

DRILLING LOCATION ASSESSMENT

**State of Utah
Division of Oil, Gas and Mining**

OPERATOR: CHESAPEAKE OPERATING INC.
WELL NAME: SALT WASH #1-16
SECTION: 16 TWP:23S RNG:17E LOC:1980 FWL 1980 FSL
QTR/QTR: NE/SW COUNTY: GRAND FIELD: SALT WASH (245)
SURFACE OWNER: STATE OF UTAH AND RICHARD SMOOT
SURFACE AGREEMENT: YES WITH STATE AND RICHARD SMOOT
SPACING: 40 ACRES F ANOTHER WELL
PETROLEUM ENGINEER: FRANK MATTHEWS DATE AND TIME: 12/22/94
10:00AM

PARTICIPANTS: FRANK MATTHEWS, KEVIN ^{Carter} CLARK, ED BONNER, RICHARD SMOOT, JIM BOULDEN, MARK DOLAR, & RAY BELDEN,
REGIONAL SETTING/TOPOGRAPHY: NORTHERN EXTENSION OF THE UNCOMPAGRE UPLIFT, AND PARADOX BASIN. RED SHALES AND SILTSTONE MEMBERS OF THE LOWER MORRISON, SUMMERVILLE AND CURTIS FORMATIONS. ROLLING HILLS AND SANDY FLATS WITH SOME LOOSE SAND IN THE AREA.

LAND USE: COVERED BY GRAZING PERMIT AND AREA IS IN SALT WASH FIELD.

CURRENT SURFACE USE: GRAZING AND OIL PRODUCTION.

PROPOSED SURFACE DISTURBANCE: LOCATION OF APPROXIMATELY 300 x 230', NOT INCLUDING STOCK PILES AND CUT SLOPES.

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE.

FLORA/FAUNA: GREASEWOOD, INDIAN RICE GRASS AND RELATED GENERA, SALT BRUSH, PICKLY PEAR, FUNNEL LILY, SHAD SCALE, RABBIT, COYOTE, SMALL REPTILES, SMALL INDIGENOUS BIRDS, SOME RAPTORS.

ENVIRONMENTAL PARAMETERS:

SURFACE GEOLOGY:

SOIL TYPE AND CHARACTERISTICS: NATURAL SAND, SILT, GRAVELS AND ROCK SURFACE FORMATION IS THE LOWER MORRISON GROUP INCLUDING SUMMERVILLE AND CURTIS MEMBERS.

SURFACE FORMATION & CHARACTERISTICS: MORRISON FORMATION RED SHALES AND SILTSTONE. LOCALLY FOSSILIFEROUS.

EROSION/SEDIMENTATION/STABILITY: SURFACE MATERIAL IS EASILY ELRODED AND NOT VERY STABLE WHEN WET BUT AREA IS VERY ARID.

PALEONTOLOGICAL POTENTIAL: BEING CHECKED BY REPRESENTATIVE OF CHEASAPEAKE OPERATING.

SUBSURFACE GEOLOGY

OBJECTIVES/DEPTHS: PENNSYLVANIAN AND MISSISSIPPIAN.

ABNORMAL PRESSURES-HIGH AND LOW: NO ABNORMAL PRESSURES ARE EXPECTED.

CULTURAL RESOURCES/ARCHAEOLOGY: NOW BEING DONE.

CONSTRUCTION MATERIALS: ON SITE MATERIALS.

SITE RECLAMATION: AS REQUIRED BY STATE LANDS, AND SURFACE OWNER AGREEMENT. NEED COPY OF SURFACE OWNER AGREEMENT OR AFFIDAVIT STATING THEY HAVE ONE.

RESERVE PIT

CHARACTERISTICS: 160 X 60 X 8

LINING: 12 MIL. LINING WILL BE REQUIRED.

MUD PROGRAM: SATURATED SALT SYSTEM FROM APPROXIMATELY 4700' TO 8750'

DRILLING WATER SUPPLY: WATER FROM RUBY RANCH APPROVAL (#A-31859)

OTHER OBSERVATIONS

STIPULATIONS FOR APD APPROVAL

1. PIT WILL BE LINED WITH A LINER OF AT LEAST 12 MILS.
2. PIT WILL BE SMOOTHED IN SUCH A WAY THAT THE LINER WILL NOT PUNCTURE.
3. SALT BASED MUD WILL BE DISPOSED OF IN A PROPER DISPOSAL FACILITY.
4. DRILL CUTTINGS WILL BE ENCAPSULATED WITH THE LINER AND BURIED A MINIMUM OF 4'.
5. A BERM WILL BE PLACED AROUND THE CUTS SLOPES TO THE NORTH OF THE LOCATION TO DIVERT DRAINAGE AWAY FROM THE DRILL PAD.
6. THE PIT WILL BE FENCED AND FLAGGED.
7. SURFACE PIPE TO BE SET INTO THE CHINLE FORMATION TO PROTECT FRESH WATER SOURCES.

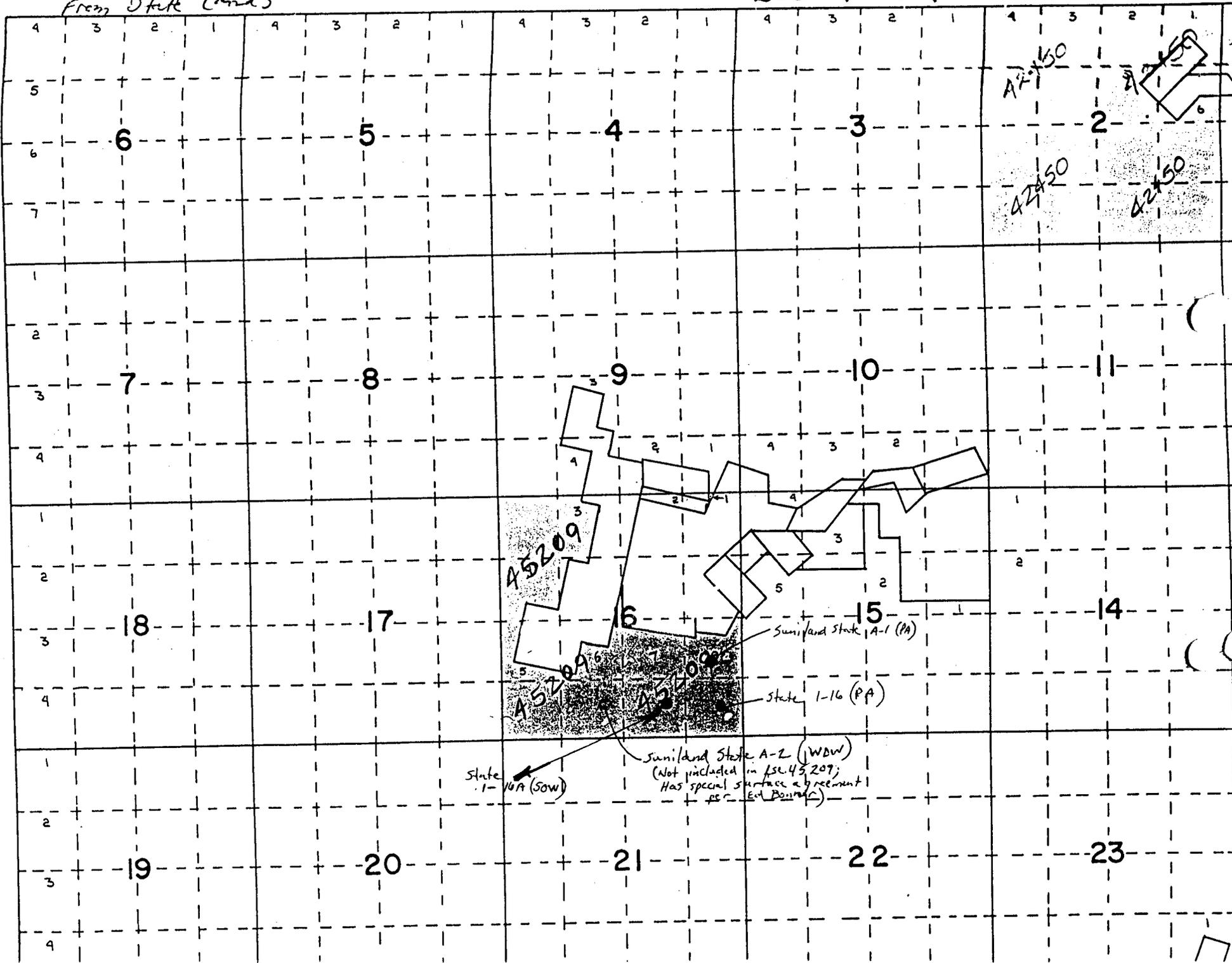
ATTACHMENTS

Photographs will be placed on file.

OTHER COMMENTS AND OBSERVATIONS: AN ALTERNATE LOCATION WAS CONSIDERED, BUT A LOT OF DIRT WORK HAD ALREADY BEEN DONE AND ALTERNATE WAS TOO CLOSE TO A WATER INJECTION WELL.

