

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. 30-025-34480 ✓
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Cayuma ✓
8. Well Number 1 ✓
9. OGRID Number 147179
10. Pool name or Wildcat Lovington: Penn., N.E. ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3879' 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 M : 3175' feet from the South line and 743' feet from the West line
 Section 1 Township 16S Range 36E NMPM County Lea

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: Casing Leak Repair <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 current well bore information and work procedure in order to repair a casing leak. In addition, please find NMOCD's C-144 (CLEZ) pit permit.

RECEIVED
 MAR 31 2009
 HOBBSOCD

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 *Bryan Arrant* TITLE Sr. Regulatory Compl. Spec. DATE 03/30/2009

Type or print name Bryan Arrant E-mail address: bryan.arrant@chk.com PHONE: (405)935-3782

For State Use Only

APPROVED BY: *Bryan Arrant* TITLE PETROLEUM ENGINEER DATE APR 15 2009
 Conditions of Approval (if any):



**Cayuma #1
Casing Leak Repair
Lea County, NM**

Current Wellbore Information

TD: 11,860' PBD: 11,703'

Casing	OD	Weight	Grade	Depth/Set	TOC
Surface	13 3/8	48#	Unknown	462'	Surface
Intermediate	8 5/8	32#	Unknown	4,348'	Surface
Production	5 1/2	17#	Unknown	11,770'	10,100'

Perfs	Top Perf	Bottom Perf	Status	# of Shots
Strawn	11,631'	11,678'	Producing	22

Tubing	OD	Weight	Grade	Depth/Set
Tubing	2-7/8"	NA	NA	11,524'

OIH	Size	Location
Tubing Anchor	2-7/8"	11,524'
Seat Nipple	2-7/8"	11,657'

GL: 3,879' KB: 15' KB Height: 3,894'

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 384 joints of 2-7/8" N-80 workstring.
3. MIRU workover rig. POH w/pump and rods. ND WH. NU BOP. POH w/ tubing.
4. RIH w/ RBP, PKR, and SN on 2-7/8" WS. Find and isolate casing leaks.
5. POOH w/ PKR and RBP.
6. Set CBP 50' below casing hole.
7. RIH w/ 5-1/2" CMT retainer @ 50' above casing hole.
8. RIH w/ stinger on 2-7/8" WS. Sting into CMT retainer.
9. RU Service Company. Establish injection rate. Mix and pump cmt as per recommendation. Circulate to surface if possible.
10. Repeat steps 8 – 11 for each leak area.
11. POOH w/stinger and 2-7/8" WS. RIH w/ drill bit and drill collars and DO CMT retainer and drill down to bridge plug @ 10,350'. POOH w/ bit and 2-7/8" WS.

12. Pressure test casing leaks to 500# for 30 minutes. If pressure test fails repeat steps 8-11. Once complete repeat steps 13 – 14.
13. NDBOP. NUWH. TIH w/ pump and rods. Fill tubing and space out pump accordingly. Verify pump action. Place on well test. *Note: Rod design same as before.*
14. Secure wellhead. RDMO workover rig. Clean location.

Contacts

Workover Foreman

Lynard Barrera
Office: 575-391-1462
Cell: 575-631-4942

Asset Manager

Kim Henderson
Office: 405-935-8583
Cell: 405-312-1840

Production Foreman

Greg Skiles
Office: 575-391-1462
Cell: 575-631-1663