

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

Form C-103
June 19, 2008

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

WELL API NO. 30-025-25536
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Quail State SWD
8. Well Number 1
9. OGRID Number 147179
10. Pool name or Wildcat SWD; Queen
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3974'

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.)

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

2. Name of Operator
Chesapeake Operating, Inc.

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

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'

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

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Return well to Disposal ☒

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.

Please find the attached information (MIT Chart) regarding bringing back to beneficial use the disposal of water for this well.
Please note that this well is on Chesapeake Operating, Inc's (Chesapeake) inactive well list (IAWL).
Chesapeake respectfully ask that the approval of the C-103 be expedited in order to get this well off the IAWL.
SWD-690.

RECEIVED

AUG 15 2008

HOBBS OCD

Spud Date: 07/17/2008

Rig Release Date: 08/09/2008

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 Specialist

DATE 08/14/2008

Type or print name Linda Good

E-mail address: linda.good@chk.com

PHONE: (405)767-4275

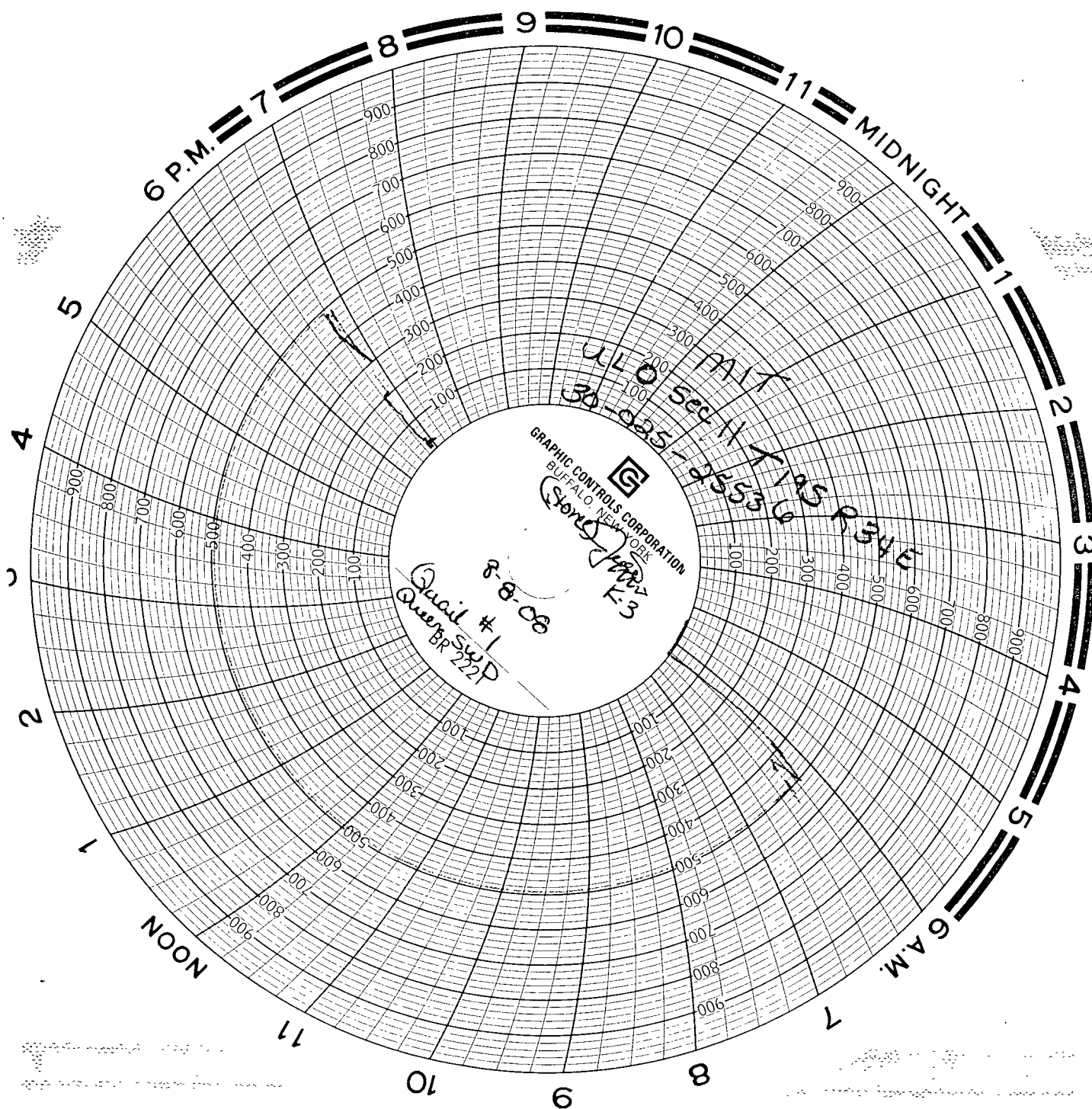
For State Use Only

APPROVED BY: [Signature]

TITLE PETROLEUM ENGINEER

DATE AUG 20 2008

Conditions of Approval (if any):



07/17/08 MIRU PULLING UNIT NDWH & NUBOP
ROAD UNIT TO LOC RU PULLING UNIT & SURFACE EQUIPMENT NDWH & NUBOP PULL 60,000# ON TBG CWI SDON

07/18/08 CIR HOLE FREEPOINT TBG CUT TBG @ 4954' TOH W/TBG