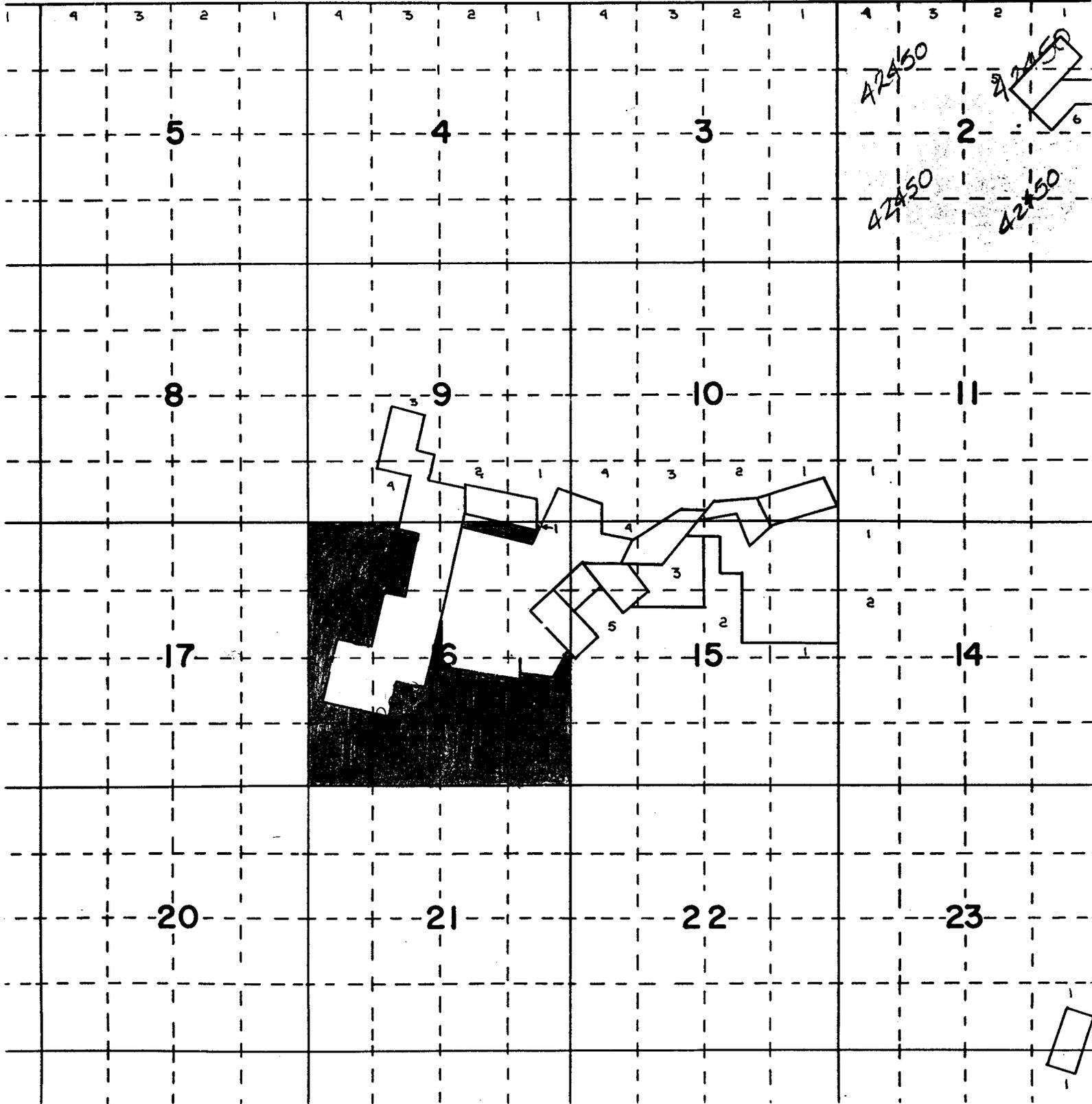
DTS 6/25/91
From State Lands

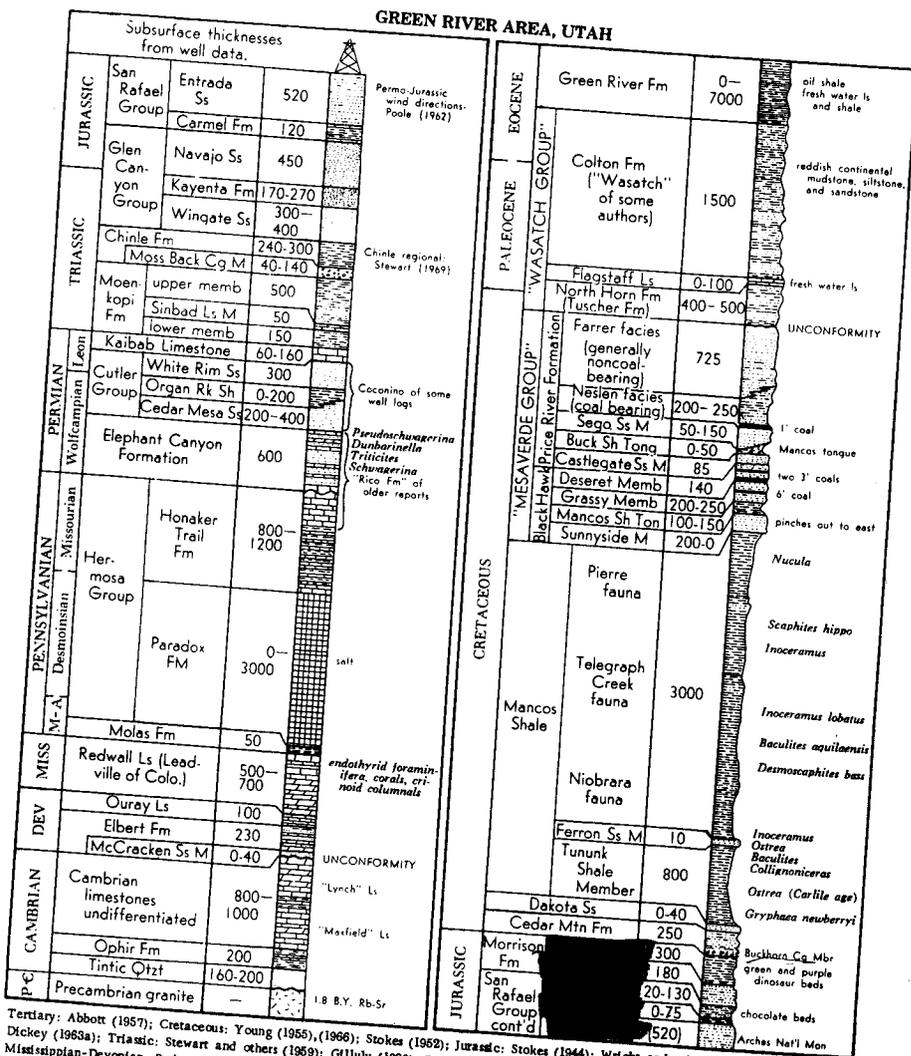
LSE. 45209



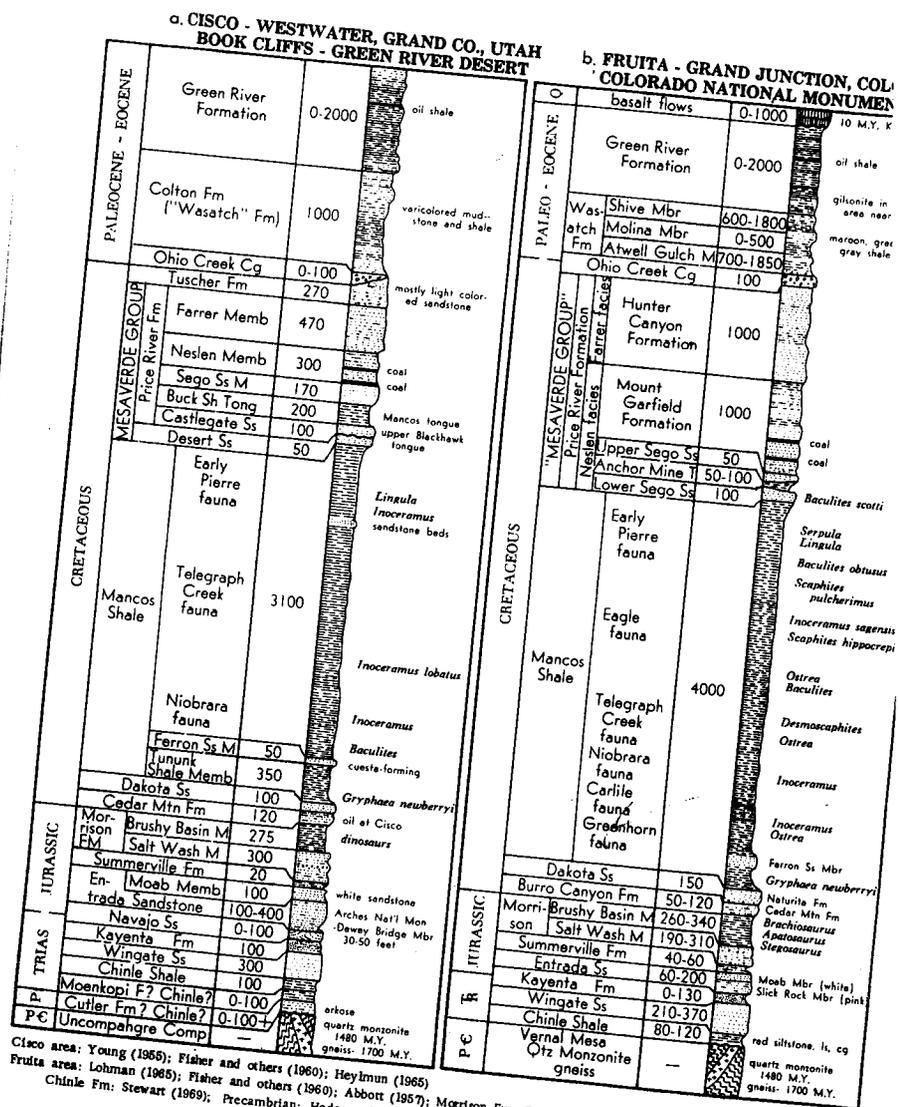
GRAND County Utah

Township No. 23 S. Range No. 17 E. S.L.M





Tertiary: Abbott (1957); Cretaceous: Young (1955), (1968); Stokes (1952); Jurassic: Stokes (1944); Wright and others (1962); Wright and Dickey (1963a); Triassic: Stewart and others (1959); Gilluly (1929); Permian: Beas (1962); Pennsylvanian: Heylman and others (1965); Mississippian-Devonian: Parker and Roberts (1966); Cambrian: Beas (1966); Loleit (1963); Chinle Fm: Stewart (1969)





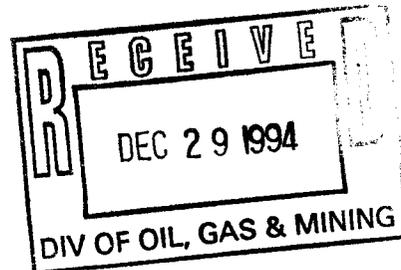
DOLAR OIL PROPERTIES

9035 South 700 East
Sandy, UT 84070-2418
(801) 561 - 3121

December 27, 1994

Mr. Frank Matthews
Utah Division of Oil Gas & Mining
355 W North Temple, Suite 300
Salt Lake City, Utah 84180

Re: Salt Wash # 1-16
Grand County, Utah



Dear Frank:

Enclosed in duplicate please find Application for Permit to Drill the above referenced well.

Your processing of the application is appreciated. As indicated at our onsite, we hope to be drilling in mid-January, and your assistance in accommodating our schedule will be appreciated.

Please do not hesitate to call if there are any questions.

Sincerely yours,

~~DOLAR OIL PROPERTIES~~


Mark S. Dolar, CPL

CC: Steve Miller
Bonnie Scomp
John Davis
R.W. Smoot

Encl.

FORM 3

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

RECEIVED
(Other instructions on reverse side)
DEC 29 1994

7. Lease Designation and Serial No.
ML-45209

8. If Indian, Allottee or Tribe Name

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

1a. Type of Work
DRILL DEEPEN PLUG BACK

7. Unit Agreement Name

b. Type of Well
Oil Well Gas Well Other
Single Zone Multiple Zone

8. Farm or Lease Name

2. Name of Operator
Chesapeake Operating, Inc.

9. Well No.
43-037-

3. Address of Operator
P.O. Box 54525, Oklahoma City, Oklahoma 73154

10. Field and Pool, or Wildcat
Salt Wash

4. Location of Well (Report location clearly and in accordance with any State requirements.)
At surface
1980 FWL 1980 FSL

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 16: NW1/4SE1/4, T23S, R17E

At proposed prod. zone
same

12. County or Parish 13. State
Grand Utah

14. Distance in miles and direction from nearest town or post office*
18.2 miles from Cresent Junction

16. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drilg. line, if any)
1980'

16. No. of acres in lease
352.76

17. No. of acres assigned to this well
40

18. Distance from proposed location to nearest well, drilling, completed, or applied for, on this lease, ft.
over 440'

19. Proposed depth
8,750'

20. Rotary or cable tools
Rotary

21. Elevations (Show whether DP, ET, OR, etc.)
4,466'

22. Approx. date work will start*
January 23, 1995

19. PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
12 1/4"	9 5/8" K55	8.4-8.6 PPG	1,600'	See casing & cementing
8 1/2"	5 1/2"	10.2-10.66 PPG	8,750'	Detail sheet attached

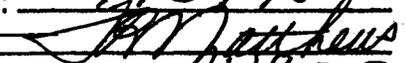
In the event of a dry hole, the well will be plugged and abandoned pursuant to State of Utah specifications.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

34. Signed:  Title: Contract Agent Date: 12/21/1994

(This space for Federal or State office use)
Permit No. 43-019-31356 Approval Date

Approved by: _____ Title: _____ Date: _____
Conditions of approval, if any:

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 1/3/95
BY: 
WELL SPACING: 649-3-2

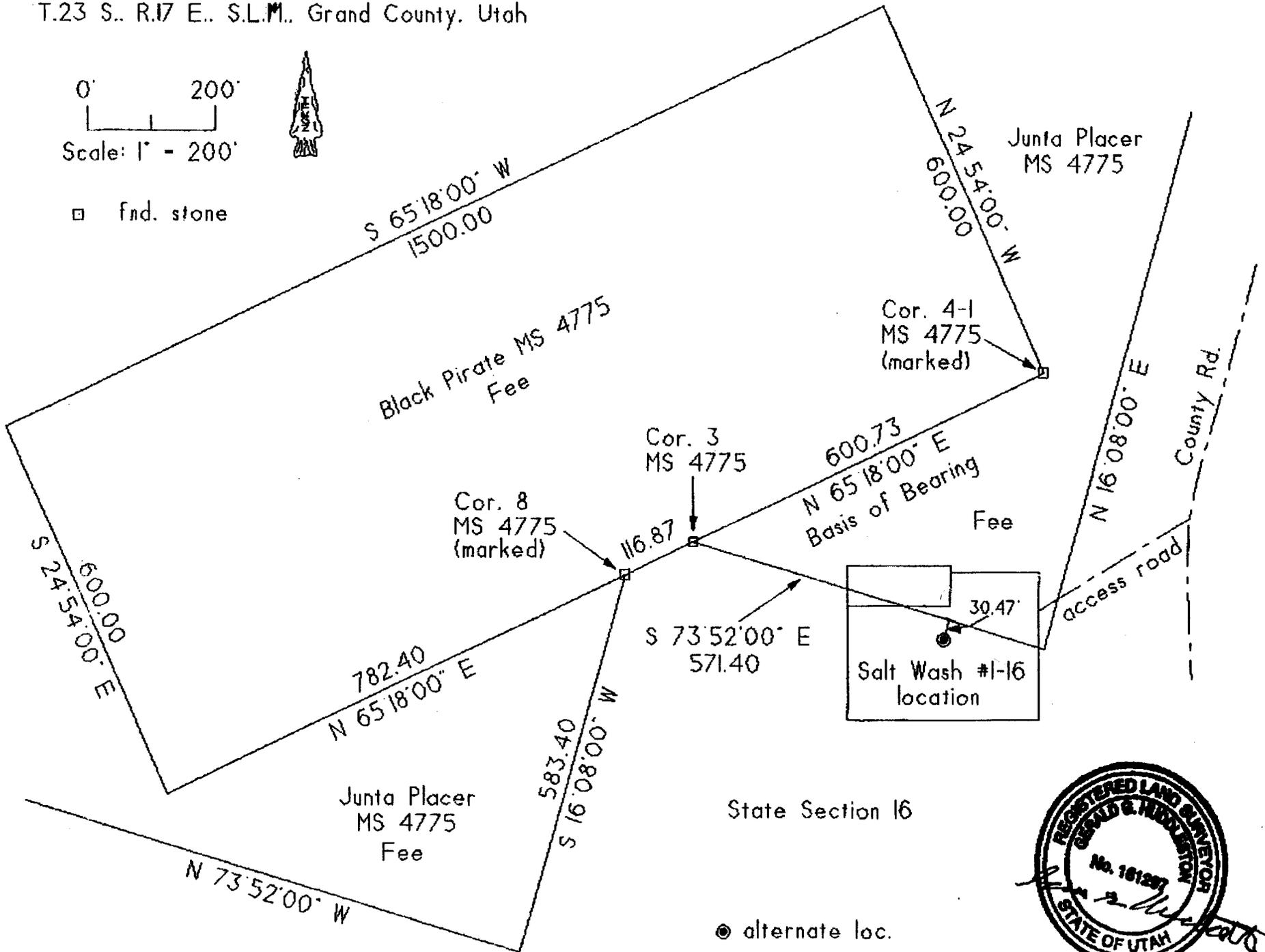
*See Instructions On Reverse Side

CHESAPEAKE OPERATING, INC.
 Salt Wash #1-16 location
 T.23 S., R.17 E., S.L.M., Grand County, Utah

0' 200'
 Scale: 1" = 200'



□ fnd. stone



● alternate loc.

CHESAPEAKE OPERATING, INC.

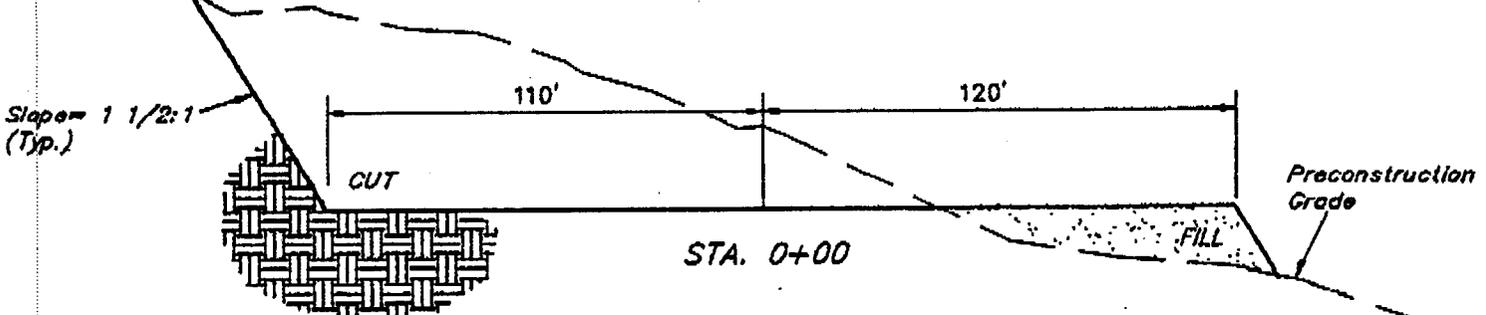
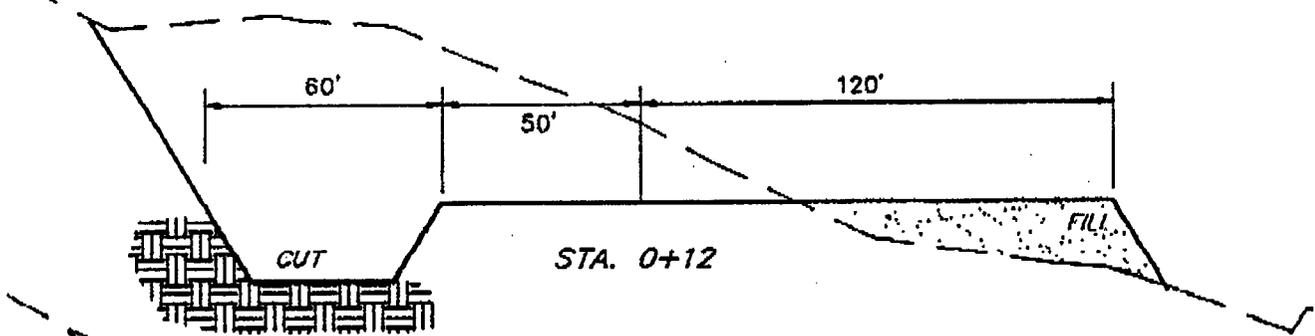
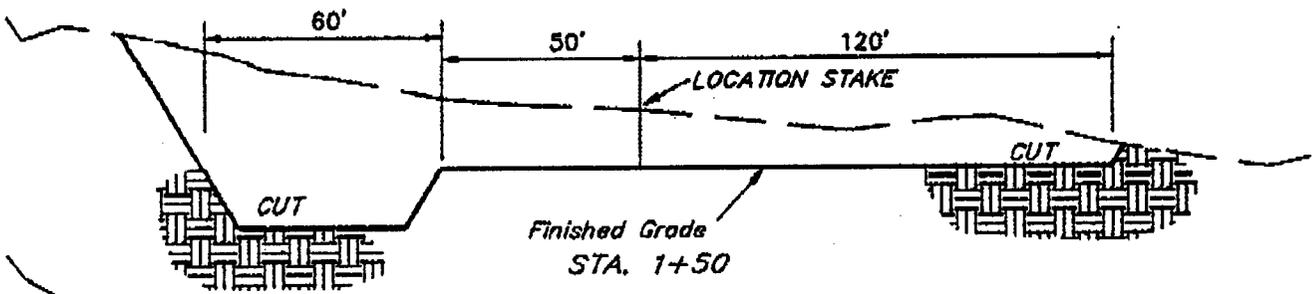
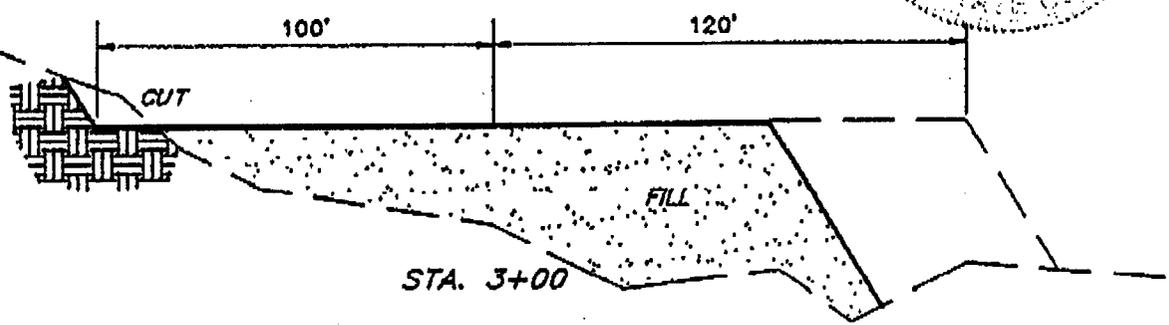
TYPICAL CROSS SECTIONS FOR

