Submit 3 Copies to Appropriate District Office

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

Form C-103
Revised 1-1-89

WELL API NO.
30-025-34624

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name
KALA 12

1. Type of Well:
OIL WELL [ ] GAS WELL [ ] OTHER New Drilling Well

2. Name of Operator
Chesapeake Operating, Inc.

8. Well No.
1

3. Address of Operator
P. O. Box 18496, Oklahoma City, OK 73154-0496

9. Pool name or Wildcat
South Big Dog-Strawn

4. Well Location
Unit Letter C : 501 Feet From The North Line and 2503 Feet From The West Line

Section 12 Township 16S Range 35E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
GR: 3968'

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	PLUG AND ABANDONMENT	[ ]
PULL OR ALTER CASING	[ ]			CASING TEST AND CEMENT JOB	[ ]		
OTHER:	[ ]			OTHER: Spud & Surface Casing			[X]

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.

05/29/99 Spud well @11:00 p.m. w/Patterson Drilling Rig #41
05/30/99 RU csg crew, run 11 jts 13-3/8" H-40 STC csg @ 482', circ csg on bottom, RD csg crew, RU cmt crew, cmt w/495 sx Cl. C + additives, 14.8 PPG, 1.34 Yield, plug down, WOC 9-3/4 hrs.

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

SIGNATURE Barbara J Bale TITLE Regulatory Analyst DATE 06/03/99

TYPE OR PRINT NAME Barbara J. Bale TELEPHONE NO. (405) 848-8000

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: