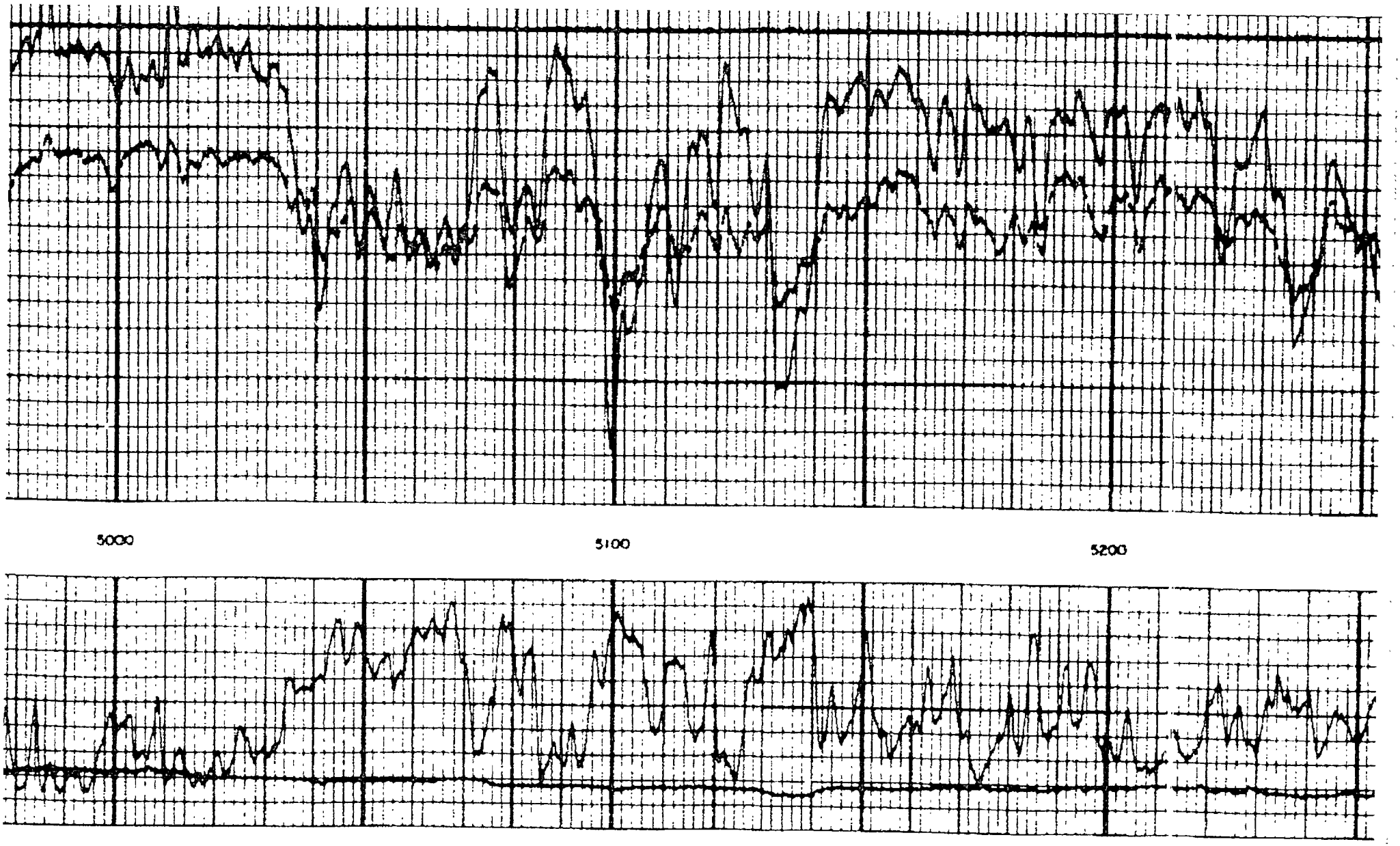
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Current Wellbore Schematic

