

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT890764
FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

Operator Copy

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Serial No. NMNM67110
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	7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 405-935-4275	8. Well Name and No. FEDERAL 31-G 2
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 31 T19S R33E NWNE 400FNL 2310FEL Unit B	9. API Well No. 30-025-31354
	10. Field and Pool, or Exploratory GEM
	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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans <input checked="" 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 recompleat 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 recompleat 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 P&A THIS WELL PER THE FOLLOWING PROCEDURE:
(PROCEDURE AND WELLBORE DIAGRAM ALSO ATTACHED)

CURRENT WELLBORE INFORMATION

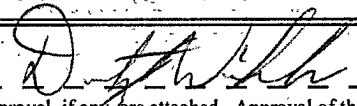
TD: 9,400' PBTD: 5,530'

CASING OD WEIGHT GRADE DEPTH SET TOC
SURFACE 13-3/8" 54.5# NA 365' SURFACE
INTERMEDIATE 8-5/8" 28# NA 4,200' SURFACE
PRODUCTION 5-1/2" NA NA 5,915' 4,050'

RECLAMATION PROCEDURE
ATTACHEDSEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Electronic Submission #72317 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 07/20/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By 	Title 2,760)	APPROVED	Date AND SP
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	OCT 5 2009 /s/ Dustin Winkler	
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department 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 #72317 that would not fit on the form

32. Additional remarks, continued

PERFS	TOP	PERF	BOTTOM	PERF	STATUS	SPF
DELAWARE	5,049'	5,073'			PRODUCING NA	
DELAWARE	5,130'	5,155'			PRODUCING NA	
DELAWARE	5,175'	5,199'			PRODUCING NA	
DELAWARE	5,226'	5,237'			PRODUCING NA	
DELAWARE LOWER	5,565'	5,595'			NOT PRODUCING NA	
DELAWARE LOWER	5,693'	5,707'			NOT PRODUCING NA	

OIH SIZE LOCATION
CIBP 5-1/2" 5,530'

FORMATION TOPS	LOCATION
TOP OF SALT	1,356'
BASE OF SALT	2,760'
TOP OF YATES	2,923'
TOP OF SEVEN RIVERS	3,160'
TOP OF CAPTIAN REEF	3,290'
DELAWARE	5,050'
BONE SPRING	7,914'
1ST BONE SPRINGS	8,964'

*NOTE: 5-1/2" CASING IS PARTED BETWEEN 3,317' ? 3,320'

GL: 3,579' KB: 15? KB Height: 3,594'

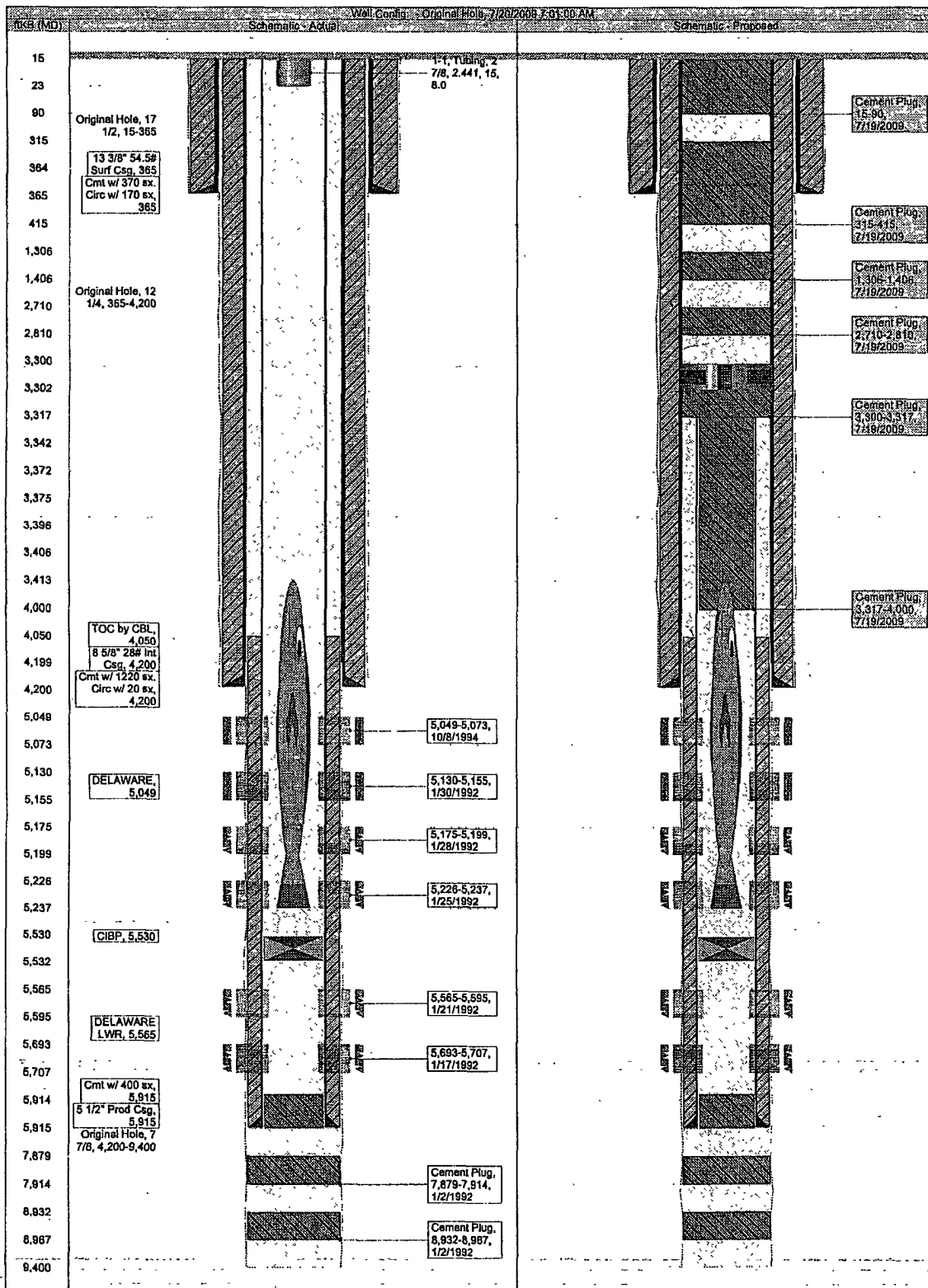
PROCEDURE:

