

Submit 3 Copies To Appropriate District
Office
District I
1625 N French Dr., Hobbs, NM 88201
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
RECEIVED
OIL CONSERVATION DIVISION
FEB 17 2009
1220 South St. Francis Dr.
Santa Fe, NM 87505
HOBSOCD

Form C-103
June 19, 2008

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. 30-025-38907
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 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 Lost Tank 16 State
4. Well Location Unit Letter <u>D</u> : 330' feet from the <u>North</u> line and 330' feet from the <u>West</u> line Section <u>16</u> Township <u>21S</u> Range <u>32E</u> NMPM County <u>Lea</u>		8. Well Number 4
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3652' GR		9. OGRID Number 147179
		10. Pool name or Wildcat e; Delaware, etc.

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: Hearing to increase production allowable ☒

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEF RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Dear Sirs/Madams:

Chesapeake Operating, Inc. is to set for hearing on April 2, 2009 in Santa Fe to permanently increase the rate of production for this well.

Please find the C-104 testing allowable for 2/2009.

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. Reg. Compliance Specialist

DATE 02/13/2009

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

MAY 14 2009

Conditions of Approval (if any):

LEA, NEW MEXICO

LEASE & WELL

(Give Unit, Section, Township and Range)

OPERATOR

CHESAPEAKE OPERATING, INC. 6100 NORTH WESTERN AVE

OKLAHOMA CITY, OKLAHOMA 73154 ATTN: BRYAN ARANT

DRILLING CONTRACTOR

NABORS DRILLING USA, LP

The Undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above-described well and that he has conducted deviation tests and obtained the following results:

DEGREES @ DEPTH	DEGREES @ DEPTH	DEGREES @ DEPTH	DEGREES @ DEPTH
.5 239	.2 2391	1.9 4391	1.0 6215
.75 538	1.0 2581	1.4 4494	.9 6373
1.0 819	1.0 2675	1.7 4588	.7 6534
1.75 1132	.6 2688	.6 4684	.8 6662
3.4 1339	1.1 2771	.5 4876	.5 6948
3.4 1434	1.2 2867	1.4 5004	1.3 7107
2.0 1530	1.5 2963	1.8 5099	1.5 7231
1.4 1626	1.6 3058	.8 5194	.8 7545
1.4 1722	1.3 3250	.8 5289	1.4 7704
.5 1861	.7 3346	1.0 5385	1.5 7860
.5 1957	.8 3442	1.1 5481	1.6 8015
.1 2056	1.0 3537	1.1 5673	1.5 8173
.3 2152	.8 3633	1.1 5864	1.3 8331
.3 2244	2.0 4212	1.3 5959	1.0 8487
.3 2295	.9 4281	1.2 6055	1.3 8650

Drilling Contractor

Nabors Drilling USA, LP

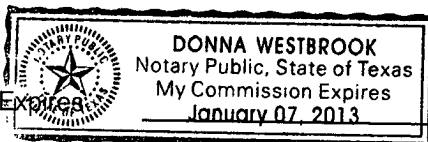
By

Keith Dunn-District Manager

Subscribed and sworn to before me this 2nd day of February, 2009

Notary Public

My Commission Expires



MIDLAND

County

TEXAS

KZ