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
June 19, 2008

WELL API NO. 30-025-20224

5. Indicate Type of Lease STATE ☐ 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: Shipp A

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

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 73152-0496

10. Pool name or Wildcat: Midway; Abo

4. Well Location
Unit Letter G : 1650' feet from the North line and 1650' feet from the East line
Section 17 Township 17S Range 37E NMPM County Lea

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3776' GR

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	☐		
DOWNHOLE COMMINGLE	☐						
OTHER:	☐			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.

Dear Sirs/Madams:

For your review and approval, please find the attached information in the request to plug & abandon this well:
Plug and Abandoment Procedure
Actual and Proposed well bore diagram
NMOCD's C-144 Clez form

RECEIVED
AUG 11 2008
HOBBS OCD

The Oil Conservation Division **Must be notified 24 hours prior** to the beginning of plugging operations

Spud Date: 10/12/1962 Rig Release Date: 11/16/1963

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Linda Good TITLE Sr. Reg. Compliance Sp. DATE 08/08/2008

Type or print name Linda Good E-mail address: linda.good@chk.com PHONE: (405)767-4275

For State Use Only

APPROVED BY: Chris Williams TITLE OC DISTRICT SUPERVISOR/GENERAL MANAGER DATE AUG 14 2008

Conditions of Approval (if any): Next time use C144 closure form for P&A under pulling unit! C144 is for closed loop systems plugging under drilling rig!

