

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

WELL API NO.	30-025-34001
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	VA 1318
7. Lease Name or Unit Agreement Name	Blackmon Arm State 23102
8. Well No.	1 ST
9. Pool name or Wildcat	

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.)	
1. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	
2. Name of Operator Chesapeake Operating, Inc.	147179
3. Address of Operator P. O. Box 18496, Oklahoma City, OK 73154-0496	
4. Well Location Unit Letter <u>M</u> : <u>330'</u> Feet From The <u>South</u> Line and <u>330'</u> Feet From The <u>West</u> Line Section <u>16</u> Township <u>16S</u> Range <u>36E</u> NMPM Lea County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3916'	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: Change of Operator/Sidetrack Well <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

This is to notify the OCD of a Change in Operator from Yates Petroleum Corporation to Chesapeake Operating, Inc. effective March 12, 1998. The well was drilled as a straight hole (7-7/8") by Yates to a TD of 11,800' with 11-3/4" casing set at 448' and 8-5/8" casing set at 4,910'. The well was logged and operations transferred to Chesapeake Operating, Inc. and it was decided to sidetrack as stated below.

Also, the plan is to plug back the existing wellbore as follows per a telephone conversation with Mr. Charlie Perrin, and verbal approval was given at that time.

1. Set 100' cement plug on bottom from 11,800'-11,700'.
2. Set 100' cement plug across Strawn (top of Strawn @ 11,486') from 11,536'-11,436'.
3. Set 400' cement plug (kickoff plug) from 9,700'-10,100'.

The Directional Plan is then to kickoff at + 9,900' and drill the well to the Strawn Formation (MD - 11,900' TVD - 11,800') to a bottom hole location of 246°N & 8E of Sfc location or 576' FSL and 338' FWL of Sec. 21 21-36S-16E.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Buddy E. Novak TITLE Drilling Engineer DATE 3-13-98
TYPE OR PRINT NAME Buddy Novak TELEPHONE NO. 405-848-8000 x 356

(This space for State Use)

ORIGINAL SIGNED BY CHRIS WILLIAMS
DISTRICT I SUPERVISOR

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:



Halliburton Drilling Systems

Page 1

Proposal Report

Date: 3/12/98

Time: 9:54 am

Wellpath ID: SIDETRACK

Last Revision: 3/12/98

Calculated using the Minimum Curvature Method

Computed using WIN-CADDS REV2.2.2

Vertical Section Plane: N 1.93 E

Survey Reference: WELLHEAD

Vertical Section Reference: WELLHEAD

Closure Reference: WELLHEAD

TVD Reference: WELLHEAD

CHESAPEAKE ENERGY

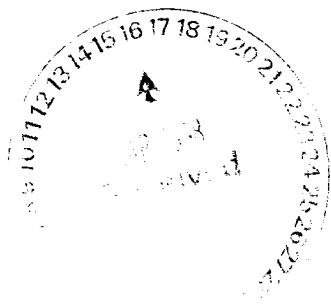
BLACKMAN ARM ST. #1

LEA COUNTY, NEW MEXICO

~~SEC. 21 - T36S - R16E~~ sec. 16 - T16S - R36E

SIDETRACK

Measured Depth (ft)	Incl (deg.)	Drift Dir. (deg.)	Course Length (ft)	TVD (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft)		DLS (dg/100ft)
9800.00	1.29	S 36.74 W	100.00	9799.56	-13.22	12.21 S	30.15W	0.06
SIDETRACK / START OF CURVE @ 3.00 deg/100 ft								
9900.00	1.21	S 34.59 W	100.00	9899.54	-15.03	13.98 S	31.43W	0.09
10000.00	1.94	N 1.64 W	100.00	9999.52	-14.23	13.16 S	32.08W	3.00
10100.00	4.90	N 6.75 E	100.00	10099.33	-8.29	7.22 S	31.62W	3.00
10200.00	7.90	N 8.81 E	100.00	10198.70	2.79	3.81 N	30.07W	3.00
END OF CURVE								
10214.13	8.32	N 8.98 E	14.13	10212.69	4.77	5.78 N	29.76W	3.00
TARGET @ 11516' TVD								
11531.30	8.32	N 8.98 E	1317.17	11516.00	193.89	194.00 N	0.00W	0.00
11899.17	8.32	N 8.98 E	367.87	11880.00	246.71	246.57 N	8.31 E	0.00



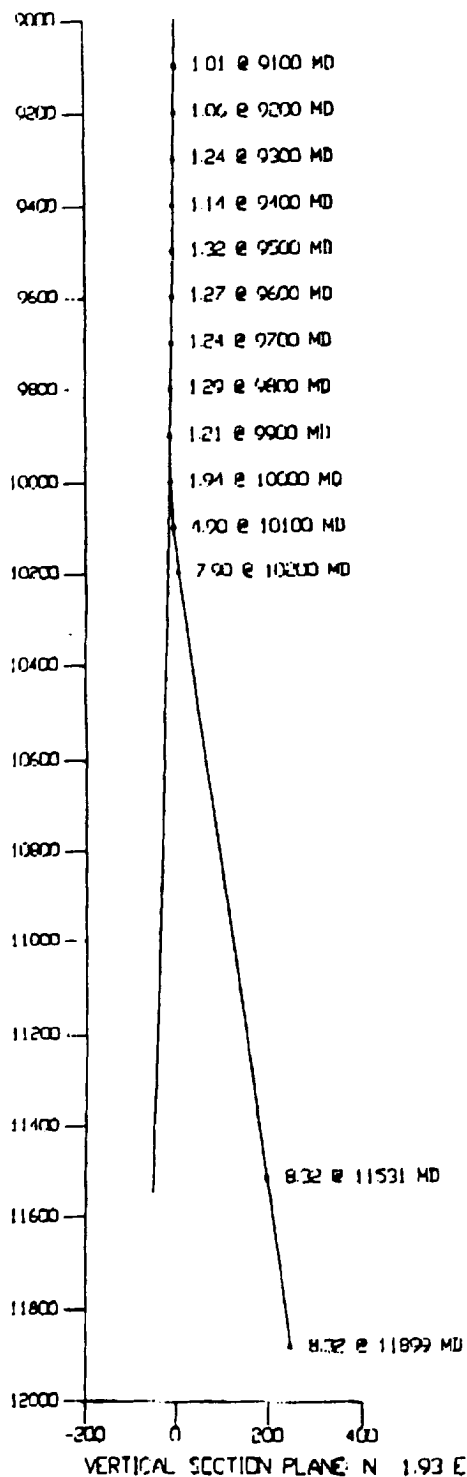
CHESEAPEAKE ENERGY
BLACKMAN ARM ST. #1
LEA COUNTY, NEW MEXICO
SEC. 21 - T36S - R16E
SIDE TRACK



HALLIBURTON

3/12/98 955 am

VERTICAL VIEW
SCALE 200 Ft. / DIVISION
TVD REF: WELLHEAD
VERTICAL SECTION REF: WELLHEAD



HORIZONTAL VIEW
SCALE 20 Ft. / DIVISION
SURVLY REF: WELLHEAD