**SALT WASH #1-16
SECTION 16, T23S, R17E, S.L.B.&M.
1980' FSL 1980' FWL**



X-Section Scale
1" = 20'
1" = 50'

DATE: 11-14-94
Drawn By: C.B.T.



APPROXIMATE YARDAGES

(6") Topsoil Stripping = 1,250 Cu. Yds.
Remaining Location = 10,140 Cu. Yds.

TOTAL CUT = 11,390 CU.YDS.
FILL = 8,640 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION = 2,300 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = 2,300 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation) = 0 Cu. Yds.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
ATTACHMENT TO FORM 3
“APPLICATION FOR PERMIT TO DRILL”
DECEMBER 16, 1994

COMPANY: Chesapeake Operating, Inc.

WELL NO.: Salt Wash #1-16
Salt Wash (Mississippian) Field

LOCATION: NW 1/4 SE 1/4 Section 16, T23S, R17E
Grand County, Utah

ONSITE INSPECTION DATE: December 21, 1994

All operations will be conducted in such a manner that is in full compliance with applicable laws, regulations (Utah Code Ann. 40-6-1 Et Seq.), and the approved plan of operations. A copy of these conditions will be furnished to the field representative to ensure compliance.

R649-3-4

2. Additional Information for Application for Permit to Drill.

- 2.1 Contact Person and Telephone Number:**
Company Representative: Stephen W. Miller 409/696-5882 (office)
409/820-0255 (mobile & beeper)
- 2.2 Lease Identification:** ML-45209
- 2.3 Unit Identification:** None
- 2.4 Plats:** Attached are plats for planned access, well pad lay out, and cross section.
- 2.5 Division of Water Rights Approval:**
Fresh water will be purchased from the Ruby Ranch (Identifying Approval #A-31859).
- 2.6 Drilling Program (see attached “Wellbore Schematic” for overview)**

2.6.1. Estimated Tops for Important Geological Formations:

	<u>SUB-SEA</u>	<u>DRILL DEPTH</u>
Entrada	+3,800'	650'
Chinle	+2,900'	1,550'
Coconino	+1,930'	2,520'
Wolfcamp	+1,270'	3,180'
Paradox Salt	-740'	5,190'
Alkali Gulch Shale	-3,500'	7,950'
Cane Creek Shale	-3,710'	8,160'
Base of Paradox	-3,795'	8,245'
Mississippian	-3,960'	8,410'
Mississippian Porosity	-4,240'	8,690'
TOTAL DEPTH OF WELL		8,750'

2.6.2. Estimated depths of anticipated water, oil or gas and contingency plans:

- Possible to encounter hydrocarbon bearing zones from 7,950' - 8,750'
- All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth. These intervals will subsequently be isolated with cement.
- All oil and gas shows will be tested to determine commercial potential.

2.6.3. Minimum specifications for pressure control:

Blowout Preventers (see attached "Blowout Preventer" diagram)

- BOP systems will be consistent with API RP 53 and shall be maintained in good working condition at all times.
- BOP's and related equipment, including casing, will be tested to a minimum of the lesser of the full manufacturer's working pressure rating of the equipment, 70% of the minimum internal yield pressure of the casing subject to test, or one psi/ft of the last casing string depth.
- BOP's will be installed and tested prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned.
- Pressure tests will be conducted prior to drilling out from any casing string which is set and cemented in place.
- BOP's will be checked for physical operation each trip.
- BOP's will be pressure tested, as described above, no less than monthly.
- All BOP tests will be recorded on the IADC drilling report, drillers log or equivalent records.
- Operator to notify the Division 24 hours prior testing BOP's.

Auxiliary Equipment to be Used

- Upper kelly cock valve.
- Safety valve and subs to fit drill pipe, on rig floor.
- Choke manifold for 2000 psi system with 2 chokes and pressure gauge on manifold (see attached "Choke Manifold Diagram").
- Kill line (2" minimum), choke line (2" minimum), one choke line valve (minimum), float valve above bit.

Wellhead Equipment and Casing

- 9 5/8" SOW x 11" 3000 psi wellhead.
- 9 5/8" 40# K-55 ST&C (burst rating of 3038 psi with 1.3 sf)
- Operator to notify the Division 24 hours in advance of casing pressure tests performed prior to drilling out below the shoe.

2.6.4. Proposed Casing and Cementing Program

- **Surface Casing:** See attached "Casing and Cementing Detail Sheet" - 9 5/8".
- **Production Casing:** See attached "Casing and Cementing Detail Sheet" - 5 1/2". Note: The 5 1/2" casing is to be run only if production is anticipated. Otherwise, plugging and abandonment of the well will commence with Division approval.

2.6.5. Type and Characteristics of Proposed Circulating Medium:

INTERVAL (Feet)	MW (ppg)	VIS (Sec/qt)	FL (ml/30 min)	TYPE (General)
0 - 1,600 •9 5/8" surface casing set at 1,600'.	8.4 - 8.6	27 - 29	NC	Native
1,600 - 4,700 •Begin breaking over mud at 4,700' to a saturated salt system. •Lost circulation was not experienced in any investigated offset well, but LCM will be on location just in case.	8.4 - 8.6	27 - 29	NC	Native
4,700 - 8,750 • Lost circulation may be encountered as seen in several of the offset wells investigated. Adequate LCM will be on location. • Adequate supply of barite (weight material) will be on hand to handle any kicks. An offset well, the Salt Wash 1-16A by Megadon Energy, experienced a gas kick in the Cane Creek Shale and maximum mud weight at total depth was 10.5 ppg. • PVT (pit volume totalizer) will be used to monitor volumes, gains/losses, abnormal flow, etc. Flowshow equipment will be utilized to also help monitor abnormal flow.	10.2 - 10.6	36 - 38	12 - 15	Saturated Salt

2.6.6. Testing, Logging and Coring

Testing

- Possible Drill Stem Tests and /or RFT's in the Mississippian.

Electric Line Logging

- DIL: 9 5/8" shoe to TD
- CNL/FDC: 7,000' to TD

Mud Logging

- Conventional mud-logger 4,800' to TD.

Coring Program

- No cores planned.

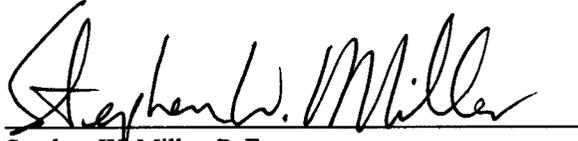
Note: Logs and testing will be evaluated and a determination will be made to complete or plug the well.

2.6.7. Expected Bottomhole Pressure and any Anticipated Abnormal Pressures, Temperatures or other Potential Hazards.

- Expected bottomhole pressure in the Mississippian Limestone is 3,900 psi (from offset DST information).
- Possible abnormal pressure in the Cane Creek Shale with maximum mud weight expected to be 10.5 ppg as seen in offset.
- No abnormal temperature is expected.
- No H2S gas is anticipated.

2.6.8. Other Facets of the Proposed Operation.

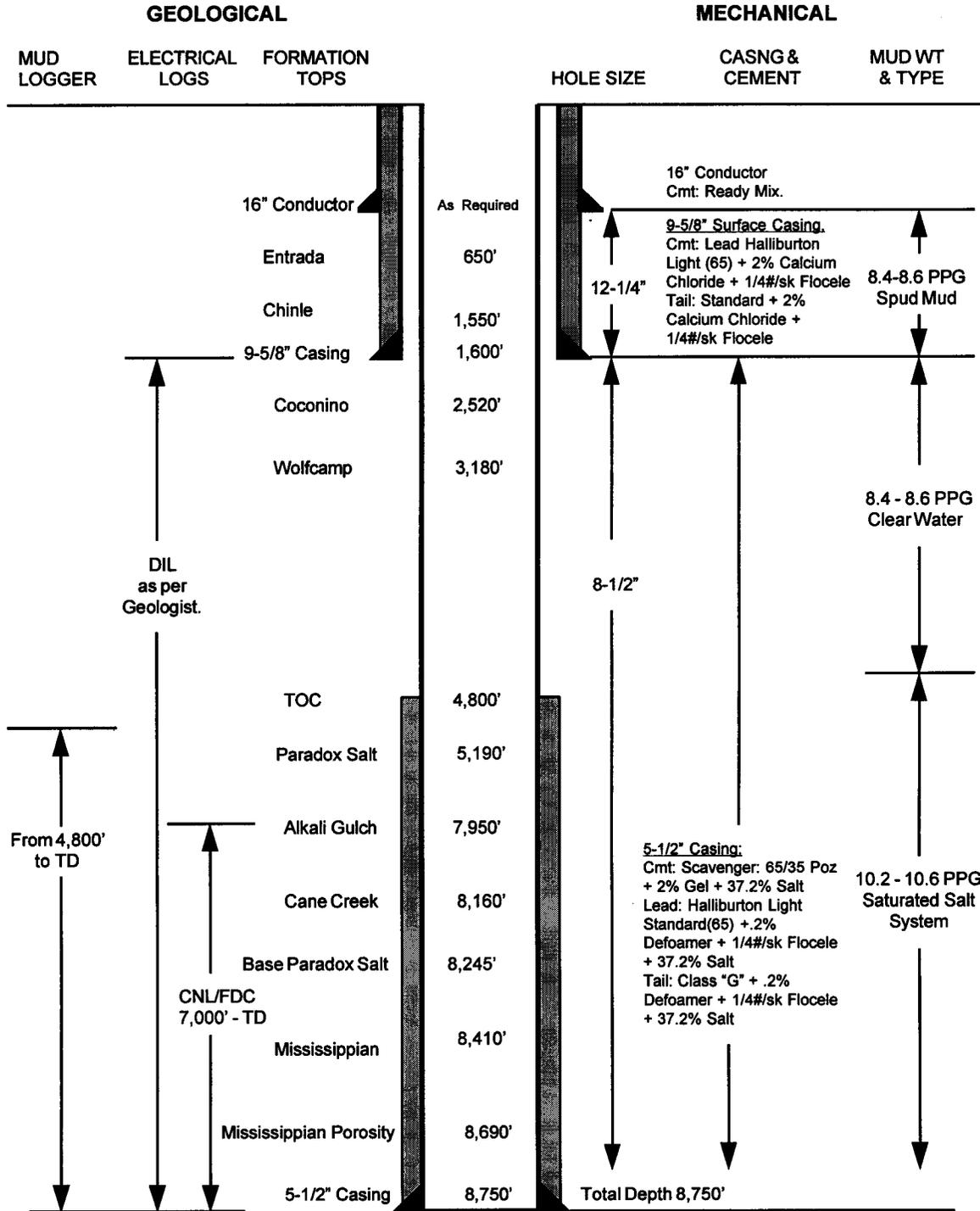
- The reserve pits will be lined due to the anticipated use of a saturated salt mud system.
- Spud of the well will be reported to the Division within 24 hours.

A handwritten signature in black ink, reading "Stephen W. Miller". The signature is written in a cursive style and is positioned above a horizontal line.

Stephen W Miller, P. E.
District Manager
Chesapeake Operating, Inc.

Wellbore Schematic

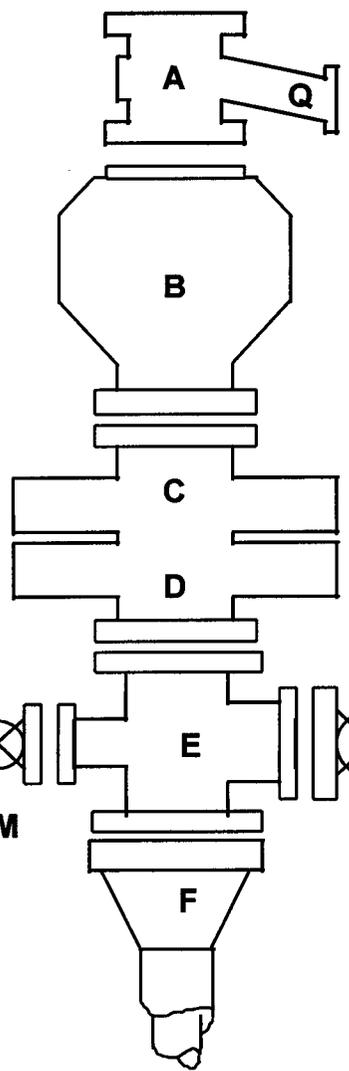
WELL : Salt Wash #1-16
FIELD : Salt Wash (Mississippian) Field
COUNTY : Grand STATE: Utah
CATEGORY : Development Well
LOCATION : NW 1/4 SE 1/4 SECTION 16 T23S R17E
OBJECTIVE : Mississippian Porosity
ELEVATION : GL - 4455, RKB - 4472'.