1. HOLD TAILGATE SAFETY MEETING PRIOR TO BEGINNING WORK EACH MORNING AND AS REQUIRED FOR SPECIFIC OPERATIONS.
2. RACK AND TALLY 111 JOINTS OF 2-7/8" N-80 WORKSTRING.
3. PREPARE LOCATION. TEST ANCHORS.
4. MIRU PU. NDWH. NU AND TEST BOP.
5. PULL 5-1/2" CASING OUT OF WELL FROM 3,317' TO SURFACE.
6. RIH W/8-5/8" CEMENT RETAINER AND SET @ 3,300'.
7. RIH W/STINGER AND STING INTO CEMENT RETAINER AND ESTABLISH INJECTION RATE BELOW FISH AND SQUEEZE 3,300' ? 4,000'. WOC AND TAG PLUG.
8. LOAD WELL WITH PLUGGING MUD AND PRESSURE UP TO 500# AND TEST FOR LEAK-OFF
9. RIH TO 2,810' AND SPOT A 100' CEMENT PLUG. WAIT ON CEMENT AND TAG PLUG. (BASE OF SALE @ 2,760').
10. PUH TO 1,406' AND SPOT A 100' CEMENT PLUG. WAIT ON CEMENT AND TAG PLUG. (TOP OF SALT @ 1,356').
11. PUH TO 415' AND SPOT A 100' CENEPT PLUG. WAIT ON CEMENT AND TAG PLUG. (13-3/8" CASING SHOE @ 365')
12. PUH TO 75' AND SPOT A CEMENT PLUG TO SURFACE. TOP OFF CASING. POH.
13. RDMO. INSTALL DRY HOLE MARKER AND CUT OFF DEAD MAN. RESTORE LOCATION.

(CHK PN 890764)

Field: GEN BONE SPRINGS
County: LEA
State: NEW MEXICO
Location: SEC 31, 19S-33E, 400 FNL & 2310 FEL
Elevation: GL 3,579.00 KB 3,594.00
KB Height: 15.00

Spud Date: 12/9/1991
Initial Compl. Date:
API #: 3002531354
CHK Property #: 890764
1st Prod Date: 3/31/1992
PBTD: Original Hole - 5530.0
TD: 9,400.0





**Federal 31-G #2
Plug and Abandonment
Lea County, NM**

Current Wellbore Information

TD: 9,400' PBD: 5,530'

Casing	OD	Weight	Grade	Depth Set	TOC
Surface	13-3/8"	54.5#	NA	365'	Surface
Intermediate	8-5/8"	28#	NA	4,200'	Surface
Production	5-1/2"	NA	NA	5,915'	4,050'

Perfs	Top Perf	Bottom Perf	Status	SPF
Delaware	5,049'	5,073'	Producing	NA
Delaware	5,130'	5,155'	Producing	NA
Delaware	5,175'	5,199'	Producing	NA
Delaware	5,226'	5,237'	Producing	NA
Delaware Lower	5,565'	5,595'	Not Producing	NA
Delaware Lower	5,693'	5,707'	Not Producing	NA

OIH	Size	Location
CIBP	5-1/2"	5,530'

Formation Tops	Location
Top of Salt	1,366'
Base of Salt	2,760'
Top of Yates	2,923'
Top of Seven Rivers	3,160'
Top of Captain Reef	3,290'
Delaware	5,050'
Bone Springs	7,914'
1 st Bone Springs	8,964'

