

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

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.)		WELL API NO. 30-025-31063
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Chesapeake Operating, Inc.		6. State Oil & Gas Lease No.
3. Address of Operator P.O. Box 18496 Oklahoma City, OK 73154-0496		7. Lease Name or Unit Agreement Name Billy 15 State
4. Well Location Unit Letter <u>E</u> : 1992' feet from the <u>North</u> line and <u>817'</u> feet from the <u>West</u> line Section <u>15</u> Township <u>16S</u> Range <u>37E</u> NMPM County <u>Lea</u>		8. Well Number <u>1</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3792' GR		9. OGRID Number 147179
		10. Pool name or Wildcat Lovington; Penn, Northeast

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: ☐

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 attachments in order to plug and abandon this well: Current well bore schematic, plug and abandon procedure, NMOCD's C-144(CLEZ) Pit Permit.

RECEIVED
APR 10 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. Sp. DATE 04/09/2009

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

For State Use Only

APPROVED BY: Mary Brown TITLE Compliance Officer DATE 04/15/2009

Conditions of Approval (if any)

THE OIL CONSERVATION DIVISION MUST
BE NOTIFIED 24 HOURS PRIOR TO THE
BEGINNING OF PLUGGING OPERATIONS



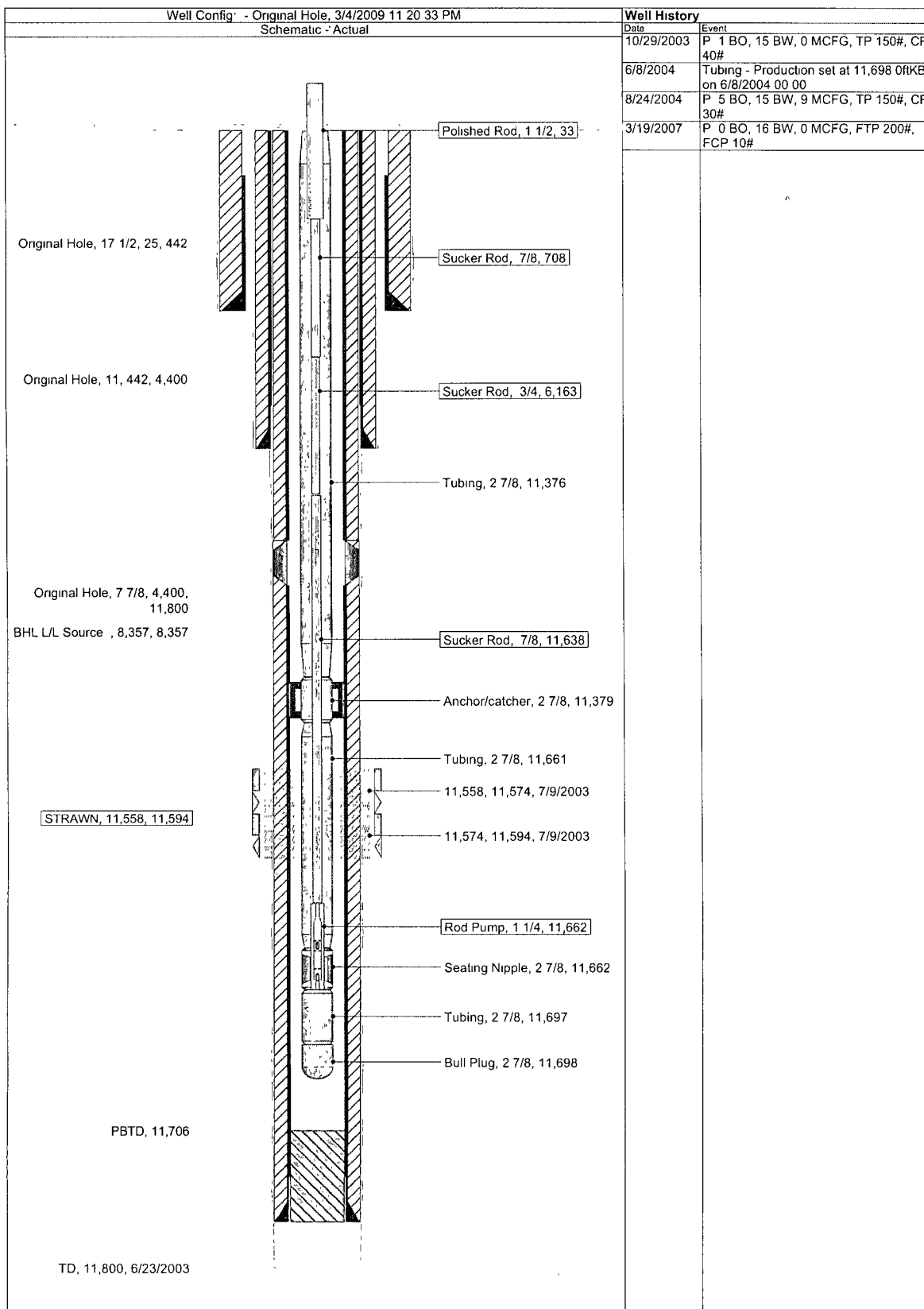
Permian North - Current Wellbore Schematic