Prepared by: Ron Goff
 Approved by: S. W. Miller

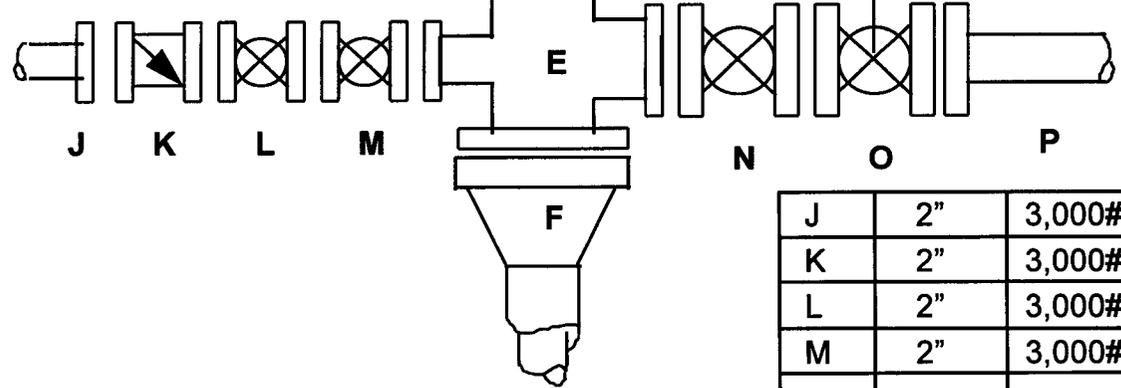
Date: 12/16/94
 Date: 12/16/94

Operator	: CHESAPEAKE ENERGY CORP.		
Well Name	: SALT WASH #1-16		
Rig Name	:		
Field	: SALT WASH (MISSISSIPPIAN) FIELD		
County	: GRAND	State	: UTAH
Operation	: DRILLING OUT BELOW 9-5/8" SURFACE CSG		



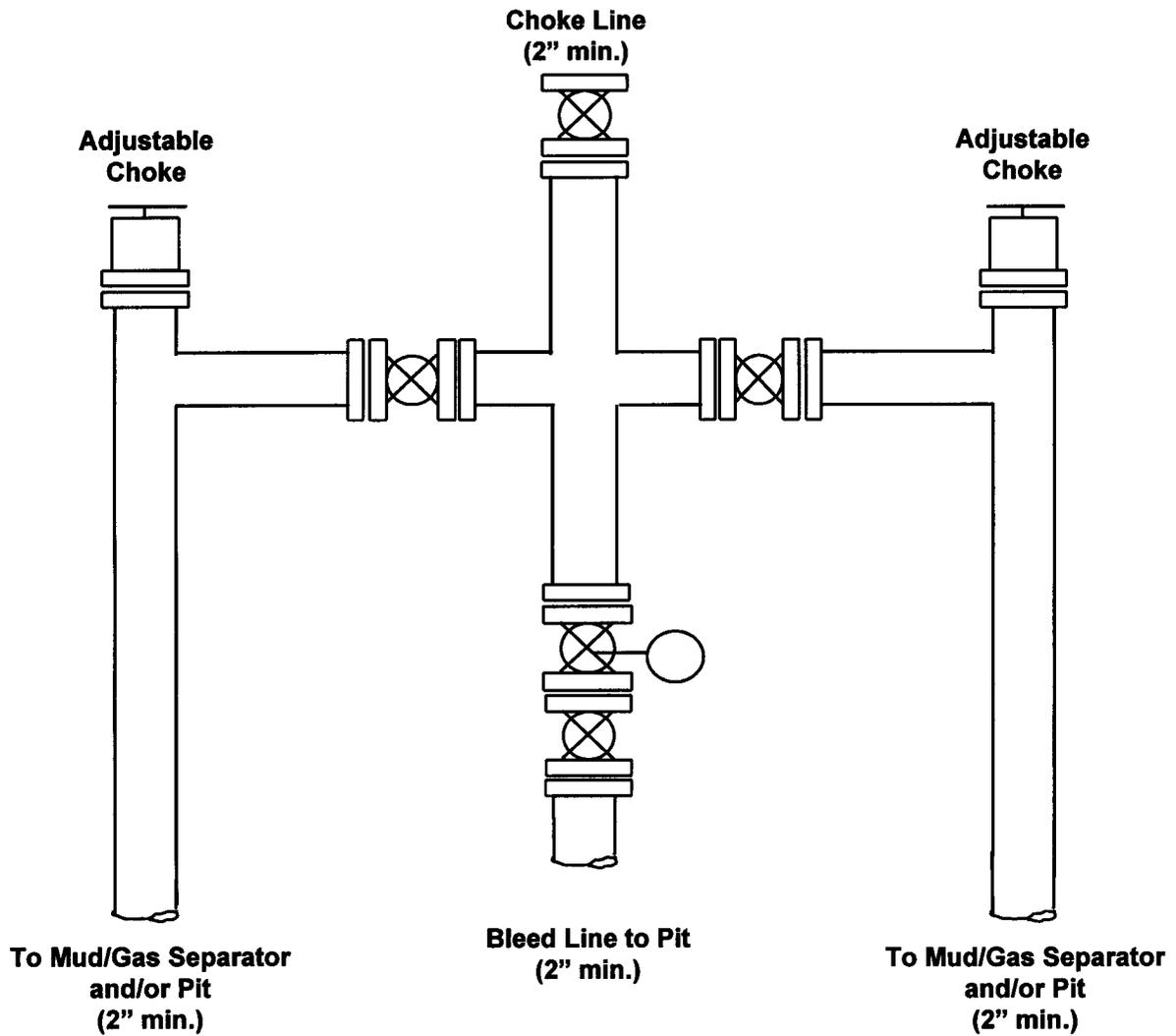
Item	Size	Pressure	Description
A			Bell Nipple
B	11"	3,000#	Annular
C	11"	3,000 #	4-1/2" Pipe Rams
D	11"	3,000 #	Blind Rams
E	11"	3,000#	Drilling Spool (Opt)
F	11"	3,000#	Bradenhead
Q			Flow Line

Test Pressure	3000 psi on all components
Test Schedule	Prior to Drillout
	Function Test Every Trip
	Pressure Test Monthly



J	2"	3,000#	Kill Line
K	2"	3,000#	Check Valve
L	2"	3,000#	Gate Valve
M	2"	3,000#	Gate Valve
N	4"	3,000#	Gate Valve
O	4"	3,000#	HCR Valve
P	4"	3,000#	Choke Line

Operator	: CHESAPEAKE ENERGY CORP.		
Well Name	: SALT WASH #1-16		
Rig Name	:		
Field	: SALT WASH (MISSISSIPPIAN) FIELD		
County	: GRAND	State	: UTAH
Operation	: 3000 psi Choke Manifold System		



CASING AND CEMENTING DETAIL SHEET

WELL: SALT WASH #1-16 COUNTY: GRAND DATE: 12/16/94
 FIELD: SALT WASH (MISSISSIPPIAN) FIELD CASING POINT: 1600' CASING SIZE 9-5/8"

STRING (RUNNING ORDER) TORQUE (ft-lb)
 1. 0 - 1600 (1600) ft. 40.00 LB/FT K-55 ST&C OPT 4860 (3650-6080)

SPACE FLOAT EQUIPMENT AS FOLLOWS:

ITEM	LOCATION OR DEPTH
(1) - 9-5/8" FLOAT SHOE	BOTTOM OF 1ST JOINT
(1) - 9-5/8" X 12 1/4" CENTRALIZER	6' - 10' ABOVE FLOAT SHOE
(1) - 9-5/8" BAFFLE PLATE	BETWEEN 1ST & 2ND JOINT
(1) - 9-5/8" X 12 1/4" CENTRALIZERS	TOP OF 1ST JT & TOP OF 2ND JT
(10)- 9-5/8" X 12 1/4" CENTRALIZERS	0' - 1560' EVERY 4TH JOINT

CEMENT (MIXING ORDER) CEMENT CO. HALLIBURTON FARMINGTON, NM 505/325-3575

TYPE	ADDITIVES	SACKS	WT - PPG	YIELD	GAL/SX
LEAD:					
CLASS "B" LIGHT (65/35)	2% CACL2 +1/4 #/SACK FLOCELE	355	12.7	1.77	9.28
TAIL:					
CLASS "B"	2% CACL2 +1/4 #/SACK FLOCELE	330	15.6	1.19	5.20

COMPRESSIVE STRENGTHS:

Lead @ 24 hrs 500 psi, Tail @ 12 hrs. 2300 psi and at 24 hrs. 3700 psi

CEMENTING PROCEDURE

Pump 20 bbls of freshwater preflush ahead of lead slurry. Also, 120 bbls of mix water required for cement. Displace with 120 bbls water at a rate of maximum BPM for turbulence. Reciprocate pipe with 6-10 ft. strokes while mixing and displacing cement. WOC 12 hrs before drilling out.

Proceed as follows if two stage operation: Drop opening bomb on DV tool. Establish circulation. Circulate hrs before cementing. Pump bbls ahead of cement slurry. Displace casing with bbls at a rate of BPM for turbulence. WOC hrs before drilling out.

MISCELLANEOUS INFORMATION

Collapse resistance of 9-5/8" 40.00# K-55 ST&C pipe 2284 psi with SFc of 1.125
 Burst resistance of 9-5/8" 40.00# K-55 ST&C pipe 3038 psi with SFb 1.3
 Maximum recommended tension pull of 9-5/8" 40.00# K-55 ST&C 303.750# SFt 1.6
 Buoyant weight of string in 9.0#/gal. mud = 55,200 lbs.
 Temperature survey after 6-8 hrs if circulation is lost or cement does not circulate with Superintendent approval.
 Top of cement - Surface + 100% excess. Tail 600' of fill that includes 100% excess.
 Test casing to 3000 psi. Test BOP and choke lines to 3000 psi.

Note: Use one (1) wiper plugs.
 Note: Cement company to obtain water sample at location for testing (pump time, retarder, etc.)
 Note: Charts from surface casing pressure test (the test done prior to running intermediate casing for disposal purposes) to be sent to Oklahoma City Office. Attention: Regulatory Coordinator.

REMARKS: ***CALL RAILROAD COMMISSION PRIOR TO CEMENTING***

Prepared: R. GOFF Approved: 

CASING AND CEMENTING DETAIL SHEET

WELL: SALT WASH #1-16 COUNTY: GRAND DATE: 12/16/94

FIELD: SALT WASH (MISSISSIPPIAN) FIELD CASING POINT: 8,750' MD/TVD CASING SIZE 5-1/2"

STRING (RUNNING ORDER) **TORQUE (ft-lb)**
 1. 0 - 8,750 (8750) ft. 17.00# N-80 LT&C *OPT 3480 (2610 - 4350)

SPACE FLOAT EQUIPMENT AS FOLLOWS:

ITEM	LOCATION OR DEPTH
(1) - LT&C FLOAT SHOE (DOWN JET)	BOTTOM OF 1ST JOINT
(1) - 5-1/2" X 8-1/2" BOWSPRING CENTRALIZER	6' - 10' ABOVE GUIDE SHOE
(1) - LT&C FLOAT COLLAR	BOTTOM OF 3RD JOINT
(2) - 5-1/2" X 8-1/2" BOWSPRING CENTRALIZERS	TOP OF 1ST JT & TOP OF 2ND JT
(20)- 5-1/2" X 8-1/2" BOWSPRING CENTRALIZERS	FROM 8,670' - 4,600' EVERY 5TH JOINT

CEMENT (MIXING ORDER)	CEMENT CO.	HALLIBURTON	FARMINGTON, NM	505/325-3575	
TYPE	ADDITIVES	SACKS	WT - PPG	YIELD	GAL/SX
LEAD:					
CLASS B LIGHT (65/35)	.2% DEFOAMER + 1/4# / SK FLOCELE + 37.2% SALT	512	13.64	1.86	8.80
TAIL:					
CLASS G	.2% DEFOAMER + 1% HALAD-413 + 37.2% SALT	200	16.49	1.21	4.80

COMPRESSIVE STRENGTHS:

Lead @ 24 hrs 600 psi. Tail @ 24 hrs 2660 psi and at 72 hrs 3200 psi.

CEMENTING PROCEDURE

Pump 25 bbls POZ Scavenger w/ 2% Gel + 37.2% Salt ahead of lead as per cement recommendation. Also, 130 bbls of mix water required for cement. Displace casing with 200 bbls mud at maximum rate for turbulence. Recipricate pipe at 6-10 ft. strokes while mixing and displacing cement. WOC 24 hrs before drilling out.

MISCELLANEOUS INFORMATION

Collapse resistance of 17.00 N-80 LT&C casing 5590 psi with SFc of 1.125
 Burst resistance of 17.00 N-80 LT&C casing 5954 psi with SFb 1.3
 Maximum recommended tension pull of 17.00# N-80 LT&C 261,000# SFt 0.75
 Buoyant weight of string in 10.0 ppg mud and 10.0 ppg mud behind plug = 126,000#
 Temperature survey after N/A hrs if circulation is lost or cement does not circulate with Superintendent approval.
 **Top of cement @ 4800' W/35% excess. Tail @ 8,000' with 35% excess.
 Test casing to 3000 psi.

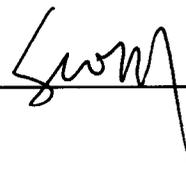
NOTE: Use two (2) wiper plugs.

NOTE: Cement company to obtain water sample at location for testing (pump time, retarder, etc.).

**Caliper log to determine actual quantities due to anticipated washout, if caliper log is available.

REMARKS: ***CALL RAILROAD COMMISSION PRIOR TO CEMENTING***

Prepared: R. GOFF

Approved: 

CHESAPEAKE OPERATING, INC.

