

Submit 1 Copy 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
October 13, 2009

RECEIVED
FEB 17 2010
HOBBSUCD

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. 30-025-35907
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		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 SV Sundown State
4. Well Location Unit Letter <u>K</u> : <u>1800'</u> feet from the <u>South</u> line and <u>2310'</u> feet from the <u>West</u> line Section <u>14</u> Township <u>10S</u> Range <u>37E</u> NMPM County <u>Lea</u>		8. Well Number <u>3</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3937' GR		9. OGRID Number 147179
		10. Pool name or Wildcat Echol; San Andres, East

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: ☐

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Chesapeake Operating, Inc. plans to plug and abandon this well.

Please find the P&A proposal, actual and proposed well bore diagram and NMOCD's C-144 (CLEZ) pit permit.

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 Senior Regulatory Compl. Sp.

DATE 02/16/2010

Type or print name Bryan Arrant

E-mail address: bryan.arrant@chk.com

PHONE: (405)935-3782

For State Use Only

APPROVED BY:

E. Gonzalez

OC FIELD REPRESENTATIVE/STAFF MANAGER

TITLE

DATE 2-18-10

Conditions of Approval (if any):

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

**Chesapeake Operating, Inc.'s Closed Loop System
SV Sundown State # 3
Unit K, Sec. 14, T-10-S R-37-E
Lea Co., NM
API #: 30-025-35907**

Equipment & Design:

Chesapeake Operating, Inc. is to use a closed loop system in the plug & abandonment of this well.

(1) 500 bbl "frac" tank

Operations & Maintenance:

During each and every tour, the rig's crew will inspect and monitor closely the fluids contained within the steel pits and visually monitor any spill which may occur.

Within 48 hours should a spill, release or leak occur, the NMOCD District I office in Hobbs (575-393-6161) will be notified. Please note that notifications may be made earlier to the district office should a greater release occur.

Closure:

After plug & abandonment operations, fluids will be hauled and disposed to Controlled Recovery, Inc.'s location.

The permit number for Controlled Recovery, Inc. is: NM-01-0006

The alternative disposal facility will be Sundance Disposal.

Their permit # is: NM-01-0003.



**Sundown State #3
Plug and Abandonment
Lea County, NM**

Current Wellbore Information

TD: 5,047' PBD: 5,200'

Casing	OD	Weight	Grade	Depth Set	TOC
Surface	8-5/8"	24#	J-55	386'	Surface
Production	5-1/2"	15 5#	J-55	5,200'	2,290'

Perfs	Top Perf	Bottom Perf	Status
San Andres	5,032'	5,045'	Abandoned
San Andres	5,050'	5,053'	Abandoned

Formation Tops	Location
Top of Salt	2,250'
Base of Salt	2,940'
Top of Yates	2,940'
Top of San Andres	4,250'

OIH	Size	Location
CIBP	5"	4,962'
CICR	5"	5,047'

GL: 3,937' KB: 15' KB Height: 3,952'

Procedure

1. Notify the OCD 24 hours in advance prior to commencing plug and abandonment operations.
2. Hold PJSA prior to beginning work each morning and as required for specific operations.
3. Rack and tally 170 joints of 2-7/8" N-80 workstring.
4. Prepare location. Test anchors.
5. MIRU PU NDWH. NU BOP.
6. Load well with plugging mud and pressure up to 500# and test for leak-off.
7. RIH w/ tubing to 4,962' and spot a 35' cement plug on top of the CIBP PUH, wait on cement and tag plug (Top of San Andres Perfs @ 5,032') *WOC - TAG*
8. RIH w/ tubing to 2,940' and spot a 100' (minimum 25 sx) cement plug. PUH, wait on cement and tag plug. POH. (Base of Salt @ 2,940')
9. Perforate casing w/ 4 squeeze holes @ 2,280' and squeeze a 100' (minimum 25 sx) cement plug inside and out. Wait on cement and tag plug. (Top of Salt @ 2,250')
10. Perforate casing w/ 4 squeeze holes @ 436' and squeeze a 100' (minimum 25 sx) cement plug. Wait on cement and tag plug. POH (8-5/8" Casing Shoe @ 386')
11. Perforate casing w/ 4 squeeze holes @ 75' and squeeze a cement plug inside and out. Circulate to surface. Top of casing. POH.
12. RDMO. Install dry hole marker and cut off dead man. Restore location.

Contacts

Production Foreman

Steve Serna

Office: 575-391-1462

Cell: 575-390-9053

Asset Manager

Kim Henderson

Office: 405-935-8583

Cell: 405-312-1840



P&A Proposal
SUNDOWN STATE 3

Field: East Echol San Andres
County: LEA
State: NEW MEXICO
Location: SEC 14, 10S-37E, 1799 FSL & 2310 FWL
Elevation: GL 3,937.00 KB 3,952.00
KB Height: 15.00

Spud Date: 6/5/2002
Initial Compl. Date:
API #: 3002535907
CHK Property #: 890889
1st Prod Date:
PBTD: Original Hole - 5047.0
TD: 5,200.0

