

Form 3160-5
(August 2007)

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MAY 05 2010

HOBBSD

New Mexico Oil Conservation Division, District 1

UNITED STATES 1625 N. French Drive
DEPARTMENT OF THE INTERIOR Hobbs, NM 88240
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

5. Lease Serial No.
NMNM105885

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
PERSEUS 10 FEDERAL COM 3H

9. API Well No.
30-005-29137

10. Field and Pool, or Exploratory
WILDCAT-WOLFCAMP

11. County or Parish, and State
CHAVES COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
CHESAPEAKE OPERATING INC

Contact: LINDA GOOD
E-Mail: linda.good@chk.com

3a. Address
P.O. BOX 18496
OKLAHOMA CITY, OK 73154-0496

3b. Phone No. (include area code)
Ph: 405-935-4275
Fx: 405-849-4275

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 10 T15S R31E SENE 1980FNL 200FEL

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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

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 recompletion 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.)

RE: 10 DAY DEFICIENT LETTER

Please find the following attached documents as evidence that all requirements have been met for developing a well on State surface:

1. State of New Mexico Oil & Gas Lease No. V082660000 dated May 1, 2008, issued to Steven W. Horn, lessee, recorded in Book 617, Page 322, of the Records of Chaves County, New Mexico.
2. Assignment of State of New Mexico Oil & Gas Lease No. V082660000 dated July 28, 2008, from Steven W. Horn to Chesapeake Exploration, L.L.C., recorded in Book 629, Page 107, of the Records of Chaves County, New Mexico.
3. New Mexico State Land Office information for Grazing Lease No. G0-2368-0000 reflecting that Billy R. Medlin is the surface lessee for the E/2 of Section 10, Township 15 South, Range 31 East, N.M.P.M., which includes the surface location for the Perseus 10 Federal Com 3H Well.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #84303 verified by the BLM Well Information System
For CHESAPEAKE OPERATING INC, sent to the Roswell
Committed to AFMSS for processing by DAVID GLASS on 04/08/2010 (10DG0103SE)

Name (Printed/Typed) LINDA GOOD

Title SR. REGULATORY COMPLIANCE SPEC

Signature (Electronic Submission)

Date 04/07/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

PETROLEUM ENGINEER

Approved By

ACCEPTED

DAVID R GLASS
Title PETROLEUM ENGINEER

Date 04/28/2010

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 Roswell

NOV 08 2010

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 **

Additional data for EC transaction #84303 that would not fit on the form

32. Additional remarks, continued

4. Recordation Notice and Memorandum of Surface Use and Compensation Agreement dated September 27, 2007, recorded in Book 601, Page 1405, of the Records of Chaves County by between Billy R. and Donna K. Medlin and COG Operating LLC.

5. First Amendment to the Recordation Notice and Memorandum of Surface Use and Compensation Agreement dated December 23, 2008, recorded in Book 634, Page 501, of the Records of Chaves County by between Billy R. and Donna K. Medlin and COG Operating LLC, which shows that amongst other lands, all of Section 10, Township 15 South, Range 31 East, N.M.P.M. is covered by the Surface Use and Compensation Agreement.

6. Correspondence dated December 12, 2008, wherein COG Operating LLC assigns its rights in said Surface Use and Compensation Agreement to Chesapeake Operating, Inc., as to the areas operated by Chesapeake which includes the N/2 of Section 10, Township 15 South, Range 31 East, N.M.P.M.

7. Letter dated January 26, 2010, sent via Certified Mail from Chesapeake Exploration, L.L.C. to Billy R. Medlin and Donna K. Medlin, along with the Return Receipt signed by Billy R. Medlin, giving notice that Chesapeake would be entering upon the lands to conduct oil and gas operations and making arrangements for the payment of damages pursuant to said Surface Use and Compensation Agreement.

(CHK PN 618836)

Revisions to Operator-Submitted EC Data for Sundry Notice #84303

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	APDCH SR	APDCH NOI
Lease:	NMNM105885	NMNM105885
Agreement:		
Operator:	CHESAPEAKE OPERATING, INC. P.O. BOX 18496 OKLAHOMA CITY, OK 73154-0496 Ph: 405-935-4275	CHESAPEAKE OPERATING INC P.O. BOX 18496 OKLAHOMA CITY, OK 73154-0496 Ph: 405.767.4275
Admin Contact:	LINDA GOOD SR. REGULATORY COMPLIANCE SPEC E-Mail: linda.good@chk.com Ph: 405-935-4275	LINDA GOOD SR. REGULATORY COMPLIANCE SPEC E-Mail: linda.good@chk.com Ph: 405-935-4275 Fx: 405-849-4275
Tech Contact:	LINDA GOOD SR. REGULATORY COMPLIANCE SPEC E-Mail: linda.good@chk.com Ph: 405-935-4275	LINDA GOOD SR. REGULATORY COMPLIANCE SPEC E-Mail: linda.good@chk.com Ph: 405-935-4275 Fx: 405-849-4275
Location:		
State:	NM	NM
County:	CHAVES	CHAVES
Field/Pool:	WILDCAT	WILDCAT-WOLFCAMP
Well/Facility:	PERSEUS 10 FEDERAL COM 1H Sec 10 T15S R31E SENE 1980FNL 200FEL	PERSEUS 10 FEDERAL COM 3H Sec 10 T15S R31E SENE 1980FNL 200FEL