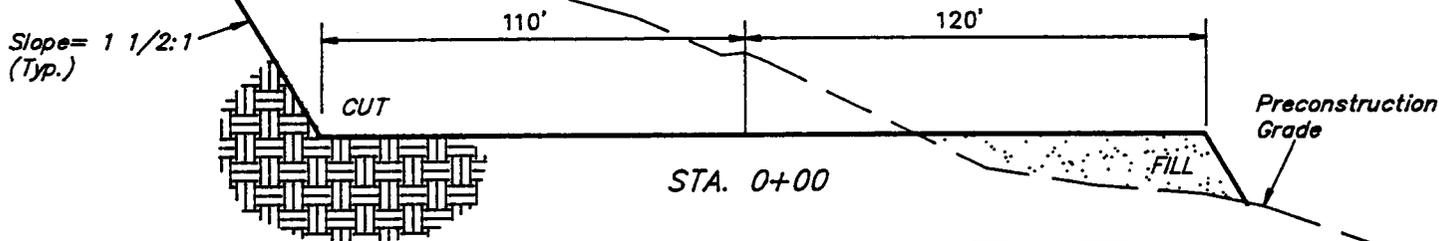
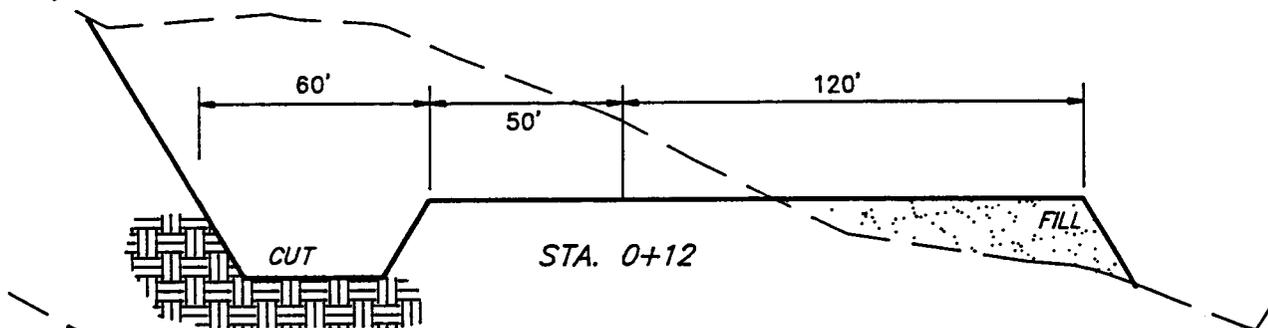
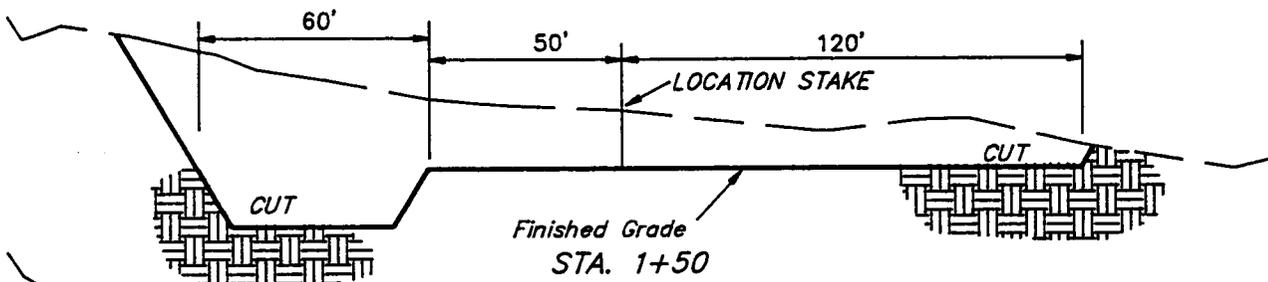
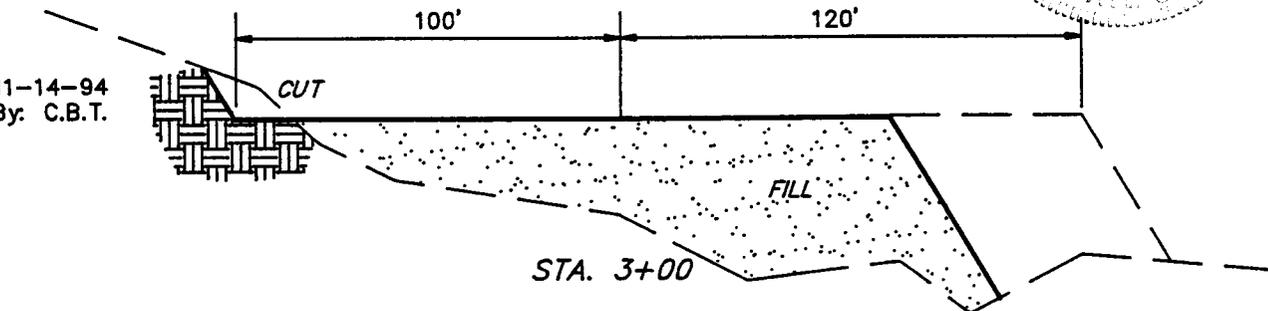
TYPICAL CROSS SECTIONS FOR

SALT WASH #1-16
SECTION 16, T23S, R17E, S.L.B.&M.
1980' FSL 1980' FWL



1" = 20'
X-Section
Scale
1" = 50'

DATE: 11-14-94
Drawn By: C.B.T.



APPROXIMATE YARDAGES

(6") Topsoil Stripping = 1,250 Cu. Yds.
Remaining Location = 10,140 Cu. Yds.

TOTAL CUT = 11,390 CU.YDS.
FILL = 8,640 CU.YDS.

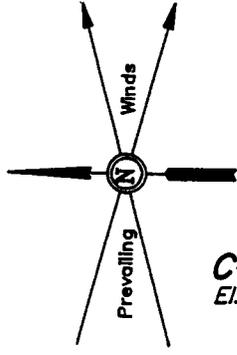
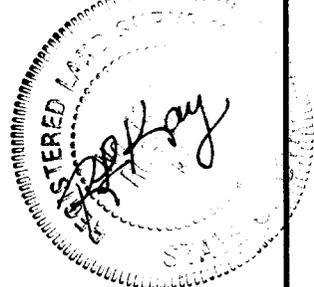
EXCESS MATERIAL AFTER
5% COMPACTION = 2,300 Cu. Yds.
Topsoil & Pit Backfill = 2,300 Cu. Yds.
(1/2 Pit Vol.)
EXCESS UNBALANCE = 0 Cu. Yds.
(After Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (801) 789-1017

CHESAPEAKE OPERATING, INC.

LOCATION LAYOUT FOR

SALT WASH #1-16
SECTION 16, T23S, R17E, S.L.B.&M.
1980' FSL 1980' FWL



Approx. Toe of Fill Slope

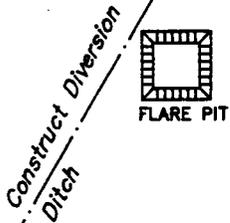
C-4.1'
El. 53.4'

F-10.5'
El. 38.8'

F-14.7'
El. 34.6'

Sta. 3+00

SCALE: 1" = 50'
DATE: 11-14-94
Drawn By: C.B.T.



Proposed Access Road

DATA

150'

Round Corners as Needed

CATWALK

PIPE RACKS

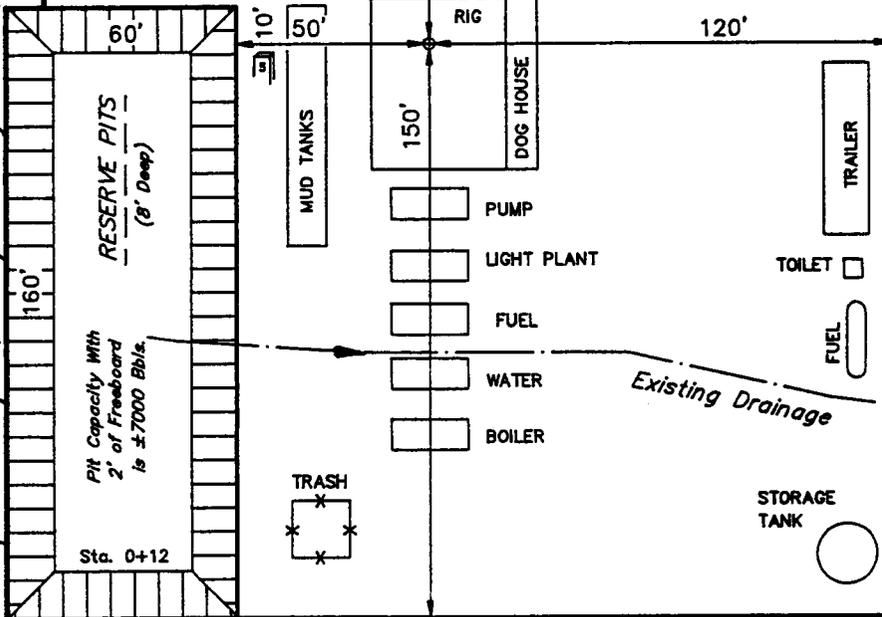
El. 60.7'
C-19.4'
(btm. pit)

El. 56.1'
C-10.7'

C-6.0'
El. 55.3'

Topsoil Stockpile

C-2.3'
El. 51.6'
Sta. 1+50



Approx. Top of Cut Slope

Existing Drainage

Sta. 0+00

El. 69.9'
C-28.6'
(btm. pit)

C-15.4'
El. 64.7'

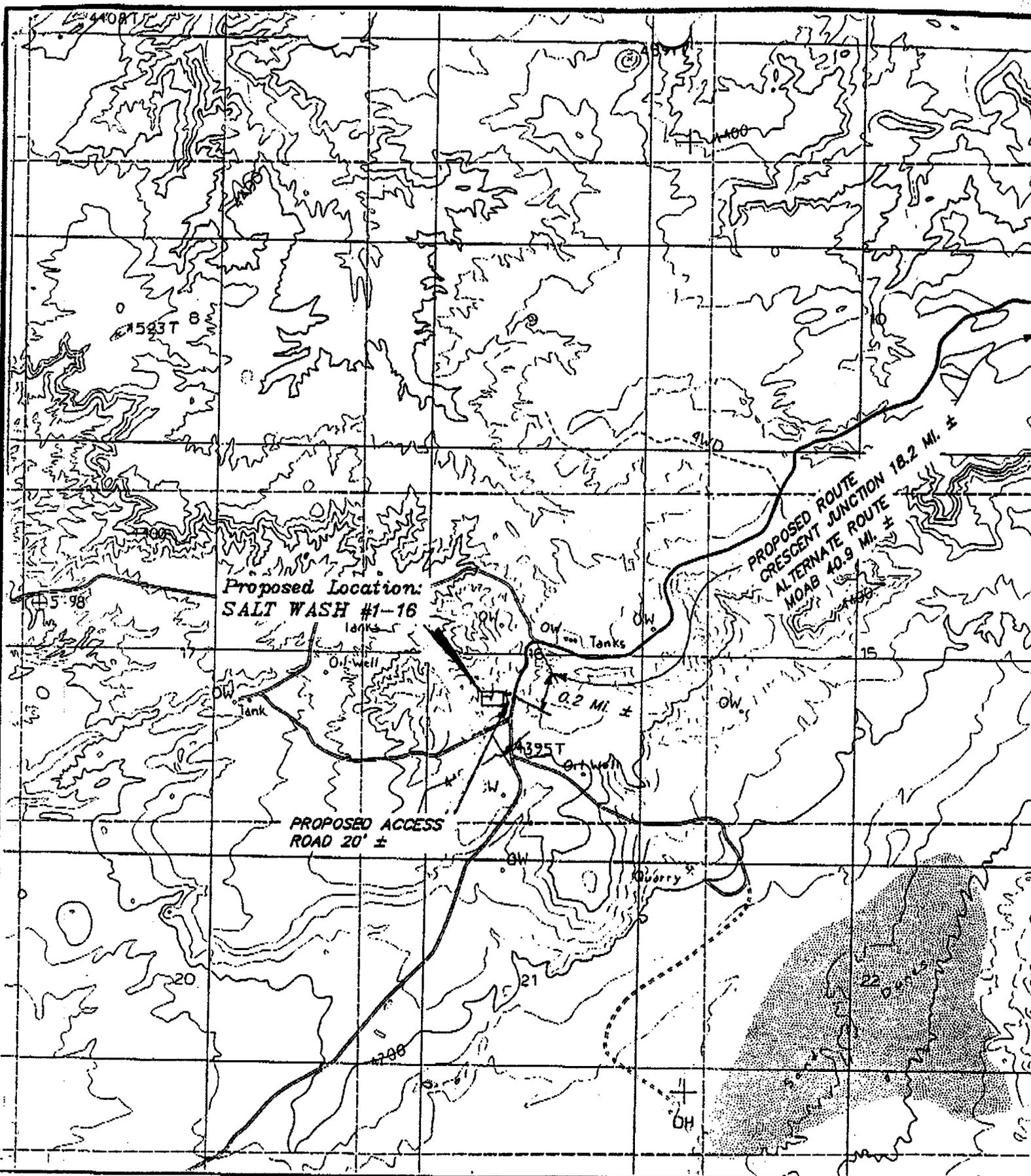
C-8.5'
El. 57.8'

F-6.5'
El. 42.8'

Reserve Pit Backfill & Spoils Stockpile

Elev. Ungraded Ground at Location Stake = 4455.3'

Elev. Graded Ground at Location Stake = 4449.3'



REVISED DATE: 11/15/94 J.D.S.

TOPOGRAPHIC
MAP "B"

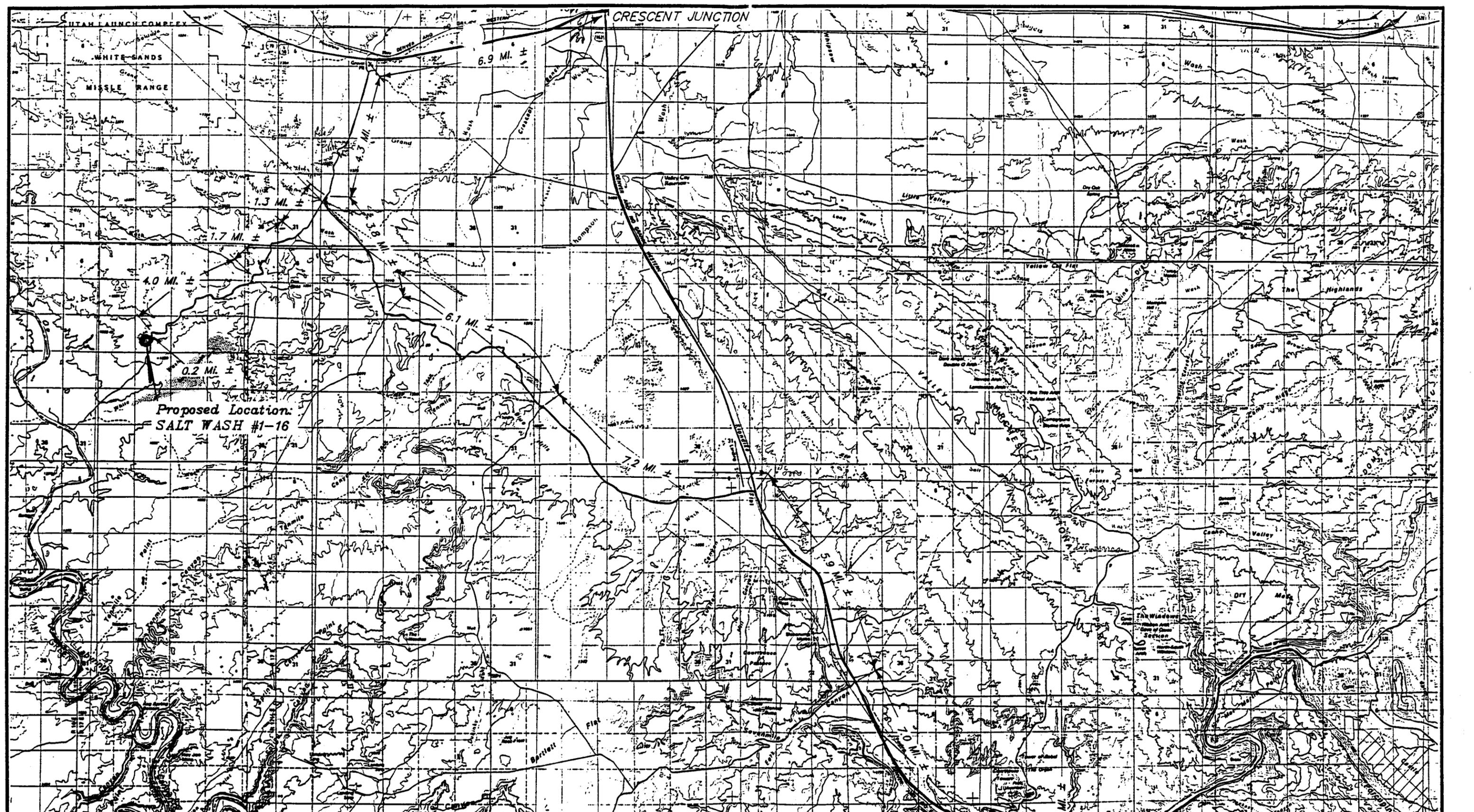
SCALE: 1" = 2000'

DATE: 2-10-92



CHESAPEAKE OPERATING, INC.

