

District I

1625 N French Dr, Hobbs, NM 88240

District II

1301 W Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S. St Francis Dr, Santa Fe, NM 87505

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HOBBSOCD

State of New Mexico

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-101

June 16, 2008

Submit to appropriate District Office

AMENDED REPORT**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

¹ Operator Name and Address Chesapeake Operating, Inc P O Box 18496 Oklahoma City, OK 73154-0496		² OGRID Number 147179
		³ API Number 30 - 025-27875
³ Property Code 29558	⁵ Property Name Lady	⁶ Well No 1
⁹ Proposed Pool 1 Nadine, Paddock, Blinebry, West		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no L	Section 4	Township 20S	Range 38E	Lot Idn	Feet from the 1650'	North/South South	Feet from the 330'	East/West line West	County Lea
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⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Additional Well Information

¹¹ Work Type Code R	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code Fee	¹⁵ Ground Level Elevation 3583' GR
¹⁶ Multiple N	¹⁷ Proposed Depth PBPTD-6600'	¹⁸ Formation Blinebry	¹⁹ Contractor TBD	²⁰ Spud Date ASAP

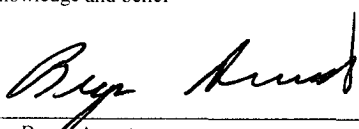
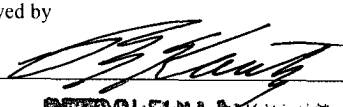
²¹ Existing Casing and Cement Information

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	23#	1500'	800 sxs	0'
7 7/8"	5 1/2"	15.5#, 17# & 20#	7147'	700 sxs	3400'

²² Describe the proposed program If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone Describe the blowout prevention program, if any Use additional sheets if necessary

Chesapeake Operating, Inc. respectfully request to abandon the Tubb formation & squeeze Blinebry perfs 5930'-5986'. Perf & complete Blinebry from (6364'-6454' & 6131'-6310') as described in the re-completion procedure. MNOC's C-102 & C-144 (CLEZ) pit permits are also attached.

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway
Plugback**

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief		OIL CONSERVATION DIVISION	
Signature 		Approved by 	
Printed name: Bryan Arrant		Title: PETROLEUM ENGINEER	
Title Senior Regulatory Compl Sp		Approval Date JUN 04 2010	Expiration Date
E-mail Address bryan.arrant@chk.com			
Date: 06/01/2010	Phone 405-935-3782	Conditions of Approval Attached <input type="checkbox"/>	

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**Lady #1-4
Blinebry Recompletion
Lea County, NM**

Current Wellbore Information

TD: 7,147' PBTD: 6,957'

Casing Data

Casing	OD	Weight	Grade	Depth Set	TOC
Surface	8-5/8"	23#	J-55	1,500'	Surface
Production	5-1/2"	15.5#, 17# & 20#	J-55	7,147'	3,400'

Pressure and Dimensional Data

Size	Weight	Grade	Drift	Collapse	Burst	80% Burst
8-5/8"	23#	J-55	NA	NA	NA	NA
5-1/2"	15.5#, 17# & 20#	J-55	4.653	4,040	4,810	3,848

Existing Perforations

Perfs	Top Perf	Bottom Perf	Status
Blinebry	5,930'	5,986'	Producing
Blinebry	5,987'	6,091'	Squeezed
Tubb	6,623'	6,632'	Producing
Tubb	6,644'	6,646'	Producing
Drinkard	6,988'	6,998'	Abandoned

Other In Hole

OIH	Size	Location
CIBP w/ 18' cement on top	4-1/2"	6,957'

GL: 3,583' KB: 15' KB Height: 3,598'

Procedure

Hold PJSA prior to beginning work each morning and as required for specific operations.

1. Prep location. Check anchors and clean area for workover.
2. Set (5), 500 barrel, steam cleaned frac tanks. Water requirement is 1,911 bbls. With 10% overage the requirement is 2,103 bbls.
3. Rack and tally Oil Dog work string consisting of 232 joints of 2-7/8, 6.5#, J-55 tubing.