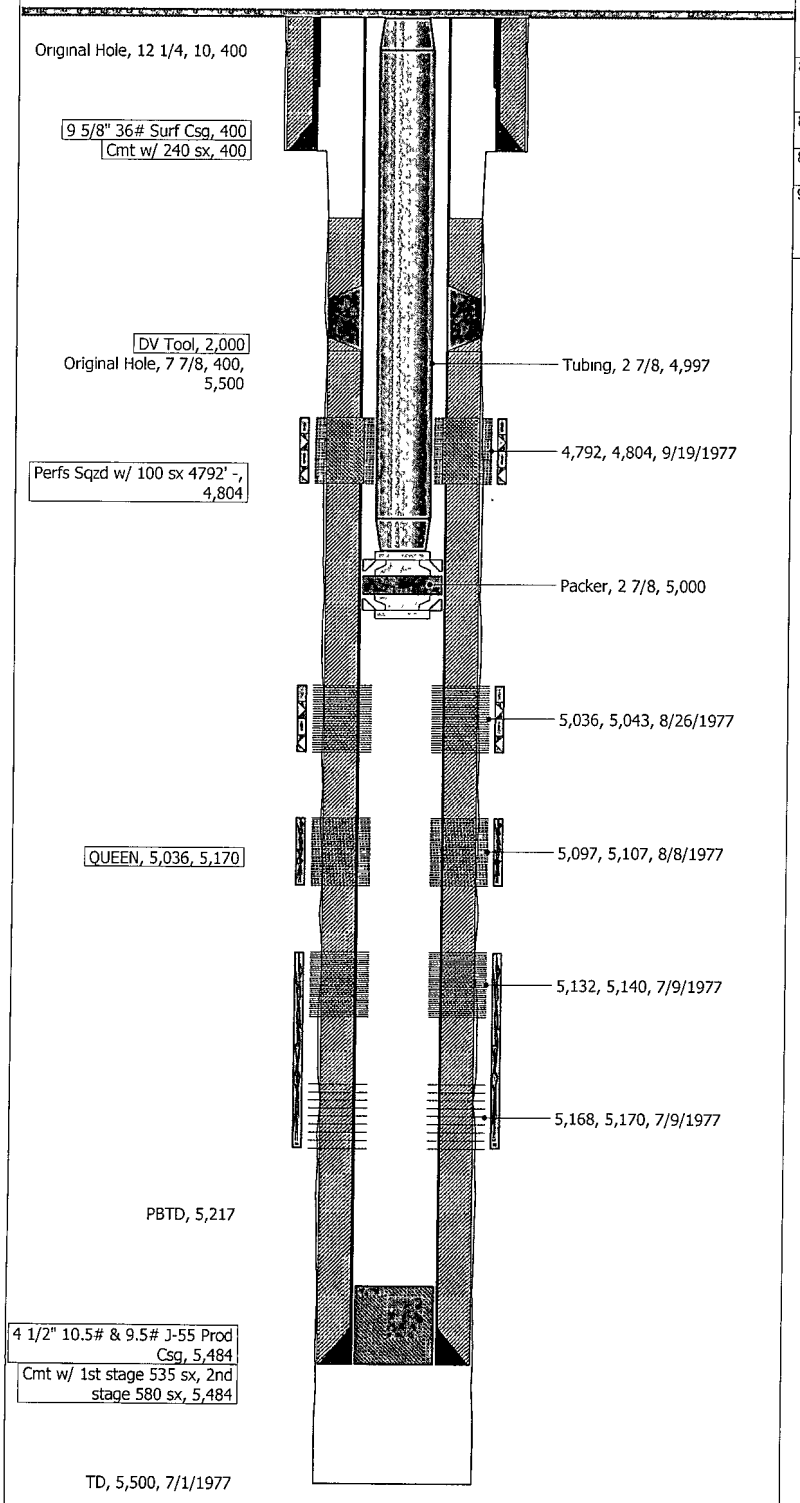
QUAIL STATE 1

Field: QUAIL QUEEN
County: LEA
State: NEW MEXICO
Elevation: GL 3,964.00 KB 3,974.00
KB Height: 10.00

Location: SEC 11, 19S-34E, 660 FSL & 1980 FEL

Spud Date: 6/2/1977
Initial Compl. Date:
API #: 3002525536
CHK Property #: 891043
1st Prod Date: 8/1/1977
PBTD: Original Hole - 5217.0
TD: 5,500.0

Well Config - Original Hole, 6/23/2008 10.56 11 AM
Schematic - Actual



Well History

Date	Event
7/9/1977	PERF 5132-5140', 5168-5170' 2 jspf (20 holes) ACDZ w/600 gal 15% NE + ball sealers - FRAC w/25,500 gal gel wtr + 35,000# 20/40 5,000# 10/20 sd 300# Adamite 650 gal WG-11, 25 gal Frac-flo.
8/8/1977	PERF 5097-5107' w/2 jspf (18 holes) - FRAC w/20,000 gal gel wtr + 23,000# 20/40 & 5,000# 10/20 sd.
8/26/1977	Tubing - Production set at 5,000 0ftKB on 8/26/1977
8/26/1977	PERF 5036-43' w/2 spf - ACDZ w/500 gal - FRAC w/16,000 gal 14,000# sd
9/19/1977	PERF @ 4792'-4804' w/ 2 jspf, 24 holes ACDZ w/ 1000 gal 15% NeFe. FRAC q/ 20000 gal gld wtr, 25,000# 20/40 sd & 5,000# 10/20 sd

Report Printed: 6/23/2008