

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		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. NMNM103145X
3b. Phone No. (include area code) Ph: 405-935-4275		8. Well Name and No. WEST TEAS UNIT 924
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 9 T20S R33E SENW 2560FNL 2210FWL		9. API Well No. 30-025-36073-00-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 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.)

The following and attached are per Written Order 1001PS01W.

Pressure gauge has been installed. Recorded tubing pressure at 1400 psi on 3/4/2010.

2/25/2010 RAN MIT 480 PSI FOR 60 MINUTES - OK.

(CHK PN 819429)

**RECEIVED**

APR 05 2010

HOBBSOCD

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #82336 verified by the BLM Well Information System For CHESAPEAKE OPERATING INC, sent to the Hobbs Committed to AFMSS for processing by KURT SIMMONS on 03/08/2010 (10KMS0296SE)</b>	
Name (Printed/Typed) LINDA GOOD	Title SR. REGULATORY COMPLIANCE SPEC
Signature (Electronic Submission)	Date 03/08/2010

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <b>ACCEPTED</b> <i>ELG 4/6/10</i>	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: WTU #924 Operator: CHESAPEAKE  
API #: 3002534073 T 20 S - R 13 E. Sec: 01  
Lease #: W22103145X Unit#: WOMM104724  
Date of Recorder Calibration: 01/20/12 Recorder serial #: 8385  
Testing Co: KEN-EQUIPMENT Engineer: REX T. VROZNIK

Date of Mechanical Integrity Test: 02/08/10

Operator Witness: [Signature]

B.L.M. Witness: [Signature]

GRAPHIC CONTROLS CORPORATION  
BATAVIA, NEW YORK

surface is open, no flow

BR 2221

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819429

Number 1001PS01W

Page of

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

JAN 07 2010

NOTICE OF WRITTEN ORDER

☒ Certified Mail - Return  
Receipt Requested  
70091410000021823589

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 924	1/4 1/4 Section SE NW 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
01/04/2010		02/01/2010		43 CFR 3161.2, 43 CFR 3162.1(a), 43 CFR 3162.4-2,(b), 43 CFR 3162.6

Remarks

Your federal property lease: NM104724 name: West Teas Unit 924, T20S-R33E, Sec 9, 2560FNL & 2210FWL, Lea County, New Mexico has been the subject of a well status inspection.

Refer to this written order as: 1001PS01W.

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 (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 3/14/2010  
Company Comments Installed pressure gauge. Ran MIT. Secondary Notice & Chart 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 <u>Paul R Swartz</u>	Date <u>01/04/2010</u>	Time <u>800 hrs</u>
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FOR OFFICE USE ONLY

Number 51	Date	Type of Inspection PI	#4
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BLM Remarks, continued

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at least once a week.

Conduct a mechanical integrity test of 500psig for 30 minutes on the injection tbg/csg annulus of the well. Document the test on a recording chart of no more than 1,000psig. Connect a reliable 1,000psig 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 the recorded mechanical integrity chart and a Sundry Form 3160-005 stating the results of the test to this BLM office. Also forward the original recorded mechanical integrity chart and a copy of the sundry information to NMOCD; Artesia or Hobbs, as applicable.

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

Compliance with these quoted authority references is required.

For regulation lookup quotes, or to secure necessary BLM forms go to:  
[http://www.blm.gov/nm/st/en/prog/energy/oil\\_and\\_gas.html](http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html)

Reference this Written Order number 1001PS01W in the Sundry mentioned above. Also return this correspondence, providing a brief summary of your compliance in the space provided, mailed on or before 02/01/2010.