***Note: 5-1/2" casing is parted between 3,317' – 3,320'**

GL: 3,579' KB: 15' KB Height: 3,594'

Procedure

1. Hold Tailgate Safety meeting prior to beginning work each morning and as required for specific operations.
2. Rack and tally 111 joints of 2-7/8" N-80 workstring.
3. Prepare location. Test anchors.
4. MIRU PU. NDWH. NU and test BOP.
5. Pull 5-1/2" casing out of well from 3,317' to surface.
6. RIH w/ 8-5/8" cement retainer and set @ 3,300'.
7. RIH w/ stinger and sting into cement retainer and establish injection rate below fish and squeeze 3,300' – 4,000'. WOC and tag plug.

8. Load well with plugging mud and pressure up to 500# and test for leak-off.
9. RIH to 2,810' and spot a 100' cement plug. Wait on cement and tag plug. (Base of Salt @ 2,760')
10. PUH to 1,406' and spot a 100' cement plug. Wait on cement and tag plug. (Top of Salt @ 1,356')
11. PUH to 415' and spot a 100' cement plug. Wait on cement and tag plug. (13-3/8" Casing Shoe @ 365')
12. PUH to 75' and spot a cement plug to surface. Top off casing. POH.
13. RDMO. Install dry hole marker and cut off dead man. Restore location.

Contacts

Production Foreman
Ralph Skinner
Office: 575-391-1462
Cell: 575-441-4921

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

Chesapeake Operating, Inc.
NMNM-67110: Federal 31-G 2
API: 30-025-31354
Lea County, New Mexico

RE: Plugging and Abandonment Procedure, Conditions of Approval

1. OK
2. OK
3. OK
4. OK
5. OK
6. CHANGE: RIH w/ 8-5/8" packer and set @ 3,310'.
7. CHANGE: Pump cement through packer and establish injection rate below fish and squeeze 200sx. WOC and attempt to tag above fish. Pressure test the plug.
(Perfs – Intermediate casing shoe)
If plug holds pressure, go to step 7b. If Plug does not hold, go to step 7a.
- 7a. Establish an injection rate, set another 100sx, displace, WOC, tag, and pressure up again. If plug holds pressure, go to step 7b. If plug does not hold pressure, repeat with 50sx until it does.
- 7b. Spot a minimum 25 sx on top of previous plug. WOC and tag at 3240' or shallower.
(Top of fish – Casing stub – Capitan Reef)
8. OK
9. Solid plug must be set from 2810' (50' below BOS) to 1306' (50' above TOS). This is done because the well is in the R-111-P Potash Area. Cement must be saturated with salts common to the salt section that is being cemented.
10. REMOVED (Plug was combined with step 9)
11. OK (Csg Shoe)
12. OK (Surface)
13. Submit subsequent report, with details.

See attached standard COA.

DHW 100509

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Federal Wells
Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 60th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. **Dry Hole Marker:** All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. **Subsequent Plugging Reporting:** Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation procedure.

JDW 072709



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



In Reply Refer To: 1310

Interim Reclamation Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses.

Interim reclamation consists of minimizing the footprint of disturbance by reclaiming all portions of the well site not needed for production operations. The portions of the cleared well site not needed for operational and safety purposes are recontoured to a final or intermediate contour that blends with the surrounding topography as much as possible. Sufficient level area remains for setup of a workover rig and to park equipment. Topsoil is respread over areas not needed for all-weather operations. Production facilities should be clustered to maximize the opportunity for interim reclamation. In order to inspect and operate the well or complete workover operations, it may be necessary to drive, park, and operate on restored, interim vegetation within the previously disturbed area. This is generally acceptable provided damage is repaired and reclaimed following use.

To reduce final reclamation costs; maintain healthy, biologically active topsoil; and to minimize habitat, visual, and forage loss during the life of the well, all salvaged topsoil should be spread over the area of interim reclamation, rather than stockpiled.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). Interim reclamation is to be completed within 6 months of well completion.
3. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with interim reclamation as per approved APD or Sundry Notice. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.
4. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
5. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Environmental Protection Specialist
575-234-5909, 575-361-2648 (Cell)

Terry Gregston
Environmental Protection Specialist
575-234-5958

Bobby Ballard
Environmental Protection Specialist
575-234-2230

Randy Rust
Environmental Protection Specialist
575-234-5943

Linda Denniston
Environmental Protection Specialist
575-234-5974

Jennifer Van Curen
Environmental Protection Specialist
575-234-5905

Justin Frye
Environmental Protection Specialist
575-234-5922

Cody Layton
Natural Resource Specialist
575-234-5959

Trishia Bad Bear
Natural Resource Specialist
575-393-3612

Todd Suter
Surface Protection Specialist
575-234-5987

Doug Hoag
Civil Engineering Technician
575-234-5979