

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised March 25, 1999

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-21222
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: Shipp "A"
8. Well No. 2
9. Pool name or Wildcat Midway Abo

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 <input type="checkbox"/>	
2. Name of Operator Chesapeake Operating, Inc.	
3. Address of Operator P. O. Box 18496, Okla. City, OK 73154-0496	
4. Well Location Unit Letter <u>C</u> : <u>660</u> feet from the <u>North</u> line and <u>2310</u> feet from the <u>West</u> line Section <u>17</u> Township <u>17S</u> Range <u>37E</u> NMPM Lea County	
10. Elevation (Show whether DR, RKB, RT, GR, etc.) GL: 3775'	

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
TEMPORARILY ABANDON ☐ CHANGE PLANS ☒
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.
- 1) Notify Hobbs 24 hrs in advance prior to commencing P&A operations (505)393-6161
 - 2) RIH w/open-ended 2-3/8" tbg to top of fish @ ±6270'. Circ 5-1/2" csg w/salt gel mud containing 9.5# brine & 25# of gel per barrel. Spot 25 sx Cl. C @ TOF. WOC & tag plug
 - 3) Spot a plug at base of 8-5/8" Intermediate @4392', min of 50' below & 100' above to isolate 5.5" liner top @4335'. Tag plug.
 - 4) Spot 25 sx plug at the Rustler Anhydrite top 2122', a min of 50' below & 50' above
 - 5) Perf 8-5/8" @300' & sqz w/50 sx to isolate 12-3/4" shoe @ 293', leave 50' cmt above & below the perfs at 300'. Tag Plug.
 - 6) Spot 60' plug from 63'-3'. Well bore should remain full at least 30 min after plug set.
 - 7) RDMO. Cut off all csg 3' below grd level. Weld on ID plate & make required surface restorations.

THE COMMISSION MUST BE NOTIFIED 24 HOURS PRIOR TO THE BEGINNING OF PLUGGING OPERATIONS FOR THE C-03 TO BE APPROVED.

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

SIGNATURE Andrew J. McCalmont TITLE Asset Manager DATE 09/03/02

Type or print name Andrew J. McCalmont

(This space for State use)

ORIGINAL SIGNED BY

GARY W. WINK

OC FIELD REPRESENTATIVE II/STAFF MANAGER

APPROVED BY

Conditions of approval, if any:

Telephone No. (405)848-8000

SEP 06 2002

Shipp A #2
Plug and Abandonment Procedure
Lea County, New Mexico

1. Notify the Hobbs office of the NMOCD 24 hrs in advance prior to commencing P&A operations. Phone: (505) 393-6161.
2. RIH w/ open-ended 2-3/8" tubing to top of fish at $\pm 6,270'$. Circulate 5-1/2" casing with salt gel mud containing 9.5# brine and 25# of gel per barrel. Spot 25 sacks Class "C" @ TOF. WOC and tag plug.
3. Spot a plug at base of 8-5/8" intermediate @ 4392', a minimum of 50' below and 100' above to isolate 5.5" liner top @ 4335'. Tag plug.
4. Spot a 25 sack plug at the Rustler Anhydrite top 2122', a minimum of 50' below and 50' above.
5. Perforate 8-5/8" csg at 300' and sqz W/ 50 sx to isolate 12 - 3/4" shoe @ 293'. Leave 50' of cement above and below the perms at 300'. Tag plug.
6. Spot a 60' plug from 63-3'. Well bore should remain full at least 30 minutes after the surface plug is set.
7. RDMO. Cut off all casing 3' below ground level. Weld on ID plate and make requisite surface restorations.

20111212

CURRENT WELLBORE SCHEMATIC

CHESAPEAKE OPERATING INC.