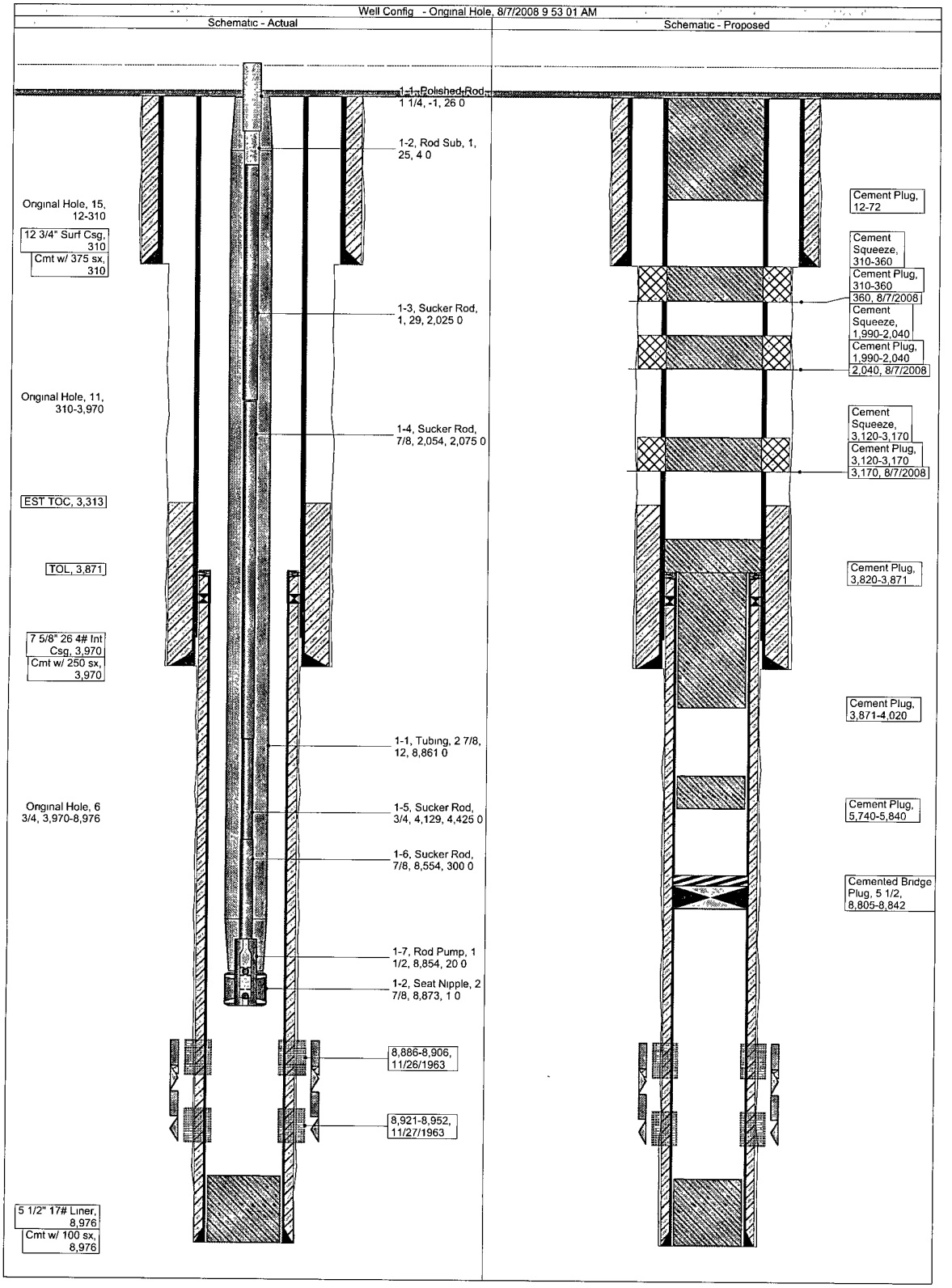
Proposal - Workover

SHIPP A 1-17

Field: MIDWAY ABO
County: LEA
State: NEW MEXICO
Elevation: GL 3,776.00 KB 3,788.00
KB Height: 12.00

Location: SEC 17, 17S-37E, 1650 FNL & 1650 FEL

Spud Date: 10/12/1963
Initial Compl. Date:
API #: 3002520224
CHK Property #: 890206
1st Prod Date: 11/1/1963
PBTD: Original Hole - 8955.0
TD: 8,976.0



Report Printed: 8/7/2008

Shipp A 1-17
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 (12-3/4", set at 310') TOC Surface,
Intermediate Casing (7-5/8",26.4# Set @ 3,970') TOC 3,313' (EST),
Production Liner (5-1/2", 17# set @ 8,976') Top of Liner @ 3,871' TOC 3,871'
Production Tubing (2-7/8" set @ 8,874')
Rods (4' X 1" SUB, 81-1" RODS, 83-7/8" RODS, 177-3/4" RODS12-7/8" RODS)
Pump (2 ½" X1 ½" X 20' RHBC Pump)
GL: 3,776' **KB:** 12' **KB Height:** 3,788'

2. Test anchors

3. MIRU pulling unit and wireline. POOH w/ rods and pump. NDWH NUBOP.

4. POOH w/ 2 7/8" tbg. RIH w/ gauge ring and junk basket to 8,840'. RIH w/ CIBP set @ 8,840'. Bail 35' cmt on top of plug. Tag plug to verify.

5. Fill 5-1/2" liner and 7 5/8" casing with salt gel mud containing 9.5 pound brine and 12.5 lbs of gel per barrel. Note: There was a leak at the top of the liner (3,871') but it was repaired in 1964.

6. PUH to 5,840'. Spot 25 sx cmt inside csg.

7. PUH to 4,020'. Spot 30-35 sx cmt (50' below liner top) inside csg. Cover liner top w/ 50' cmt. Estimated TOC @ 3,820' - tag plug to verify.

8. Perforate 7-5/8" csg at 3,170' (50' below salt base) and then squeeze with cement to have 50' outside csg. Spot an additional 50' cmt inside csg. Estimated TOC @ 3,120' – tag plug to verify.

9. Perforate 7-5/8" csg at 2,040' (Top of salt) and then squeeze with cement to have 50' outside csg. Spot an additional 50' cmt inside csg. Estimated TOC @ 1,990' – tag plug to verify.

10. Perforate 7-5/8" csg at 360' (50' below 12-3/4" csg shoe) and then squeeze with cement to have 50' outside csg. Spot an additional 50' cmt inside csg. Estimated TOC @ 310' – tag plug to verify.

11. Spot 60' plug @ surface.

12. ND BOP. Cut off 7-5/8" & 12-3/4" casings 3' below ground level.

13. 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
Kim Henderson
Office: 405-879-8583
Cell: 405-312-1840

Production Foreman
Melvin Harper
Office: 505-391-1462
Cell: 505-631-5384

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