SALT WASH #1-16
SECTION 16, T23S, R17E, S.L.B.&M.



REVISED DATE: 11/15/94 J.D.S.
TOPOGRAPHIC
MAP "A"
DATE 2-10-92 MDA



CHESAPEAKE OPERATING, INC.
SALT WASH #1-16
SECTION 16, T23S, R17E, S.L.B.&M.

MOAB

Last Reading

12582280 E
4295824 N

582265 E
4295766 N
2
42
2

80
65
15

FORM 3

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

(Other instructions on
DEC 29 1994

5. Lease Designation and Serial No.
ML-45209

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
DRILL DEEPEN PLUG BACK

b. Type of Well
Oil Well Gas Well Other
Single Zone Multiple Zone

2. Name of Operator
Chesapeake Operating, Inc.

3. Address of Operator
P.O. Box 54525, Oklahoma City, Oklahoma 73154

4. Location of Well (Specify location clearly and in accordance with any State requirements.)
At surface 1980 FWL 1980 FSL

At proposed prod. zone same
NE 1/4 SW 1/4

14. Distance in miles and direction from nearest town or post office*
18.2 miles from Crescent Junction

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drip line, if any)
1980'

16. No. of acres in lease 352.76

17. No. of acres assigned to this well 40

18. Distance from proposed location to nearest well, drilling, completed, or applied for, on this lease, ft.
over 440'

19. Proposed depth 8,750'

20. Rotary or cable tools Rotary

21. Elevations (Show whether DP, RT, GR, etc.)
4,466'

22. Approx. date work will start*
January 23, 1995

23. PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
12 1/4"	9 5/8" K55	8.4-8.6 PPG	1,600'	See casing & cementing
8 1/2"	5 1/2"	10.2-10.66 PPG	8,750'	Detail sheet attached

In the event of a dry hole, the well will be plugged and abandoned pursuant to State of Utah specifications.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zones and proposed new productive zones. If proposal is to drill for deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

34. Signed _____ Title Contract Agent Date 12/21/1994

(This space for Federal or State office use)
Permit No. 43-019-31356 Approval Date _____

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

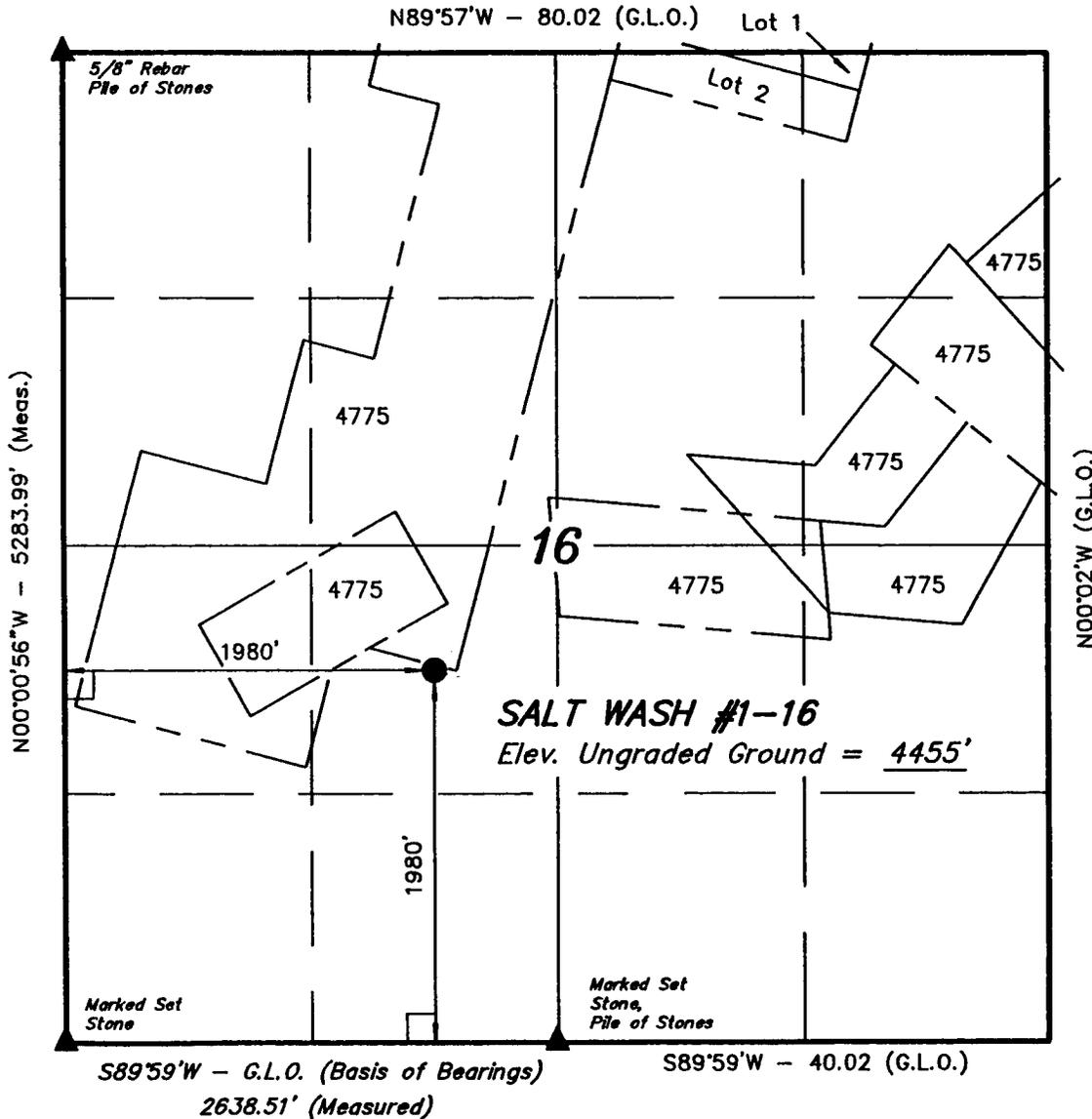
*See Instructions On Reverse Side

DATE: 1-3-95
BY: J. Matthews
WELL SPACING: P649 3-2

T23S, R17E, S.L.B.&M.

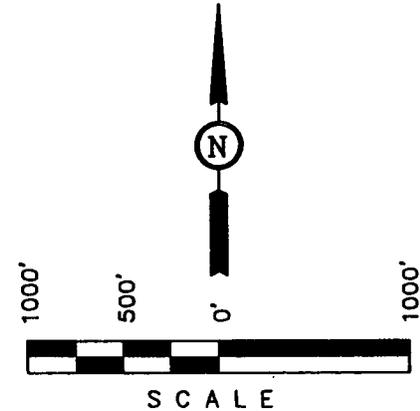
CHESAPEAKE OPERATING, INC.

Well location, SALT WASH #1-16, located as shown in the NW 1/4 SE 1/4 of Section 16, T23S, R17E, S.L.B.&M. Grand County, Utah



BASIS OF ELEVATION

VABM POINT LOCATED IN THE SW 1/4 OF SECTION 36, T22S, R17E, S.L.B.&M. TAKEN FROM THE DEE PASS QUADRANGLE, GRAND COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4802 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert L. Kay
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(801) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 11-10-94	DATE DRAWN: 11-14-94
PARTY D.A. G.B. C.B.T.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE CHESAPEAKE OPERATING, INC.	

DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: S. W. Energy

LEASE NUMBER: ML-45209

and hereby designates

NAME: Chesapeake Operating, Inc.

ADDRESS: P.O. Box 54525, Oklahoma City, OK 73154

as his agent /operator , with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable, and identify each applicable oil and gas well by name and API number. Attach additional pages as needed.)

Salt Wash #1-16 well
Township 23 South, Range 17 East, SLM
Section 16: ~~NW 1/4~~ NE 1/4 SW 1/4
Grand County, Utah

API # 43-037- _____

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation: December 21, 1994

BY: (Name) Richard P. Smoot

(Signature) *Richard P. Smoot*

(Title) *Ch*

(Phone) 532-6664

OF: (Company) S. W. Energy Corporation

(Address) 847 East Fourth South
Salt Lake City, Utah 84102

DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: S. W. Energy

LEASE NUMBER: ML-45209

and hereby designates

NAME: Chesapeake Operating, Inc.

ADDRESS: P.O. Box 54525, Oklahoma City, OK 73154

as his agent /operator , with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable, and identify each applicable oil and gas well by name and API number. Attach additional pages as needed.)

Salt Wash #1-16 well
Township 23 South, Range 17 East, SLM
Section 16: ~~NE/4 SE/4~~ NE/4 SW/4 OVB
Grand County, Utah

API # 43-037- _____

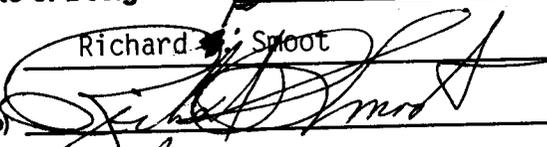
It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation: December 21, 1994

BY: (Name) Richard J. Spoot

(Signature) 

(Title) Chr

(Phone) 532-6664

OF: (Company) S. W. Energy Corporation

(Address) 847 East Fourth South

Salt Lake City, Utah 84102

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/29/94

API NO. ASSIGNED: 43-019-31356

WELL NAME: SALT WASH 1-16
OPERATOR: CHESAPEAKE OPERATING (N0345)

PROPOSED LOCATION:
NESW 16 - T23S - R17E
SURFACE: 1980-FSL-1980-FWL
BOTTOM: 1980-FSL-1980-FWL
GRAND COUNTY
SALT WASH FIELD (245)

INSPECT LOCATION BY: 12/20/94		
TECH REVIEW	Initials	Date
Engineering	JAM	1/3/95
Geology	DA	1/3/95
Surface	FM	12/22/94

LEASE TYPE: STA
LEASE NUMBER: ML-45209

PROPOSED PRODUCING FORMATION: MSSP

RECEIVED AND/OR REVIEWED:

Y Plat
Y Bond: Federal State Fee
(Number US 56-0130-1255-14-9)
N Potash (Y/N)
N Oil shale (Y/N)
 Water permit
(Number _____)
N RDCC Review (Y/N)
(Date: _____)

LOCATION AND SITING:

 R649-2-3. Unit: _____
 R649-3-2. General.
 R649-3-3. Exception.
 Drilling Unit.
 Board Cause no: _____
 Date: _____

COMMENTS: LOCATION WAS CONSTRUCTED WITHOUT A PERMIT
STATE LANDS HAS LEVIED TRESPASS FINES.

STIPULATIONS:

1. Compliance with the stipulations for APD
approval listed in the Drilling Location
Assessment. attached



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

January 3, 1995

Chesapeake Operating, Inc.
P.O. Box 54525
Oklahoma City, Oklahoma 73154

Re: Salt Wash 1-16 Well, 1980' FSL, 1980' FWL, NE SW, Sec. 16, T. 23 S., R. 17 E.,
Grand County, Utah

Gentlemen:

Pursuant to Utah Admin. R. 649-3-2, Location and Siting of Wells and Utah Admin. R. 649-3-4, Permitting of Wells to be Drilled, Deepened or Plugged-Back, approval to drill the referenced well is hereby granted.

In addition, the following specific actions are necessary to fully comply with this approval:

1. Compliance with the stipulations for APD approval listed in the attached Drilling Location Assessment.
2. Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules.
3. Notification to the Division within 24 hours after drilling operations commence.
4. Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling operations and whenever a change in operations or interests necessitates an entity status change.
5. Submittal of the Report of Water Encountered During Drilling, Form 7.
6. Compliance with the requirements of Utah Admin. R. 649-3-20, Gas Flaring or Venting, if the well is completed for production.



Page 2

Chesapeake Operating, Inc.

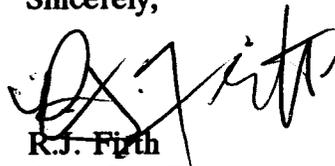
Salt Wash 1-16 Well

January 3, 1995

6. Prompt notification prior to commencing operations, if necessary, to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801)538-5340, (Home) (801)476-8613, or K. Michael Hebertson, Reclamation Specialist, (Home) (801)269-9212.

This approval shall expire one year after date of issuance unless substantial and continuous operation is underway or a request for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-019-31356.

Sincerely,



R.J. Firth

Associate Director

ldc

Enclosures

cc: Grand County Assessor

Bureau of Land Management, Moab District Office

WO11

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: CHESEPEAK OPERATING

Well Name: SALT WASH 1-16

Api No. 43-019-31356

Section 16 Township 23S Range 17E County GRAND

Drilling Contractor EXETER

Rig # 3

SPUDED: Date 1/18/95

Time _____

How DRY HOLE

Drilling will commence _____

Reported by JIM BOULDEN

Telephone # 1-259-8926

Date: 1/18/95 Signed: FRM

CHESAPEAKE OPERATING, INC.

P.O. BOX 54525
OKLAHOMA CITY, OKLAHOMA 73154-1525
405/840-3000 (OFFICE)
405/848-4319 (FAX)

January 31, 1995

State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Attention: Lisha Cordova

Subject: Salt Wash #1-16
API No. 43-019-31356
Grand Co., UT

Lisha, enclosed is our Form 6 (Entity Action Form) as required within 5 days of a well spud.

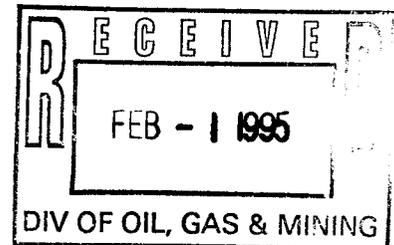
Thanks for your help this morning. Please advise if any additional information is required.

Sincerely,

Barbara J. Bale

Barbara J. Bale
Regulatory Analyst

cc: File, College Station (SM)
TLW, BJB



STATE OF OKLAHOMA
 DIVISION OF OIL, GAS AND MINING
 ENTITY ACTION FORM - FORM 6

OPERATOR CHESAPEAKE OPERATING, INC.

