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AUG 28 2009

HOBBS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB NO 1004-0135
Expires July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**

Use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1 Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5 Lease Serial No NMNM68821
2 Name of Operator CHESAPEAKE OPERATING, INC. Contact: LINDA GOOD E-Mail: linda.good@chk.com		6 If Indian, Allottee or Tribe Name
3a. Address P.O. BOX 18496 OKLAHOMA CITY, OK 73154-0496	3b. Phone No (include area code) Ph: 405-935-4275	7 If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 30 T23S R34E NWSE 2430FSL 2420FEL Unit-J ✓		8 Well Name and No. PALOMA 30 FEDERAL 2 ✓
		9. API Well No 30-025-37413 ✓
		10 Field and Pool, or Exploratory BELL LAKE; Atoka ✓
		11 County or Parish, and State LEA COUNTY, NM ✓

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Workover Operatic
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

CHESAPEAKE, RESPECTFULLY, REQUESTS PERMISSION TO WORKOVER THIS WELL PER THE FOLLOWING PROCEDURE:

CASING: 7" 26# P-110 0-11,974' ID ? 6.276", DRIFT ? 6.151", BURST ? 9,960 PSI

LINER: 4 1/2" 13.5# P-110 11,747-13,868' ID - 3.92", DRIFT ? 3.795", BURST ? 12,410 PSI

PBTD/TD: 12,473'/13,870'

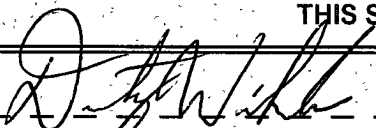


CURRENT PERFS: ATOKA 12,520-24', 12,530-40' (ALL BELOW CIBP)

PROPOSED PERFS: BONE SPRING 9042'-9430'

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct Electronic Submission #73387 verified by the BLM Well Information System For CHESAPEAKE OPERATING, INC., sent to the Hobbs	
Name (Printed/Typed) LINDA GOOD	Title SR. REGULATORY COMPLIANCE SPEC
Signature (Electronic Submission)	Date 08/18/2009

THIS SPACE FOR FEDERAL OR STATE OFFICIAL USE

Approved By 	Title	APPROVED AUG 25 2009 s/ Dustin Winkler	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office 		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and unlawfully to provide false information to the Bureau of Land Management or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #73387 that would not fit on the form

32. Additional remarks, continued

1. MIRU PU NU BOP. UNLOAD, RACK AND TALLY 2 7/8" L-80 TUBING.
2. RIH W/OPEN ENDED TBG. SPOT A CEMENT PLUG ACROSS THE LINER TOP FROM 11,697-800'. POH W/TBG.
3. RU WIRELINE CO. PERFORATE BONE SPRING 1 SPF:

9042 9047 5'
9061 9065 4'
9122 9126 4'
9130 9133 3'
9140 9144 4'
9153 9157 4'
9166 9169 3'
9176 9180 4'
9188 9192 4'
9224 9227 3'
9238 9240 2'
9262 9266 4'
9286 9290 4'
9326 9340 14'
9392 9394 2'
9407 9410 3'
9426 9430 4'

71' TOTAL, 71 HOLES

4. RIH W/PACKER ON 2 7/8" TBG TO 9,450'. SPOT ACID ACROSS PERFS. PULL PACKER UP TO 8,950' AND SET PACKER. ACIDIZE BONE SPRING PERFS W/A TOTAL OF 5,000 GAL 15% NEFE ACID DROPPING 100 PERF BALLS THROUGHOUT JOB. SI 1 HOUR. SWAB TEST WELL. POH W/PACKER.
5. IF WARRANTED, FRAC BONE SPRING DOWN CASING (ANTICIPATE 100,000# SAND AT 100 BPM).
6. RIH W/2 7/8" TUBING. ND BOP. NU WH. RIH W/RODS AND PUMP.
7. RIG DOWN.

(CHK PN 819658)



Current Wellbore Schematic with Survey Tracks

PALOMA 30 FEDERAL 2

Field: Bell Lake (Morrow)
County: LEA
State: NEW MEXICO
Elevation: GL 3,608.00 KB 3,634.00
KB Height: 26.00

Location: SEC 30, 23S-34E, 2430 FSL & 2420 FEL

Spud Date: 10/17/2005
Initial Compl. Date:
API #: 3002537413
CHK Property #: 819658
1st Prod Date: 1/6/2006
PBDT: Original Hole - 12473.0
TD: 13,870.0

Well Config: Original Hole, 8/17/2009 8:53:14 AM			Well History	
ftKB (MD)	ftKB (TVD)	Incl	Schematic - Actual	Date Event
26				1/4/2006 First Gas Sales to Duke
32				1/15/2006 P: 125 BO, 2 BW, 5016 MCFG, TP 3100#, CP 0#
869				7/28/2006 Tubing - Production set at 12,510.3ftKB on 7/28/2006
870				8/14/2006 P: 0 BO, 0 BW, 6 MCFG, FTP 1200#, FCP 550#
5,084				7/18/2007 Tubing - Production set at 12,436.0ftKB on 7/18/2007
5,085				7/14/2009 Work into liner @ 11747'. Tag cmt @ 12476'
5,570				7/15/2009 CO 32' cmt. DO CIBP @ 12508'
7,498				7/16/2009 CR @ 12546'
7,499				7/17/2009 SQZD 12556-67 w/ 75 sx Class H, 15.6 ppg, 1 18 yield.
11,747				7/20/2009 Tag @ 12544'. PERF Atoka @ 12520-24 w/ 2 jsfp, 8 holes.
11,748				7/23/2009 Pump 1000 gal 7.5% NeFe from 12520-24. Could not pump into perms.
11,973				7/25/2009 Tubing - Production set at 12,436.0ftKB on 7/25/2009
11,974				7/25/2009 PERF Atoka from 12530-40 2/ 20 holes.
12,000				7/28/2009 ACDZ 12530-540 w/ 1000 gal 7.5% NeFe
12,465				7/30/2009 Tubing - Production set at 32.0ftKB on 7/30/2009
12,473				7/30/2009 CIBP @ 12500' w/ 35' cmt.
12,500				
12,501				
12,520				
12,524				
12,530				
12,540				
12,546				
12,547				
12,556				
12,567				
13,172				
13,210				
13,213				
13,278				
13,288				
13,307				
13,320				
13,440				
13,450				
13,453				
13,471				
13,479				
13,867				
13,868				
13,870				

Chesapeake Operating, Inc.
NMNM-68821 – Paloma 30 Federal 2
API: 30-025-37413
Lea County, New Mexico

RE: Recompletion, Conditions of Approval

1. OK – Test BOP prior to operations – 3M system to be used, unless prior approval given.
- 1a. Tag CIBP. If not at 12385' or shallower, spot 25 sx of Class H cement to cover 50' above the top of the Atoka.
2. CHANGE: Spot plug from 12024'-11450' to cover the csg shoe, liner top, and top of the Wolfcamp. WOC and tag with work string at 11450' or shallower.
3. OK
4. OK
5. OK – Do not use pressures greater than 70% of 9960psi, the internal yield of the 7" 26# P-110.
6. OK
7. OK
8. Submit Subsequent Sundry detailing operations, and the completion report.

Additional Conditions:

1. Contact BLM (575-393-3612) 24 hours prior to starting operations.
2. Surface disturbance beyond the existing pad must have prior approval.
3. Closed loop system required.
4. Operator to have H2S monitoring equipment on location as H2S has been reported from the Bone Spring formation.
5. Operator did not specify mud - 9 ppg mud weight used.
6. 90 days to complete work.

DHW 082509