

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**
*Do not 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 checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM104724
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. NMNM103145X
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 9 T20S R33E SWNW 1980FNL 660FWL		8. Well Name and No. WEST TEAS UNIT 912
		9. API Well No. 30-025-29971-00-S1
		10. Field and Pool, or Exploratory W TEAS; Yates - 7 Rurs
		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 type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input checked="" type="checkbox"/> Well Integrity
	<input type="checkbox"/> Other

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 recompletable 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 recompletable 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.)

The following and attached are per Written Order 100MPS05W.

Pressure gauge has been installed. Tubing pressure reading was 1300 psi on 3/4/2010.

2/24/2010 RAN MIT 550 to 540 PSI FOR 60 MINUTES - OK.

(CHK PN 890170)

RECEIVED

APR 05 2010

HOBBSOCD

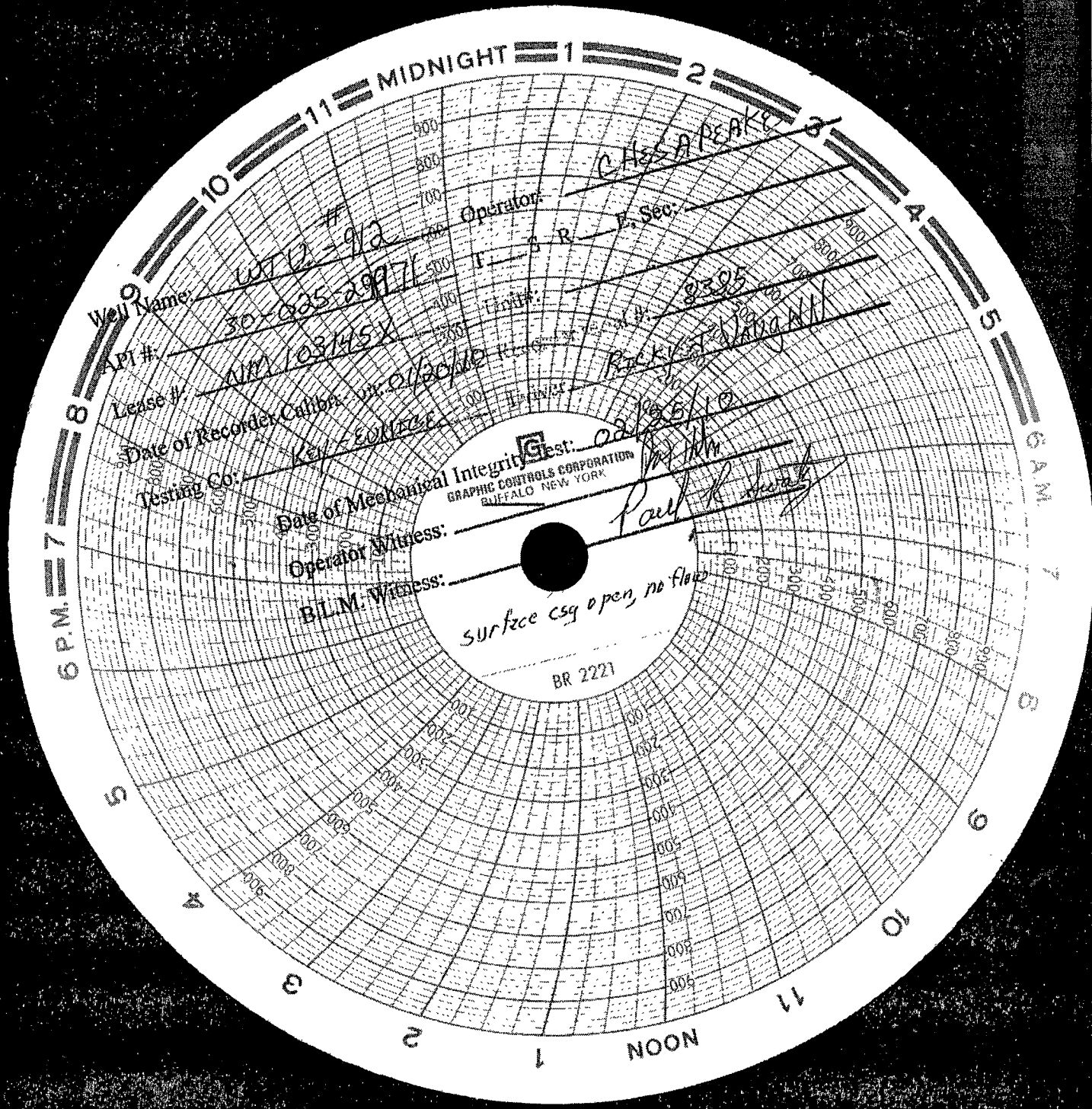
14. I hereby certify that the foregoing is true and correct. Electronic Submission #82245 verified by the BLM Well Information System For CHESAPEAKE OPERATING INC, sent to the Hobbs Committed to AFMSS for processing by CHERYLE RYAN on 03/04/2010 (10CMR0100SE)	
Name (Printed/Typed) LINDA GOOD	Title SR. REGULATORY COMPLIANCE SPEC
Signature (Electronic Submission)	Date 03/04/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED EG 4/6/10	DUNCAN WHITLOCK Title LEAD PET	Date 03/31/2010
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 Hobbs