WELL : SHIPP A #2

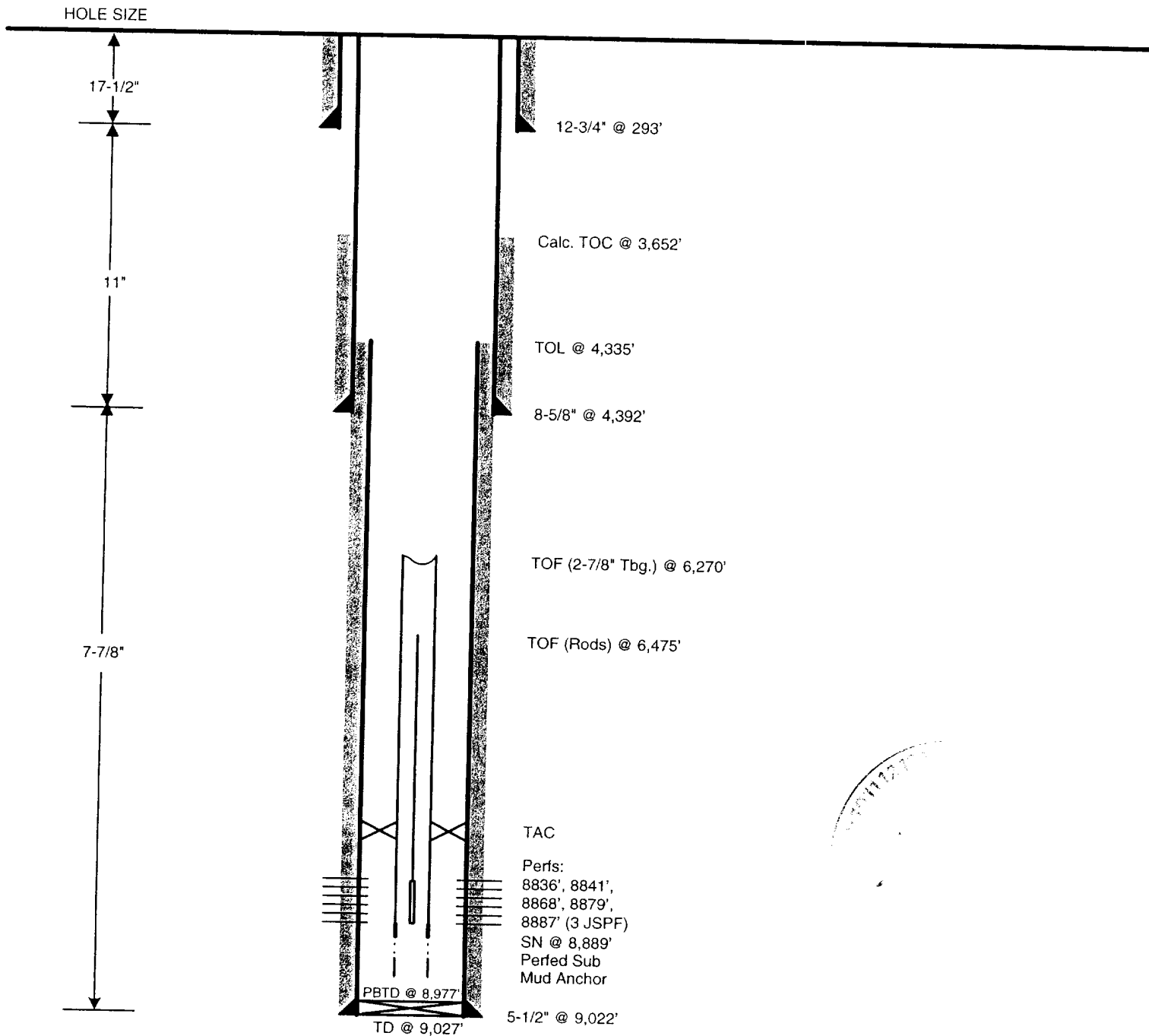
FIELD : MIDWAY ABO

COUNTY : LEA

STATE: NM

LOCATION : 660' FSL & 2,310' FWL ; SEC. 17-17S-33E

ELEVATION : GL - 3,772' RKB - 3,782'



PREPARED BY : Ginni A. Kennedy

APPROVED BY :

DATE : 9/3/02

DATE :

CHESAPEAKE OPERATING, INC.

P. O. Box 18496
OKLAHOMA CITY, OKLAHOMA 73154-0496
405/848-8000
405/879-9573 FAX

Operated Daily Activity Report
Well-SHIPP A 2-17;

