

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

RECEIVED

OIL CONSERVATION DIVISION

JAN 14 2009
220 South St. Francis Dr.
Santa Fe, NM 87505

HOBBSOCD

WELL API NO. 30-025-36139 ✓
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 Russel 5 State ✓
8. Well Number 1 ✓
9. OGRID Number 147179 ✓
10. Pool name or Wildcat Morton; Mississippian (Gas) ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4024' GR

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 ☐

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 I : 1980' feet from the South line and 990' feet from the East line
Section 5 Township 15S Range 35E NMPM County Lea ✓

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: Squeeze Casing Leak ☒

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.

11/26/08 thru 1/07/09: MIRU N/D WELL HEAD N/U BOP RELEASE TAC TOO H LAYING DOWN 71 JTS 2-7/8 TBG . PERF SQUEEZE HOLES @ 8860'. TIH W/PKR. TST CIBP 9010', TOO H W PKR, TIH WITH RBP/ PKR. TST CASING FOR LEAKS, W/PKR, PLUG, PKR PLUG. RUN CSG INSPECTION LOG. PU 5-1/2'CMT RETAINER, TIH AND SET @ 8850' ESTABLISH RATE, SISD. CMT CSG W/500 SX CLASS H CMT. TIH, DRILL RETAINER, TOO H, PU RBP AND PKR. TIH W PKR/RBP. TST CSG 8903' TO SURFACE TOO H W/BHA. TIH, CIRC, CEMENT CSGW/ 725 SX. TIH, DRILL CIBP, PUSH, TO '13,689' LAY DOWN WS. PU PKR/PRODUCTION TBG, TEST 73 JTS. CIR PKR FLUID, SET PKR, SISD. SWAB.

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 Good TITLE Sr. Regulatory Compliance Spec DATE 01/12/2009

Type or print name Linda Good E-mail address: linda.good@chk.com PHONE: (405)935-4275

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JAN 15 2009

Conditions of Approval (if any):