RU REV UNIT BREAK CIR. W/30 SOAPY WTR & CIR CLEAN RU ROTARY W L PU FREEPOINT TOOL TIH FOUND TBG TO BE 100% FREE @ 2320' & 95% STUCK @ 2330' TOH PU 1 9/16" TBG PUNCHER TIH TO 3000' & PERFORATE TBG TOH RU REV UNIT CIR HOLW W/200 B W (RECOVERED CMT FORMATION & RED BED) UNABLE TO REL PKR PU FREEPOINT TOOL TIH FOUND TBG 100% TO 4973' TOH UNABLE TO REL PKR IN 30 MIN PU 2 1/8" CHEMICAL CUTTER TIH TO 4954' & CUT TBG TOH RD ROTARY W L TOH LAYING DOWN 2 7/8" PCID TBG (INCOMP) CWI SDON

07/19/08 CONT LAY DOWN TBG PU 3 7/8" BIT TIH TO 4816' TOH
CONT. TOH LAYING DOWN 2 7/8" TBG UNLOAD & RACK UP 175 JTS 2 3/8" N-80 WORKSTRING PU 3 7/8" BIT 6 - 3 1/8" D COLLARS TIH PICKING UP TBG TO 4816' RU REV UNIT CIR HOLE W/150 B W TOH W/TBG & BIT CWI SDOW

07/22/08 TIH W/RBP & PKR ISOLATE CSG LEAK 1035' TO 1067'
PU RBP & PKR TIH W/TBG TO 4800' SET RBP & TEST TO 1500# (OK) SPOT 2 SKS SAND TOH W/TBG TO 2350' ISOLATE CSG LEAK BETWEEN 1035' - 1067' EST INJECTION RATE OF 1 1/2 BPM @ 1400# REL PKR TOH W/TBG CWI SDON

07/23/08 SQUEEZE CSG. LEAK
NDBOP & NU 4 1/2" PLUG HEAD RU SUPERIOR WELL SERVICE SQUEEZE CSG LEAK (1035' - 1067') W/100 SKS CLS "C" NEAT CMT MIXED @ 14 8 PPG & FLUSHED W/13 B W CWI SDON

07/24/08 NU BOP TIH W/BIT TO 835' D.O TO 1056' TEST CSG
0# SICP ND 4 1/2" PLUG HEAD & NUBOP PU 3 1/8" BIT & 6 - 3 1/8" D COLLARS TIH W/TBG TO 835' TAG CMT RU REV UNIT DRILL OUT GOOD CMT TO 1056' & FELL OUT CIR CLEAN TEST CSG TO 1200# LOST 170# IN 30 MIN LEFT 600# ON CSG CWI SDON

07/25/08 RIH W/TBG W O FORMATION & SAND TOH TIH REL RBP TOH
650# ON CSG THIS A M 50# INCREASE OVER NIGHT RIH W/TBG TO 4740' RU NREV UNIT WASH OUT FORMATION & SAND TO 4797' TOH W/TBG & BIT PU RET TOOL TIH W/TBG TO 4797' RU REV UNIT W O 3' TO RBP REL RBP TOH W/TBG & RBP CWI SDON

07/26/08 TIH W/SHOE SET DOWN TOH PU TAPERED MILL TIH MILL O
PU 3 7/8" SHOE & 1 JT 3 3/4" WASHPIPE TIH W/TBG TO 1056' SET DOWN TOH W/TBG & SHOE PU 3 7/8" TAPERED MILL & 6 - 3 1/8" D COLLARS TIH W/TBG TO 1056' RU REV UNIT MILL OUT BAD SPOT IN CSG TO 1059' & FELL OUT CIR CLEAN PUH TO 900' CWI SDON

07/29/08 TOH PU 3 7/8 SHOE TIH TO 1088' SET DOWN TOH WASHPI
RIH W/TBG TO 1088' TOH W/TBG & TAPERED MILL PU 3 7/8" SHOE & 1 JT 3 3/4" WASHPIPE & COLLARS TIH W/TBG TO 1088' & SET DOWN RU REV UNIT ATTEMPT TO ROTATE SHOE DOWN IN 30 MIN. TOH W/TBG & WASHPIPE LEFT SHOE IN THE HOLE UNABLE TO LOCATE 4' SPEAR CWI SDON

07/30/08 TIH W/SPEAR LATCH ONTO SHOE TOH TIH W/MILL
PU SPEAR W/3 250" GRAPPLE JARS D COLLARS TIH TO 1050' LATCH ONTO SHOE TOH W/TBG & SHOE PU 3 7/8" TAPERED MILL TIH W/TBG TO 1040' RU REV UNIT ROTATE MILL DOWN TO 1178' CIR CLEAN TOH W/TBG & MILL CWI SDON SEVERE DOG LEG'S IN CSG

07/31/08 PU 3 1/2" SLIP JT TIH W/TBG WASH OVER TBG STUB.
BUILD 3 1/2" X 3' SLIP JT TIH W/TBG TO 4936' TAG RU REV UNIT WASHOVER 2 7/8" TBG TO 4939' SPACE OUT 2 3/8" TBG CWI SDON

08/01/08 WAITING ON COIL TBG UNIT
WAITING ON COIL TBG UNIT

08/02/08 RU COIL UNIT C O BELOW PKR WWTR & ACID TO 5237
RU BOBCAT PRESSURE CONTROL 1 1/4" COIL UNIT TIH W/COIL TBG @ 1/4 BPM RATE & CLEAN OUT CSG BELOW PKR WWTR & 1200 GAL 15% NE/FE HCL TO 5237' CIR ACID OUT OF THE HOLE TOH . RD COIL UNIT CWI SDON

08/05/08 PERFORATE QUEEN
STOOD BY FOR WIRELINE TRK UNTIL 1 00 PM RU GRAY W L. PU 1 9/16" PERF GUNS TIH & PERFORATE QUEEN @ 5036'-43' & 5053'-72' & 5077'-86' & 5097'- 5107' & 5110'-16' & 5132'-40' & 5168'-70' 3/JSPF IN 3 RUNS TOTAL 183 SHOTS. CWI SDON

QUEEN (5053' - 5072', 3 SPF, 57 Shots) (5077' - 5086', 3 SPF, 27 Shots) (5110' - 5118', 3 SPF, 18 Shots)

08/06/08 .CIR HOLE W/100 BW TOH LAYING DOWN WORKSTRING
PULL SLIP JT OFF OF TBG CUT OFF CIR HOLE W/100 BW TOH LAYING DOWN 2 3/8" WORKSTRING & SLIP JT CWI
SDON

08/07/08 TIH W/2 3/8" PCID TBG CIR. HOLE W/PKR FLUID
PU 3 3/4" OVERSHOT W/2 7/8" GRAPPLE & PACK OFF TIH PICKING UP 2 3/8" PCID TBG (TK-99) TO 4950'RU REV UNIT
DISPLACE HOLE W/85 BBL 2% KCL WTR. PKR FLUID EST INJECTION RATE TO BE 2 BPM @ 1600# & TEST CSG TO
500# FOR 10 MIN. (OK) CWI SDON PKR @ 4975'

08/08/08 TOH W/TBG & OVERSHOT TIH W/TBG & PKR ACIDIZE

08/09/08 RUN MIT TEST CLEAN LOC. R D M O