

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
Conservation and Natural Resources

Form C-103
June 19, 2008

RECEIVED

MAY 05 2009

HOBBSDO

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

WELL API NO. 30-025-34480
5. Indicate Type of Lease STATE <input checked="" 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.

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 checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <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 M : 3580 feet from the South line and 790 feet from the West line Section 1 Township 16S Range 36E NMPM County Lea	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3879' GR	

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Repaired 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.

Dear Sirs/Madams:

Please find detailed information on casing leak repair for this well from 4/21/09 through 5/02/2009:

MIRU SU, Tbg light blow, casing 20 psi, unhang pumping unit, PU rods, unseat pump, RU hot oiler & hot oil down tubing w/70 bbls 2% KCL, w/5 gals soluble paraffin solvent. TOOH w/pump & rods. ND well head, NU BOP. Release tubing anchor, unload rack & tally 384 jts 2 7/8" N-80 WS. TOOH w/367 jts 2-7/8" prod tubing & 16' dip tube. RU Hydrostatic testers, PU 5-1/2" x 2-7/8" RBP. PU 5 1/2" x 2 7/8" treating pkr, 2- 7/8" SSN. Test in hole 7000 psi above slips w/192 jts 2-7/8" prod tubing. All jts tested. Set RBP @ 11550', 364 jts in. Pull to 11518' load w/7.4 bbls, est FL 1280', test RBP to 1500 psi, held for 15", no leak. Pull 20 stds to 10,242', Tst good to 1500 PSI., pull 40 stds, to 7703', load & test to 1500 psi., held 15", pull 40 stds to 5183', test below pkr, pump in 2.5 BPM 450 psi, cont testing, isolate csg leak from 6266'-6330', held from 6266' to surface.

Continued next page

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 05/04/2009

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

For State Use Only

APPROVED BY: Campbell, W. Hill TITLE DISTRICT 1 SUPERVISOR DATE MAY 11 2009

Conditions of Approval (if any):

Cayuma # 1 (API # 30-025-34480) cont.

TIH, Release RBP @ 11,550', TOOH & reset RBP @ 10,214' TOC 10,100', PU to 10,182', Test RBP 1500 PSI, Held. PU & Circ 2 sxs sand to top of RBP. TOOH w/PKR. PU 5-1/2" X 2-3/8" ALFA CICR, TIH to 6230', Pump thru stinger. Set cmt retainer, est rate 3 BPM, 1200 PSI. Load csg, pressure to 500 PSI.

MIRU cementers, Test lines to 4000 psi. Pump 10 bbls fresh to clear retainer. Pressure csg to 500 PSI, establish rate 2 BPM 650 PSI. Mix & pump 12 bbl flow stop mud cleaner, followed by 10 bbls fresh spacer. Mix & pump 250 sxs 'H' LEAD cmt @ 15.6 PPG 1.2 YLD (53 bbls), 2 BPM @ 775 PSI. Broke Circ between 5-1/2" & 8-5/8" IN 31 bbls. Mix & pump 150 sxs tail 'H' cmt, 15.6 PPG 1.2 YLD, (31 BBLS) 2 BPM, 800 psi. Full returns on 8-5/8" csg. Closed 8-5/8" csg, Squeeze to 1738 psi. Sting out of retainer, PU 25', reverse clean. RD cementers, TOOH w/tubing & stinger. PU 4-3/4" bit, (6) 3-1/2" drill collars, TIH w/150 jts tubing to 4800'.

Continue in hole w/bit., Tag @ 6210', Break circ., drill fair cmt to retainer @ 6230', Drill on circ for 6 hours Cmt in returns very hard. Circ. clean, TOOH W/160 jts.

Finish out of hole w/ TBG & BHA, bit 70% worn, PU new 4-3/4" BIT, TIH to 6232' Drill balance of circ in 1 hour, Drill 20' of good cmt, then hard cmt to 6330', fell out, run to 6348', Circ clean, pressure to 500 PSI, held for 30 MIN w/no leak off. TIH w/BHA to top of RBP, Break circ, circ sand off of RBP.

TOOH w/BHA Lay down bit/ drill collars PU retrieving head, TIH to RBP, Latch & release, TOOH w/tubing. PU 2-7/8" X 16' BPMA, 4' perforated sub, 2-7/8" SSN CUP (4) JTS 2-7/8" production tbg/5-1/2" X 2-7/8" TAC, 30K shear, TIH w/180 jts, 2-7/8" tbg,

RIH w/180 jts 2-7/8" production tubing, set tac w/14K tension @ 11527', SN 11658', ND BOP NU well head, bottom tubing 11,679'. PU 2.5" X 1.25" X 30' RHBC PUMP w/1-1/4 X 12' gas anchor TIH w(10) 7/8" rods, TIH W(344) 3/4", rods, (112) 7/8" rods, 7/8" X 4' sub, 1-1/4" X 26' PR, 1-1/2" X 14' liner. Space out 18" off bottom, Load w/2.5 BBLS, 2% KCL, Pressure to 500 psi, Held, long stroke to 500 psi. Install head, Space 18" from bottom, Left well pumping. RDMO.