BILLY STATE 1-15

Field: Lovington Upper Penn, Northeast
County: LEA
State: NEW MEXICO
Elevation: GL 3,792.00 KB 3,817.00
KB Height: 25.00

Location: SEC 15, 16S-37E, 1992 FNL & 817 FWL

Spud Date: 5/29/2003
Initial Compl. Date:
API #: 3002531063
CHK Property #: 819460
1st Prod Date: 8/13/2003
PBDT: Original Hole - 11706.0
TD: 11,800.0





**Billy State 1-15
Plug and Abandon
Lea, NM**

Current Wellbore Information

Casing	OD	Weight	Grade	Depth/Set	TOC
Surface	13 3/8	48#	H-40	441'	Surface
Intermediate	8 5/8	28#	S-80	4,400'	Surface
Production	5 1/2	17#	L-80	11,792'	7,982'

Tubing	OD	Depth/Set
Production	2 7/8"	11,376'
TAC	2 7/8"	11,379'
Seat Nipple	2 7/8"	11,662'
Ball Plug	2 7/8"	11,698'

Rods	OD	Number/Depth/Set
Polished Rod	1 1/2"	1 / 33'
Sucker Rod	7/8"	15 / 708'
Sucker Rod	3/4"	231 / 6,163'
Sucker Rod	7/8"	219 / 11,638'
Rod Pump	1 1/4"	11,662'

Perfs	Top Perf	Bottom Perf	Status	SRP
Strawn	11,558'	11,594'	Producing	4

GL: 3,792' KB: 25' KB Height: 3,817

Procedure

1. Test anchors
2. MIRU pulling unit. POOH w/ rods and pump. NDWH NUBOP. POOH w/ tubing.
3. MIRU wireline. RIH w/ gauge ring and junk basket to 11,500'. RIH W/ CIBP and set @ +/- 11,500'. Dump bail 35' cmt on top of CIBP.
4. Fill 5 1/2" casing with salt gel mud containing 9.5 pound brine and 12.5 lbs of gel per barrel.
5. PUH to 8,465'. Spot 100' plug inside csg.
6. ~~PUH~~ **PERF & SQZ** to 5,465'. Spot 100' plug inside csg. **WOC & TAG** (TOC 7982')
7. Perforate 5 1/2" csg at 4,450' (50' below 8 5/8" csg shoe) and then squeeze with cement to have 100' outside csg. Spot an additional 100' cmt inside csg. Estimated TOC @ 4,350'. WOC. Tag plug to verify.
8. Perforate 5 1/2" csg at 3,000' (50' below salt base) and then squeeze with cement to have 100' outside csg. Spot an additional 100' cmt inside csg. Estimated TOC @ 2,900' WOC. Tag plug to verify.
9. Perforate 5 1/2" csg at 2,150' (50' below salt top) and then squeeze with cement to have 100' outside csg. Spot an additional 100' cmt inside csg. Estimated TOC @ 2,050'. WOC. Tag plug to verify.
10. Perforate 5 1/2" csg at 491' (50' below 13-3/8" csg shoe) and then squeeze with cement to have 100' outside csg. Fill remainder 5 1/2" csg with cement to surface.

11. ND BOP. Cut off 5-1/2", 8-5/8" & 13-3/8" casings 3' below ground level.
12. Weld on an ID plate. RD and release Well Service Unit. Restore location.

Contacts

Workover Foreman

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

Production Engineer

Doug Rubick
Office: 405-879-3178
Cell: 405-208-3185

Production Foreman

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