OPERATOR ACCT. NO. 110345

ADDRESS P. O. BOX 54525

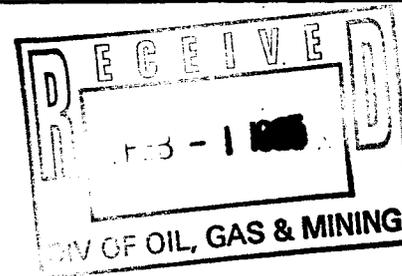
OKLAHOMA CITY, OK 73154-1525

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
A	99999	11733	43-019-31356	SALT WASH #1-16	NE SW	16	23S	17E	GRAND	01-30-95	
WELL 1 COMMENTS: Entity added 2-1-95. fcc											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

- ACTION CODES** (See instructions on back of form)
- A - Establish new entity for new well (single well only)
 - B - Add new well to existing entity (group or unit well)
 - C - Re-assign well from one existing entity to another existing entity
 - D - Re-assign well from one existing entity to a new entity
 - E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

(3/89)



Barbara J. Bale
 Signature Barbara J. Bale
 Title Regulatory Analyst 1-31-95
 Date
 Phone No. (405) 840-3000 EXT 112

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
CEMENTING OPERATIONS

WELL NAME: SALT WASH #1-16 ~~APP NO:~~ 43-019-31356

QTR/QTR: NE/SW SECTION: 16 TOWNSHIP: 29S RANGE: 17E

COMPANY NAME: CHESAPEAKE OP. INC. COMPANY MAN: JOE DAVIS

INSPECTOR: DAVID W. HACKFORD DATE: 2/3/95

CASING INFORMATION: SURFACE CASING: YES

SIZE: 9 5/8 GRADE: J55 40 LB. HOLE SIZE: 12 1/4 DEPTH: 1616'

PIPE CENTRALIZED: YES:

CEMENTING COMPANY: HALLIBURTON

CEMENTING STAGES: ONE

SLURRY INFORMATION:

1. CLASS: G ADDITIVES: 2% CACL. 1/4 LB PER SACK FLO
CELEIN BOTH LEAD AND TAIL.

LEAD : 360 SX HALLIBURTON LIGHT TAIL: 390 BAGS TYPE 5

2. SLURRY WEIGHT LBS. PER GALLON:

LEAD: 12.7 TAIL: 15.6

3. WATER (GAL/SX)

LEAD: 9.28 TAIL: 5.2

CEMENT TO SURFACE: YES LOST RETURNS: NO

1 INCH INFORMATION: WEIGHT: NA CEMENT TO SURFACE:

FEET: SX: CLASS: CACLX: RETURNS:

ADDITIONAL COMMENTS: JOB WENT WELL; NO PROBLEMS. PUMPED 100X
EXCESS.

CEMENT FILLED CELLAR. PLUG BUMPED AT 5:00 PM AND FOR 45 MINUTES
THE CEMENT LEVEL IN THE SIX FOOT DIAMETER CELLAR DROPPED ABOUT
ONE INCH PER MINUTE. AT THIS TIME IT STOPPED FALLING. I WATCHED
FOR AN ADDITIONAL 15 MINUTES.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

	5. Lease Designation and Serial Number:
	6. If Indian, Allottee or Tribe Name:
	7. Unit Agreement Name:
1. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER: *New Drilling Well	8. Well Name and Number: SALT WASH #1-16
2. Name of Operator: CHESAPEAKE OPERATING, INC.	9. API Well Number: 43-019-31356
3. Address and Telephone Number: P.O. Box 54525, Oklahoma City, OK 73154 (405)840-3000	10. Field and Pool, or Wildcat: Salt Wash Field
4. Location of Well Footages: QQ, Sec., T., R., M.: NE SW Sec 16, 23S-17E	County: Grand State: Utah

11. **CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

NOTICE OF INTENT (Submit in Duplicate)	SUBSEQUENT REPORT (Submit Original Form Only)
<input type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plane <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Multiple Completion <input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Recomplete <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plane <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Other <input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off
X <input checked="" type="checkbox"/> Other <u>Change Logging Program 2.6.6 of APD as per R649-3-4.</u> Approximate date work will start <u>Spud 1-30-95</u> Later in the drilling operation	Date of work completion _____ Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form. * Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

As discussed with Michael Hebertson on 02-07-95, the following changes are planned for 2.6.6 of R649-3-4 (permitting of well to be drilled) and are as follows:

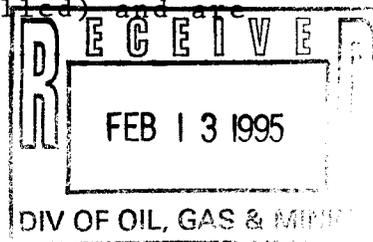
Electric Line Logging

• DIL: 8400' to TD - instead of - 9-5/8" shoe to TD

• CNL/FDC: 8400' to TD - instead of - 7000' to TD

Mud Logging

• Conventional Mudlogger: 8400' to TD - instead of - 4800' to TD



13. Name & Signature: Barbara J. Bale Title: Regulatory Analyst Date: 2-8-95
 Barbara J. Bale

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
 DATE: 2/13/95
 BY: [Signature]

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
RECORD OF ABANDONMENT OPERATIONS

COMPANY NAME: CHESAPEAKE OPERATING COMPANY

WELL NAME: SALT WASH #1-16

QTR/QTR: NE/SW SECTION: 16 TOWNSHIP: 23S RANGE: 17E

COUNTY: GRAND API NO: 43-019-31356

INSPECTOR: DENNIS L INGRAM TIME: 7:00 PM DATE: 3/20/95

SURFACE CASING SHOE DEPTH 1604' CASING PULLED YES NO N

CASING PULLED: SIZE N/A CUT DEPTH N/A FT/CSG RECOVERED N/A

CASING TESTED YES NO N TESTED TO: N/A PSI TIME: N/A MIN:

CEMENTING COMPANY: HALLIBURTON

CEMENTING OPERATIONS: P&A WELL: YES

PLUG 1. SET: FROM 8532' FT. TO 8402' FT. TAGGED YES NO X

SLURRY: 10.5 BBLs 'G' 5.2 GALLONS PER SACK, 15.6 PPG -- DOWN 7:06 PM

PLUG 2. SET FROM 8193' FT. TO 8063' FT. TAGGED YES NO X

SLURRY: 10.5 BBLs 'G' 5.2 GALLONS PER SACK, 15.6 PPG -- DOWN 7:48 PM

PLUG 3. SET FROM 5447' FT. TO 5317' FT. TAGGED YES Y NO NO

SLURRY: 10.5 BBLs 'G' DITTO, 15.6 PPG WITH 2% CALCA, DOWN 9:50 PM

PLUG 4. SET FROM 2670' FT. TO 2540' FT. TAGGED YES NO N

SLURRY: NEAT PREMIUM 'G' 50 SACKS, DITTO (YIELD 1.18)

SURFACE PLUG: FROM 1621' FT. TO 1421' FT.

ALL ANNULUS CEMENTED TO SURFACE: YES YES NO NO

PLUGGING FLUID TYPE: 11.0 PPG MUD WITH 42-44 VISCOSITY

PERFORATIONS: FROM N/A FT. TO N/A FT.

FROM N/A FT. TO N/A FT.

1 CIBP SET: N/A. (NO PRODUCTION PIPE WAS RUN)

2 CIBP SET: N/A (NO PRODUCTION PIPE WAS RUN)

ABANDONMENT MARKER: PLATE: PIPE: YES CORRECT INFORMATION: YES

COMMENTS: TAGGED PLUG #3 (TOP OF PARADOX) AT 5377' W/6,000 POUNDS STRING

WEIGHT -- SOLID. PARADOX FORMATION TOP WAS 5420'. HOLE STAYED FULL &

CIRCULATED DURING WELL PLUGGING. RAN 2 JTS D.P. IN FOR SURFACE PLUG.

ARRIVE @ 3:00 PM
WOO/OK
W.O.W (conyers)

8 1/2" Hole

TO 8744

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
ABANDONMENT OPERATIONS

COMPANY NAME: CHESAPEAKE OPERATOR

WELL NAME: SALT WASH #1-16

QTR/QTR: _____ SECTION: 16 TOWNSHIP: 235 RANGE: 17E

COUNTY: GRAND API NO: 43 019- 31356

CEMENTING COMPANY: HALLIBURTON WELL SIGN: Yes

INSPECTOR: Jr TIME: _____ DATE: _____

CEMENTING OPERATIONS: PLUGBACK: _____ SQUEEZE: _____ P&A WELL: Yes

SURFACE PLUG: _____ INTERMEDIATE PLUG: _____

BOTTOM PLUG SET @: _____ WIRELINE: N/A MECHANICAL: N/A

PERFORATIONS: N/A SQUEEZE PRESSURE: N/A

CASING SIZE: SURFACE: 9 5/8" CF/L 44 PRODUCTION: _____

GRADE: SURFACE: 1604' PRODUCTION: _____

PRODUCTION CASING TESTED TO: N/A PSI TIME: X MIN:

SLURRY INFORMATION: (INCLUDE NO. OF SACKS CLASS AND ADDITIVES)

- # 1. ~~SURFACE PLUG:~~ _____
- # 2. ~~INTERMEDIATE PLUG:~~ _____
- # 3. ~~BOTTOM PLUG:~~ _____
- # 4. ~~CEMENT ON TOP OF PLUG:~~ _____
- # 5. ~~ANNULUS CEMENTED:~~ _____
- # 6. ~~FLUID IN WELL BORE:~~ _____

ABANDONMENT MARKER SET:

PLATE: _____ PIPE: _____ CORRECT INFORMATION: _____

REHABILITATION COMPLETED: _____

COMMENTS: _____

#1 Plug: Mississippian (Top 8410') ~~8193' to 8063'~~ 8532' to 8402'
Down 7:06 PM - was balanced. Premium #5 (50 sacks) (Type 5)
50 sacks Premium "G"

Down 11 JTS 267 JOINTS
#2 Plug: Cane CREEK SHALE (Top 8760') 8193' to 8063'
50 sacks Down 7:48 PM Pulled 2 & can wet

Down 89 JTS (178 JOINTS IN Hole) TOP 5420' Cement TOP 5377'
#3 Plug: PARADOX SALT (Top ~~5420'~~) 5447' to 5317'
200cc + 50 sacks 9:30 PM circ & Pump slurry 9:50 PM Plug down
Balanced plug - was full, no slugs (POOH #12 STD Pipe)
1:45 PM Tilt w/ 12 STD to tag plug (70' upon 12 STD)
Set 6,000 or same
#4 Plug: COCONINO (Top 2520') 2670' to 2540' (Circulated)
50 sacks "Neat" Premium "G" Neat

Down 34 JTS
#5 Plug: Surface SHOE Plug (1466') 1621' to ~~1421'~~ 1421'
60 sacks Neat (34 JTS) Circulated
4:54 AM
5:08 AM Neat

~~40 JTS Down~~
#6 Plug @ Surface 6:05 AM

Steve Lane
John Jewell
203-625-1578

62 Feet
2 JTS / TOP Plug (Neat Cement) - 16.1
mud Report 3/15/95 H.O.P.G. 42-44 Vis Chlorides 200,000

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

RECEIVED
MAR 24 1995

SUNDRY NOTICES AND REPORTS ON WELLS, GAS & MINING

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL <input type="checkbox"/> GAS <input type="checkbox"/> OTHER: New Drilled Well		5. Lease Designation and Serial Number:
2. Name of Operator: CHESAPEAKE OPERATING, INC.		6. Indian, Allottee or Tribe Name:
3. Address and Telephone Number: P.O. Box 54525, Oklahoma City, OK 73154 (405)840-3000		7. Unit Agreement Name:
4. Location of Well Footage: QQ, Sec.,T.,R.,M.: NE SW Sec 16, 23S-17E		8. Well Name and Number: SALT WASH #1-16
		9. API Well Number: 43-019-31356
		10. Field and Pool, or Wildcat: Salt Wash Field
		County: Grand State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT (Submit in Duplicate)	SUBSEQUENT REPORT (Submit Original Form Only)
<input type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Multiple Completion <input type="checkbox"/> Other _____ Approximate date work will start _____	<input type="checkbox"/> Abandon * <input type="checkbox"/> Repair Casing <input checked="" type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Other _____ Date of work completion _____ <small>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form. * Must be accompanied by a cement verification report.</small>
<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Recomplete <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

As per discussion 3-19-95 with Frank Matthews, the well is a dry hole, and Chesapeake Operating, Inc. has elected to bypass the electric line log & will proceed with the P&A procedure.

13. Name & Signature: Barbara J. Bale Title: Regulatory Analyst Date: 3-20-95
 Barbara J. Bale

(This space for State use only)

CHESAPEAKE OPERATING, INC

DAILY DRILLING REPORT

OPERATOR: CHESAPEAKE OPERATING, INC.		WELL: SALT WASH #1-16		DATE: 3-21-95
SUPERVISOR: DAVIS		DAY/EST. DAYS: 50 / 33		DEPTH: SURFACE PB
CONTR./RIG#: EXETER #3		FORMATION:		DAILY FT/HR DRILLRD/AVG ROP:
PROP DEPTH: 8,750'		PROP VS:		VS:
SPUD 1-30-95		KB-MGL		LAST CASING (O.D. DEPTH): 9 7/8 @ 1616
LATERAL #:		DIRECTIONAL CO.:		MUD CO.: ANCHOR
SECT OF HOLE: (V,D,H)				

PRESENT OPERATIONS:
SETTING Plug SURFACE

START TIME	HRS.	ROT/SLID	FROM	TO	FEET	FT/H	% RET.	BHA#	NEW BHA NO CHANGE	
0600	1 1/2		LOAD OUT DST TOOLS						QTY	O.D.
0730	2 1/2		T.H. DE TO PLUG WELL						ITEM	LENGTH
1000	8 1/2		W.O.D. TO PLUG WELL							
1830	3		GIVEN OK TO PLUG. PLUG #1 8533 TO 8402 W/ 50 BKS 'G' CEMENT. LD. 11 JTS DP.							
			PLUG #2 8193 TO 8063 W/ 50 BKS 'G' CEMENT. LD 89 JTS. D.P. PLUG #3 5355 TO 5447 W/ 50 BKS 'G' CEMENT + 2% CACL ₂							
2130	1/2		PULL 4 STD'S D.P. WGT, PU Kelly							
2200	3 1/2		CIRC							
0130	1/2		RAN 3 STD'S W/ HOLE TAG PLUG W/ 60 UP ON 4TH STD. PLUG # 5360 SET 5000' ON PLUG. DENNIS INGRAM W/ UTAH DOGM SAID O.K.							
0200	1/2		LD 90 JTS D.P.							
0330	1/2		PLUG #4 2625 TO 2495 CEMENT W/ 50 BKS 'G' CEMENT							
0400	1/2		LD 34 JTS D.P.							
0430	1/2		PLUG #5 1681 TO 1551 CEMENT W/ 60 BKS 'G' CEMENT				MIN ID		TOTAL LENGTH	
							WT IN AIR		RFP. WT.	
0500	1/2		LD 49 JTS D.P.				DAILY WELL COST		21804	
0530	1/2		Cement w/ 10 bks 'G' w/ 2% CACL ₂ Plug #6 Surface to 40'				CUM WELL COST		755732	

RECEIVED

JUN 12 1995

DIV. OF OIL, GAS & MINING

ANNULUS PRES. AVERAGE (PSI)		ANNULUS PRES. MAXIMUM (PSI)		ANNULUS PRES. MINIMUM (PSI)		LITHOLOGY	
GAS FLARE	MIN.	MAX	AVG	OIL PROD.	MAX RATE BOND	LAST 24 HRS BBL	CUM BBL
DAILY ROTATE (FT/HR)				CUM ROTATE (FT/HR)			
DAILY SLIDE (FT/HR)				CUM SLIDE (FT/HR)			

PU WT.		S/O WT.		ROTATE WT.		TORQUE		WRAPS					
BIT NO.	BHA NO.	SIZE	MFG.	TYPE	SERIAL NO.	JTS	DEPTH IN	DEPTH OUT	FEET	HRS	EPN	BIT WT	RPM