Status: P & A

SHIPP A 2-17			17-17S-37E		Permian
Well #:	890199	AFE: 800182	LEA, NM		Abo 9,027'
		Footage	Cost	WI: 90.972222	NRI: 83.680590
Date	Day	Depth	Cum Cost	Present Operation	
08/14/02	1	0'	\$3,050	RIH w/ sinker bar in tbg, tag @ 1,800'	
		0'	\$3,050	RU and unflange well, NU BOP, pull 8 jts 2 7/3" tbg, had pin on bottom jt, run over shot to catch fish, slid over fish, POOH, put 3 3/32" grapple on to catch shoulder, catch fish, pull up to 70,000#, slip off fish, unable to catch again, POOH, RIH w/ 3 1/16" grapple, unable to stay on fish, POOH, replace 3 1/16" grapple, RIH, catch fish, pull up 50,000#, run sinker bar in tbg, tag up @ 1,800' SIW, SDFN.	
Prepare to P&A Well					
08/15/02		0'	\$15,200	Attempt to back off rods, pull 1 point over weight	
		0'	\$18,250	RU rotary WL, hook up crane, pump 20 BW, run in tag up @ 1,506', cut tbg off w/ chemical cutter @ 1,485', tool hung up, had to pull out of rope socket, POOH, rig rotary down, POOH w/ tbg, LD 41 - 2 7/8" J-55, PU 41 jts N-80 w/ overshot, latch on fish, pull up to 45,000#, PU 121 - 1" rods, tag rods, latch fish, pull up 35,000# over, did not fill any action on pump, attempt to back off rods, pull 1 point over weight, back off overshot, pull 1 rod, SDFN.	
08/16/02		0'	\$4,765	POOH w/ fishing tool	
		0'	\$23,015	POOH w/ 121 - 1" rods and overshot, had 33 - 7/8" and 14 - 3/4" rods below overshot, bent overshot and grapple, put a 2 1/2" O'Bannon overshot on w/ 1 5/8" grapple, lock tight on threads, RIH w/ 168 - 1" rods, tag fish, latch on fish, back off rods, lost 5 points of weight coming OOH, had 73 - 1", overshot on tbg pull tbg OOH, put on new grapple w/ extension bowl, RIH, latch on to tbg @ 1,485', RIH w/ another 2 1/2" O'Bannon tool, tag rods @ 1,825', latch on rods, POOH w/ 73 - 1" fishing tool, 95 - 1" top part of fishing tool, left 1 5/8" grapple and 2 1/22" barrel in hole, SDFN.	
08/17/02		0'	\$4,317	POOH w/ 17 - 3/4" rods below overshot	
		0'	\$27,332	RIH w/ 2 1/2" overshot, 1 5/8" grapple, 168 - 1" rods, tag top of grapple, put tongs on, rotate rods until overshot fell over fish, latch on to fish, pull up to 20,000#, parted 1" rods, POOH w/ 8 rods, pin had stripped out of box, put a 2" grapple on, RIH, fish rods, pull up to 20,000#, rotate rods to the right, stripped 3/4" off, POOH w/ 8 - 1", take off overshot, pull 160 - 1", take off overshot, pull and LD 27 - 3/4" rods, PU 1 5/8" grapple, RIH w/ 195 - 1" rods to catch 3/4" box, latch on fish, pull up to 25,000#, turn to right, strip out of 3/4", had 1 pt over weight, POOH, had 17 - 3/4" rods below overshot, SIW, SDFN.	
08/18/02		0'	\$0	SD 24 hrs, no activity	
		0'	\$27,332		
08/19/02		0'	\$0	SD 24 hrs, no activity	
		0'	\$27,332		
08/20/02		0'	\$5,300	Fish tbg & rods, SIW, SDFN	
		0'	\$32,632	RIH w/ 2 5/8" grapple, tag rods 212 - 1" @ 5,725', back off rods, POOH to overshot, had 17 - 3/4" rods below, have pin looking up, RIH w/ 1 1/2" grapple, tag rods w/ 229 - 1" rods @ 5,725', latch on fish, pull up to 30,000#, rotate, did not gain much weight, POOH, did not have any rods in overshot, RIH w/ new 1 1/2" grapple, tag fish, pull up a couple of points, did not gain any weight, POOH, had 9 3/4" rods below overshot, have a box looking up, SIW, SDFN.	
08/21/02		0'	\$6,825	POOH, bottom of barrel had a couple of knicks	
		0'	\$39,457	RIH w/ 1 5/8" grapple, 228 - 1" rods, tag fish @ 5,950', latch on fish, pull up to 30,000#, rotate to right, pull up, did not show any weight pulling POOH, had 1 3/4" rod below overshot, RIH w/ 1 5/8" grapple, tag fish @ 5,975', latch on to rods, pull up 10,000# over, rotate to right, gain .5 point POOH, had 20 - 3/4" rods below overshot, RIH w/ 1 5/8" grapple to 8,275', unable to go further, rods should be @ 6,475', POOH, bottom of barrel had a couple of knicks, SDFN.	

CHESAPEAKE OPERATING, INC.

