

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. 30-025-21147 ✓
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 Kemnitz SWD ✓
8. Well Number 1 ✓
9. OGRID Number 147179 ✓
10. Pool name or Wildcat SWD; Wolfcamp

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other SWD <input type="checkbox"/>	
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 <u>E</u> : 1980' feet from the <u>North</u> line and 660' feet from the <u>West</u> line Section <u>27</u> Township <u>16 S</u> Range <u>34 E</u> NMPM County <u>Lea</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4090' GR	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: Squeeze Casing Leak <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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:

Please find the following procedure for this well.
In addition (if needed) please find NMCD's C-144(CLEZ) pit permit.

HOBBS OGD
NOV 03 2008
RECEIVED

R-3509

Spud Date:

Rig Release Date:

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

SIGNATURE Linda Weeks TITLE Regulatory Compl. Specialist DATE 11/02/2008

Type or print name Linda Weeks E-mail address: linda.weeks@chk.com PHONE: (405)879-6854
For State Use Only

APPROVED BY: [Signature] TITLE OC DISTRICT SUPERVISOR/GENERAL MANAGER DATE NOV 04 2008
Conditions of Approval (if any):



**Kemnitz #1
Squeeze Casing Leak
Lea County, New Mexico**

Procedure

Hold Tailgate Safety meeting prior to beginning work each morning and as required for specific operations.

1. Prep location. Check anchors and clean area for workover.
2. Rack and tally 193 joints of 2-7/8" N-80 Workstring.
3. MIRU workover rig. ND WH. NU BOP.
4. Set CBP @ 5,654'.
5. RIH w/ 5-1/2" cmt retainer @ 5,521' (50' above casing hole).
6. RIH w/ stinger on 2-7/8" WS. Sting into cmt retainer.
7. RU Service Company. Establish injection rate. Mix and pump cmt as per recommendation. Circulate to surface if possible.
8. POOH w/ stinger and 2-7/8" WS. RIH w/ drill bit and drill collars and drill out cement retainer and drill down to CBP.
9. Pressure test casing leak to 500#. Continue drilling out CBP and chase to bottom.
10. POOH w/ bit and 2-7/8" WS.
11. TIH with production tubing and packer. Set packer @ 8,765' (original location).
12. ND BOP. NU WH.
13. RDMO workover rig. Clean location.