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****



Well Name: CHESAPEAKE
API #: 30-025-29971
Lease #: 103145X
Date of Recorder Call: 01/20/10
Testing Co.: KEL-CONTECH
Operator: CHESAPEAKE
I. R. E. Sec: 8395
Date of Mechanical Integrity Test: 02/25/10
Operator Witness: Paul K. Smith
B.L.M. Witness: surface csg open, no flow

Graphic Controls Corporation
BUFFALO NEW YORK

BR 2221

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890170

Number 1001PS05W

Page of

JAN 21 2010 du

☒ Certified Mail - Return
Receipt Requested
70091410000021823602

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
NOTICE OF WRITTEN ORDER

IDENTIFICATION	
IID	
Lease	NMNM104724
CA	
Unit	NMNM103145X
PA	

Bureau of Land Management Office HOBBS INSPECTION OFFICE		Operator CHESAPEAKE OPERATING INC	
Address 414 WEST TAYLOR HOBBS NM 88240		Address P O BOX 18496 OKLAHOMA CITY OK 73154-0496	
Telephone 575.393.3612		Attention	
Inspector SWARTZ		Attn Addr	
Site Name WEST TEAS UNIT	Well or Facility 912	1/4 1/4 Section SWNW 9	Township 20S
		Range 33E	Meridian NMP
		County LEA	State NM
Site Name	Well or Facility	1/4 1/4 Section	Township
		Range	Meridian
		County	State
Site Name	Well or Facility	1/4 1/4 Section	Township
		Range	Meridian
		County	State

The following condition(s) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above.

Date	Time (24-hour clock)	Corrective Action to be Completed by	Date Corrected	Authority Reference
01/19/2010		02/25/2010		43 CFR 3161.2, 43 CFR 3162.1(a), 43 CFR 3162.4-2.(b), 43 CFR 3162.6

Remarks:

Your federal property Case: NM103145X name: West Teas Unit - 912, T20S-R33E, Sec 09, 1980FNL & 660FWL, Lea County, New Mexico has been the subject of a well status inspection.

Refer to this written order as: 1001PS05W

The casing-tubing annulus valve was closed. Install a pressure gauge in the valve and leave this annulus open to the gauge (detecting any casing, tubing, or packer leak). Record and report (one time) a casing and tubing pressure reading with the date of reading. Include documentation of the maximum tubing injection pressure ordered by NMOCD. Continue to record both pressure readings at (Remarks continued on following page(s).)

When the Written Order is complied with, sign this notice and return to above address.

Company Representative Title Sr. Reg. Compliance Spec. Signature Linda Good Date 3/4/2010
Company Comments Installed pressure gauge. Ran MIT. Chart & Sundry
Notice attached.

Warning

The Authorized Officer has authority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order correction and reporting time frames begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management Office at the address shown above. If you do not comply as noted above under "Corrective Action to be Completed By", you shall be issued an Incident of Noncompliance (INC) in accordance with 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 43 CFR 3163.1 and may also incur civil penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time frame for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

Review and Appeal Rights

A person contesting a decision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer Paul R Swartz Date 01/19/2010 Time 1500

FOR OFFICE USE ONLY

Number 51 Date Type of Inspection PI #10

B Remarks, continued

le once a week.

C Conduct a mechanical integrity test of 500psig for 30 minutes on the injection tbg/csg annulus of the well. Document the test on no more than a 1,000psig recording chart. Connect a reliable 10psig max with a six inch or larger face in the chart recorder line as a real time visual monitor. Notify Paul R. Swartz at 575.234.5985 and/or 575.200.7902 at least 24 hours before the test. If there is no response, notify the BLM on call drilling phone, 575.361.2822. Submit a copy of a recorded mechanical integrity chart and a Sundry Form 3160-005 describing and dating the activity to this BLM office.

R referenced Authority Regulation(s): 43 CFR 3161.2, 43 CFR 3162.1(a), 43 CFR 3162.4-2,(b), 43 CFR 3162.6

F regulation lookup quotes, or to secure necessary BLM forms go to:
h: http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

R Reference this Written Order number 1001PS05W in the Sundry mentioned above. Also sign and return this notice, providing a brief summary of your compliance in the space provided. Mail on or before February 25, 2010.

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