P. O. Box 18496
OKLAHOMA CITY, OKLAHOMA 73154-0496
405/848-8000
405/879-9573 FAX

Operated Daily Activity Report
Well-SHIP A 2-17;

Status: P & A

SHIP A 2-17				17-17S-37E	Permian
Well #:	890199	AFE: 800182		LEA, NM	Also 9,027'
		Footage	Cost	WI: 90.972222	NRI: 83.680590
Date	Day	Depth	Cum Cost	Present Operation	0
08/22/02	1	0'	\$9,325	POOH w/ collar, have pin looking up, SDFN	
		0'	\$48,782	Latch on tbg, work up to 75,000#, unable to rotate to right, RU Jerrel Service, RIH w/ freepoint, tag @ 6,288', pull up to 6,267', showed tbg free, RIH w/ back off tool, shoot collar @ 6,262', POOH, attempt to back off to left, no back off, RIH to 6,270' w/ jet cutter, shoot tbg, POOH pulling on tbg, work tbg @ 70,000#, did not come loose, pull up to 80,000#, tbg parted, had 7 points, POOH w/ 36 jts tbg, had 6 collars loose, tighten, POOH, had 1 collar w/ pin looking up, SDFN.	
08/23/02		0'	\$7,751	POOH w/ 92 jts 2 7/8" corked screwed tbg	
		0'	\$56,533	RIH w/ overshot, tag @ 1,116', latch on tbg, pull up to 20,000#, turn tbg to right tighten tbg, pull up to 70,000#, work back and forth, go up to 80,000#, pipe would not come loose, RU WL, RIH w/ jet cutter, shoot pipe @ 4,382', 50' inside of 5 1/2" csg, POOH, pull tbg up to 70,000#, tbg came free, POOH w/ tbg, had 92 jts 2 7/8" corked screwed tbg below overshot, tbg badly flared, prepare to mill over tbg to fish, SIW, SDFN.	
08/24/02		0'	\$4,900	POOH w/ tbg & collars, LD mill, SIW, SDFN	
		0'	\$61,433	PU 4 3/4" concave mill, 4 - 3 1/2" DCs, PU tbg off rack, tag up @ 4,382', mill over fish 15" to be able to fish, POOH w/ tbg and collars, LD mill, SIW, SDFN.	
08/25/02		0'	\$0	SD 24 hrs, no activity	
		0'	\$61,433		
08/26/02		0'	\$0	SD 24 hrs, no activity	
		0'	\$61,433		
08/27/02		0'	\$7,051	PU concave mill, RIH w/ collars & tbg	
		0'	\$68,484	RIH w/ overshot, 3 1/2" bumper sub, 4 - 3 1/2" DCs, 3 3/4" jars, 132 - 2 7/8" tbg, tag fish @ 4,382', latch on fish, jar @ 70,000', tbg moved 2 to 3", work pipe, came loose, POOH w/ fish, stand back collars, LD jars and BS, had 62 jts tbg below overshot, LD tbg, PU concave mill, RIH w/ collars and 132 jts tbg, SIW, SDFN.	
08/28/02		0'	\$6,240	POOH, had 1 DC full of iron sulfide	
		0'	\$74,724	Finish PU 62 - 2 7/8" tbg, tag up @ 6,270', start drlg, took 2 hrs to get mill to move, plug tbg side, unable to unplug tbg, tie on backside, start weight down to keep mill cool, continue milling over tbg, mill down 15", POOH, had 1 DC full of iron sulfide, mill, start in hole w/ 4 3/4" overshot 3 1/2" BS, 3 collars, 3 3/4" jars, got 20 stds in hole, rig broke down, SIW, SDFN.	
08/29/02		0'	\$4,790	Pull up 2 stds, SIW, SDFN	
		0'	\$79,514	Finish RIH w/ tbg, tag fish @ 6,270', latch on fish, work tbg up to 75,000#, set jar off for 2.5 hrs, tbg would not move, go up to 95,000# setting jars off, still would not move, work 3 hrs, release overshot, pull up 2 stds, SIW, SDFN.	
08/30/02		0'	\$7,940	POOH LD 152 - 1" rods, SDFN	
		0'	\$87,454	POOH LD DCs and overshot, PU 5 1/2" Arrow Set pkr, RIH to 6,013', set pkr, tie on pump truck, pump 32 BW, hit 2000#, bleed off in 10 min, pressure up to 1000#, bleed off in 8 min, release pkr, pull 1 jt, release pump truck, RIH w/ rods, POOH w/ 152 - 1" rods and LD, SIW, SDFN.	