4. MIRU workover rig. ND WH. POH w/ pump and rods. NU 5K BOPs and test. POH w/ production tubing (laying down).
5. RIH w/ gauge ring and junk basket to 6,957'. POOH.
6. Install 5K lubricator and logging tools. RIH w/ CBL, CCL and GR and log without pressure on the well from 6,650' and log up to 6,350'. Drop back down to the initial depth of 6,650' and log the well to 200' above TOC (estimated to be 3,400') with 2,000 psi applied to the casing. Release pressure, POOH w/ tools and LD. Contact Asset Manager if the cement bond is poor. Ensure one copy of the CBL is given to the completion foreman and one copy is sent to Kim Henderson (kim.henderson@chk.com) in Oklahoma City. RD wireline.
7. RIH w/ 5-1/2" CIBP and set @ +/- 6,600'. Test casing to 3,800# (4,810 psi * 80% = 3,848 psi) for 15 minutes to test casing integrity. The existing Tubb formation is going to be abandoned.
8. RIH w/ 5-1/2" cement retainer and set @ 5,800'. RIH w/ stinger on 2-7/8" WS and sting into retainer.
9. RU Cement Company and establish injection rate. Mix and pump cement per recommendation and squeeze Blinebry perms from 5,930' – 5,986'.
10. POOH w/ stinger and 2-7/8" WS. RIH w/ 4-3/4" bit, 6 – 3-1/2" DCs and WS and drill out to 6,600'. Circulate hole clean. POH.
11. NU 7-1/16", 5K, Full Opening, Hydraulic Frac Valve. NU 7-1/16", 5K, Cross with 2-9/16", 5K, Wing Valves. Run test plug. Test to 3,800#. Retrieve test plug.
12. MU Select Fire Perforating Guns loaded 2 spf w/ 60 degree phasing (23 g minimum charges) and RIH. Correlate to the attached log from Step #8 and perforate the Blinebry as follows:

Formation	Interval	SPF	Total Shots
Blinebry	6,448' – 6,454'	2 spf	12
Blinebry	6,438' – 6,440'	2 spf	4
Blinebry	6,386' – 6,388'	2 spf	4
Blinebry	6,369' – 6,371'	2 spf	4
Blinebry	6,364' – 6,366'	2 spf	4
Total	90'		28

POOH w/ perforating guns and verify all shots fired. RDMO Wireline.

13. RD Lubricator. RU Frac Service and frac Blinebry perms 6,364' – 6,454' (28 holes). Frac per attached procedure. (5-1/2" 15.5# J55 Internal Yield = 4,810 psi) Record ISIP-5-10-15 min pressures. RDMO frac equipment.

Slur #	Fluid	Slur Type	Gm Vol (bbls)	Gm Vol (gals)	Tbl Rate (bpm)	Proppant	Gm Prop (lbs)	Conc. (lb/gal)
1	15% HCL	Acid	35.7	1,500	20.0		0	0.00

2	Base Gel	Spacer	23.8	1,000	30.0		0	0.00
3	B Frac 25	Pad	238.1	10,000	30.0		0	0.00
4	B Frac 25	Slurry	71.4	3,000	30.0	20/40 White	3,000	1.00
5	B Frac 25	Slurry	95.2	4,000	30.0	20/40 White	11,000	2.00
6	B Frac 25	Slurry	95.2	4,000	30.0	20/40 White	23,000	3.00
7	B Frac 25	Slurry	95.2	4,000	30.0	20/40 White	39,000	4.00
8	B Frac 25	Slurry	23.8	1,000	30.0	20/40 White	44,000	5.00
9	B Frac 25	Slurry	47.6	2,000	30.0	20/40 Super LC	54,000	5.00
10	15% HCL	Acid Spot	11.9	500	30.0		54,000	0.00
11	Slick Water Flush	Flush	45.2	1,900	30.0		54,000	0.00

14. RU wireline and install 5K lubricator. RIH w/ CBP and set @ +/- 6,344'. POH.

15. MU Select Fire Perforating Guns loaded 2 spf w/ 60 degree phasing (23 g minimum charges) and RIH. Correlate to the attached log from Step #8 and perforate the Blinebry as follows:

Formation	Interval	SPF	Total Shots
Blinebry	6,308' - 6,310'	2 spf	4
Blinebry	6,288' - 6,290'	2 spf	4
Blinebry	6,256' - 6,258'	2 spf	4
Blinebry	6,234' - 6,236'	2 spf	4
Blinebry	6,206' - 6,208'	2 spf	4
Blinebry	6,185' - 6,187'	2 spf	4
Blinebry	6,145' - 6,147'	2 spf	4
Blinebry	6,131' - 6,133'	2 spf	4
Total	179'		32

POOH w/ perforating guns and verify all shots fired. RDMO Wireline.

16. RD Lubricator. RU Frac Service and frac Blinebry perms 6,131' - 6,310' (32 holes). Frac per attached procedure. (5-1/2" 15.5# J55 Internal Yield = 4,810 psi) Record ISIP-5-10-15 min pressures. RDMO frac equipment.

Stg.#	Fluid	Stg. Type	Cin. Vol. (bbls)	Cin. Vol. (gals)	Inf. Rate (bpm)	Proppant	Cum. Prop. (lbs)	Conc. (lb/gal)
1	15% HCL	Acid	35.7	1,500	20.0		0	0.00
2	Base Gel	Spacer	23.8	1,000	10.0		0	0.00
3	B Frac 25	Pad	381.0	16,000	30.0		0	0.00
4	B Frac 25	Slurry	119.0	5,000	30.0	20/40 White	5,000	1.00
5	B Frac 25	Slurry	119.0	5,000	30.0	20/40 White	15,000	2.00
6	B Frac 25	Slurry	142.9	6,000	30.0	20/40 White	33,000	3.00
7	B Frac 25	Slurry	190.5	8,000	30.0	20/40 White	65,000	4.00
8	B Frac 25	Slurry	47.6	2,000	30.0	20/40 White	75,000	5.00
9	B Frac 25	Slurry	95.2	4,000	30.0	20/40 Super LC	95,000	5.00

10	Base Gel	Flush	56.0	2,350	30.0		95,000	0.00
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17. PU 4-3/4" bit, 6 – 3-1/2" DCs and workstring and TIH to DO CBP set @ 6,344' and clean out to CIBP @ 6,600'. Circulate hole clean. TOH.
18. TIH with production tubing and SN. Set seat nipple at 6,500' (below perfs).
19. ND BOP. NU WH. TIH with pump and rods. Fill tubing and space out pump accordingly. Verify pump action. Place well on test.
20. RDMO workover rig. Clean location.


Contacts

Production Foreman
 Greg Skiles
 Office: 575-391-1462
 Cell: 575-631-1663

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

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State of New Mexico
Energy, Minerals & Natural Resources Department
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CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
JUN 02 2010
HOBBS

Form C-102
Revised October 15, 2009
Submit one copy to appropriate
District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-27875	² Pool Code 47400	³ Pool Name Nadine; Paddock & Blinbry, West
⁴ Property Code 29558	⁵ Property Name Lady	⁶ Well Number 1
⁷ OGRID No. 147179	⁸ Operator Name Chesapeake Operating, Inc.	⁹ Elevation 3583' GR

¹⁰ Surface Location

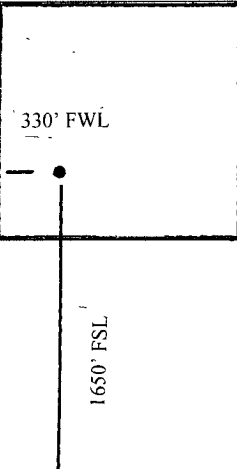
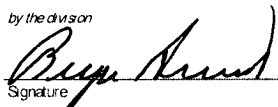
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	4	20S	38E		1650'	South	330'	West	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶ 	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief and that this organization either owns a working interest or unless mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</i>  Signature 06/01/2010 Date Bryan Arrant Printed Name		
	¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief</i> Date of Survey Signature and Seal of Professional Surveyor Please Refer to Original Plat Certificate Number		