BIT NO.	BHA NO.	INNER ROW	OUTER ROW	DULL CHAR	LOCATION	BEARING SEAL	GAGE 1/16"	OTHER DULL	REASON PULLED	FLUIDS CONTROL			
										DAILY/TOTAL MUD LOSS		DAILY/TOTAL BRINE LOSS/USED	
										WATER LOSS		CACL ₂ LOSS/USED	

PMP NO.	IN USE	HP	TR DUP	MAKE & MODEL	SPM	LINER SIZE	STRK LNGT	PUMP EFF(%)	GPM	PRESS	VEL DP	VEL DC	VEL JET
---------	--------	----	--------	--------------	-----	------------	-----------	-------------	-----	-------	--------	--------	---------

MUD WT	FOUN VISC	PV YP	GELS	pH	FLUID LOSS	CARE 32 NDS	SAND %	SOLID %	OIL %	CI PPMK	C ₂ PPM	DAILY MUD COST	CUM MUD COST
11.0	42	19/15	3/16	9.0	8.8	2	TR	6.5	0	200	5000		75857

MUD MATERIALS & QUANTITIES ADDED IN LAST 24 HOURS

CURRENT TARGET LINE, TVD @ VS. & DIP	CURRENT SURVEY @ BIT (DEPTH, INCLINATION, & VS)	DISTANCE FROM TARGET LINE	TEMPERATURE
--------------------------------------	---	---------------------------	-------------

CHESAPEAKE OPERATING, INC

DAILY DRILLING REPORT

II

OPERATOR: CHESAPEAKE OPERATING, INC.		WELL: SALT WASH #1-16		DATE: 3.20.95	
SUPERVISOR: DROIS		DAY/EST. DAYS: / 33		DEPTH:	
CONTR./RIG#: EXETER #3		FORMATION:		DAILY FTG/HR DRILLED/AVG ROP:	
PROP DEPTH: 8,750'		PROP VS:		VS:	
SPUD		KB-MGL		LAST CASING (O.D. DEPTH):	
LATERAL #:		DIRECTIONAL CO.:		MUD CO.: ANCHOR	
				SECT OF HOLE: (V,B,H)	

PRESENT OPERATIONS:

START TIME	HR.	ROT/SLID	FROM	TO	FEET	FPH	% RET.	BHA#	NEW BHA NO CHANGE	
			DST #1 SET BTM PKR @ 8730, SET WT.							
			ON PKR @ 1205, 1209 TOOL OPEN W/STRONG							
			BLOW BOTTOM @ BUCKET IN 30 SEC.							
			1211 2#	1214 4#	1219 11#	1224 16#				
			1225 18#	CLOSE TOOL	1229 17#	1234 15#				
			1250 6#	1259 3#	1300 OPEN TOOL	1302 5#				
			1305 9#	1310 14#	1415 22#	1420 25#				
			1425 25#	1430 18#	1435 @	STEEL LING				
			PLUGGED W/ LCM.							
<p>WAS GIVEN VERBAL APPROVAL BY FRANK MATHEWS W/ UTAH DOGM</p> <p>OK NOT TO LOG & OK TO PLUG. CHESAPEAKE</p> <p>TO FURNISH HIM FORMATION TOPS:</p> <p>TOP MISSISSIPPIAN @ 8504</p> <p>TOP CANG CRESIC @ 8204</p> <p>TOP PARADOX SALTS @ 5420</p> <p>TOP COCONINO @ 2630</p> <p>SHOE OF CASING @ 1616</p>										

MIN ID	TOTAL LENGTH
WT IN AIR	EFF. WT.
DAILY WELL COST	
CUM WELL COST	

RECEIVED

JUN 12 1995

DIV. OF OIL, GAS & MINING

ANNULUS PRES. AVERAGE (PSI)		ANNULUS PRES. MAXIMUM (PSI)		ANNULUS PRES. MINIMUM (PSI)		LITHOLOGY								
GAS FLARE	MIN	MAX	AVG	OIL PROD.	MAX RATE BOPD	LAST 24 HRS BBL	CUM BBL							
DAILY ROTATE (FT/HR)				CUM ROTATE (FT/HR)										
DAILY SLIDE (FT/HR)				CUM SLIDE (FT/HR)										
P/U WT.		S/O WT.		ROTATE WT.		TORQUE		WRAPS						
BIT NO.	BHA NO.	SIZE	MPG.	TYPE	SERIAL NO.	JETS	DEPTH IN	DEPTH OUT	FEET	HR	FPH	BIT WT	RPM	
BIT NO.	BHA NO.	INNER ROW	OUTER ROW	DULL CHAR.	LOCATION	BEAKING SEAL	GAGE 1/16"	OTHER DULL	REASON PULLED	FLUIDS CONTROL				
										DAILY/TOTAL MUD LOSS		DAILY/TOTAL BRINE LOSS/USED		
										WATER LOSS		CACL ₂ LOSS/USED		
PMP NO.	IN USE	HP	TRI DUP	MAKE & MODEL		RPM	LINE SIZE	STRK LNGT	PUMP EFF(%)	GPM	PRESS	VEL DP	VEL DC	VEL JET
MUD WT	FUNN VISC	PV YP	GELS	pH	FLOID LOSS	CARB 32 NDS	SAND %	SOLID %	OIL %	Cl PPM	Ca PPM	DAILY MUD COST		CUM MUD COST

MUD MATERIALS & QUANTITIES ADDED IN LAST 24 HOURS

CURRENT TARGET LINE, TVD @ VS, & DIP	CURRENT SURVEY @ BIT (DEPTH, INCLINATION, & VS)	DISTANCE FROM TARGET LINE	TEMPERATURE
--------------------------------------	---	---------------------------	-------------

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1. TYPE OF WELL: OIL WELL GAS WELL DRY Other P&A - Dry Hole

2. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESYR. Other _____

2. NAME OF OPERATOR
Chesapeake Operating, Inc.

3. ADDRESS OF OPERATOR
P.O. Box 54525, Oklahoma City, OK 73154

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface 1980' FWL & 1980' FSL
At top prod. interval reported below Same
At total depth Same

5. LEASE DESIGNATION AND SERIAL NO.
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME
SALTWASH
9. WELL NO.
#1-16
10. FIELD AND POOL, OR WILDCAT
Saltwash Field
11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
NE SW Sec 16, 23S-17E

14. API NO. 43-019-31356 DATE ISSUED 1-3-95 12. COUNTY Grand 13. STATE UH

15. DATE SPUNDED 01-30-95 16. DATE T.D. REACHED 03-21-95 17. DATE COMPL. (Ready to prod.) 3-22-95 (Plug & Abd.) 18. ELEVATIONS (SP. RES. RT. GR. ETC.) GR: 4466' 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 8744' 21. PLUG BACK T.D., MD & TVD - 22. IF MULTIPLE COMPL. HOW MANY _____ 23. INTERVALS DRILLED BY _____ ROTARY TOOLS CABLE TOOLS _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)
Never completed - well dry & P&A'd immediately

25. WAS DIRECTIONAL SURVEY MADE
Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN
DIL/CNL/FDC

27. WAS WELL CORED YES NO (Submit analysis) DRILL STEM TEST YES NO (See reverse side)

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8"	8.4-8.6 PPG	1616'	12-1/4"	360 Sx	
				330 Sx	
Well plugged - 6 plugs - data attached					

LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)
None				

TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
None		

31. PERFORATION RECORD (Interval, size and number)
None

ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
None	

PRODUCTION

DATE FIRST PRODUCTION Dry Hole PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) N/A WELL STATUS (Producing or shut-in) Plugged

DATE OF TEST	HOURS TESTED	CHOKES SIZE	PROD'N. FOR TEST PERIOD	OIL—BSL.	GAS—MCF.	WATER—BSL.

FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BSL.	GAS—MCF.	WATER—BSL.

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) _____ TEST WITNESSED BY _____

LIST OF ATTACHMENTS

RECEIVED
JUN 12 1995
DIV. OF OIL, GAS & MINING

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Barbara J. Bale TITLE Regulatory Analyst DATE 6-8-95

CHESAPEAKE OPERATING, INC.**P. O. BOX 10240****COLLEGE STATION, TEXAS 77842****Telephone: 409/696-5882****Telefax 1: 409/764-7475 (Drilling Department)****Telefax 2: 409/764-7585**

June 12, 1995

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Attention: Mr. Frank R. Mathews

Re: Saltwash #1-16
Grand County, Utah
Permit/API #43-019-31356

Dear Mr. Mathews,

Chesapeake is in the process of turning back to S.W. Energy Corp. the farmout acreage associated with the Saltwash #1-16, a dry hole. In order to show S.W. Energy Corp. that final abandonment of this well is imminent and in compliance with the Division of Oil, Gas and Mining (DOGGM), Chesapeake would like to state its intentions regarding this matter, to be verified by you.

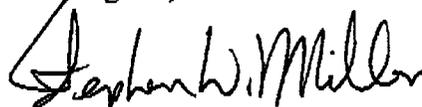
The wellbore was plugged and abandoned as shown on Form 8 per DOGGM requirements on March 22, 1995. As we discussed, closing the reserve pit within one year of drilling operations, providing dirtwork to restore drainage and seeding the location as necessary, followed by a DOGGM inspection, are the last steps in finalizing abandonment of the Saltwash #1-16. The reserve pit closure will consist of dewatering by evaporation the salt mud cuttings, treating the dewatered drill cuttings with bentonite to reduce mobility and then encapsulating same with the 12 ml liner used to line the reserve pit. These contents will then be buried a minimum of 4 feet.

If the steps outlined above reflect what would be required by the DOGGM to finalize abandonment of the Saltwash #1-16, please sign below. Thank your for your help regarding this matter.



Mr. Frank Mathews
Petroleum Engineer
Division of Oil, Gas and Mining
State of Utah

Best regards,



Stephen W. Miller, P.E.
District Manager

CHESAPEAKE OPERATING, INC.

**P. O. BOX 10240
COLLEGE STATION, TEXAS 77842
Telephone: 409/696-5882
Telefax 1: 409/764-7475 (Drilling Department)
Telefax 2: 409/764-7585**

June 12, 1995

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Attention: Mr. Frank R. Mathews

Re: Saltwash #1-16
Grand County, Utah
Permit/API #43-019-31356

Sec 14 T235 R17E

Dear Mr. Mathews,

Chesapeake is in the process of turning back to S.W. Energy Corp. the farmout acreage associated with the Saltwash #1-16, a dry hole. In order to show S.W. Energy Corp. that final abandonment of this well is imminent and in compliance with the Division of Oil, Gas and Mining (DOG M), Chesapeake would like to state its intentions regarding this matter, to be verified by you.

The wellbore was plugged and abandoned as shown on Form 8 per DOGM requirements on March 22, 1995. As we discussed, closing the reserve pit within one year of drilling operations, providing dirtwork to restore drainage and seeding the location as necessary, followed by a DOGM inspection, are the last steps in finalizing abandonment of the Saltwash #1-16. The reserve pit closure will consist of dewatering by evaporation the salt mud cuttings, treating the dewatered drill cuttings with bentonite to reduce mobility and then encapsulating same with the 12 ml liner used to line the reserve pit. These contents will then be buried a minimum of 4 feet.

If the steps outlined above reflect what would be required by the DOGM to finalize abandonment of the Saltwash #1-16, please sign below. Thank you for your help regarding this matter.

Best regards,

Stephen W. Miller
Stephen W. Miller, P.E.
District Manager

Mr. Frank Mathews
Petroleum Engineer
Division of Oil, Gas and Mining
State of Utah



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

REC'D AUG 10 1995

2ND NOTICE
8-4-95

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

June 21, 1995

Ms. Barbara J. Bale
Chesapeake Operating, Inc.
P. O. Box 54525
Oklahoma City, Oklahoma 73154

Re: Salt Wash #1-16, API No. 43-019-31356
Submittal of Electric and Radioactivity Logs

Dear Ms. Bale:

We have not received the logs for the referenced well. The Well Completion Report indicates that DIL/CNL/FDC logs were run. Please submit a copy of these logs to this office as soon as possible.

Your help in this matter will be greatly appreciated. If you have questions regarding this request, please contact me at (801)538-5340.

Sincerely,

Vicky Carney
Production Group Supervisor

cc: R. J. Firth
D. T. Staley
L. D. Clement
Log File

CHESAPEAKE OPERATING, INC.

P.O. BOX 54525
OKLAHOMA CITY, OKLAHOMA 73154-1525
405/840-3000 (OFFICE)
405/848-4319 (FAX)

RECEIVED
AUG 23 1995

August 21, 1995

Vicky Carney
Production Group Supervisor
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RE: Salt Wash #1-16, API No. 43-019-31356
Grand Co., Utah

Please accept my apology for your having to send a 2nd notice regarding the logs on the above well. I thought the engineer had answered the first letter.

The information in Section 26^{1/2} of the completion report for the above well was incorrect. No logs were ever run & the log information was entered in error. According to a 2-8-95 sundry notice, Chesapeake planned to run the logs. When the well came in dry, they chose to bypass the line log & proceed with the P&A. It was discussed with and ok'd by Frank Matthews. A sundry notice was submitted on 3-20-95. A copy of both sundry notices is attached.

I picked up the logs on the 2-8-95 sundry notice but missed the 3-20-95 sundry notice which cancelled running the electric line log. When the engineer reviewed the completion report, he also failed to note the error.

Section 26^{1/2} should have shown "NONE".

Sincerely,



Barbara Bale
Regulatory Analyst

cc: File, BJB

AUG 28 1995

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1. TYPE OF WELL: OIL WELL GAS WELL DRY Other P&A - Dry Hole

2. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Other _____

3. NAME OF OPERATOR
Chesapeake Operating, Inc.

4. ADDRESS OF OPERATOR
P.O. Box 54525, Oklahoma City, OK 73154

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface 1980' FWL & 1980' FSL
At top prod. interval reported below Same
At total depth Same

3. LEASE DESIGNATION AND SERIAL NO.
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME
SALTWASH
9. WELL NO.
#1-16
10. FIELD AND POOL, OR WILDCAT
Saltwash Field
11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
NE SW Sec 16, 23S-17E

14. API NO. 43-019-31356 DATE ISSUED 1-3-95 12. COUNTY Grand 13. STATE UH

15. DATE SPUNDED 01-30-95 16. DATE T.B. REACHED 03-21-95 17. DATE COMPL. (Ready to prod.) 3-22-95 (Plug & Abd.) X 18. ELEVATIONS (SP. RES. RT. GR. ETC.) GR: 4466' 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 8744' 21. PLUG BACK T.S., MD & TVD - 22. IF MULTIPLE COMPL. HOW MANY _____ 23. INTERVALS SKIPPED BY _____ ROTARY TOOLS X CABLE TOOLS _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)
Never completed - well dry & P&A'd immediately

25. TYPE ELECTRIC AND OTHER LOGS RUN DIL/GNL/EDC Never Run Entered In Error 26. WAS WELL CORED YES NO (Submit analysis) DRILL STEM TEST YES NO (See resource table) 27. WAS DIRECTIONAL SURVEY MADE Yes

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	MOLE SIZE	CEMENTING RECORD	AMOUNT POLLED
9-5/8"	8.4-8.6 PPG	1616'	12-1/4"	360 Sx	
				330 Sx	
<u>Well plugged - 6 plugs - data attached</u>					

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	PACKER CEMENT	SCREEN (MD)	30. TUBING RECORD
None					SIZE: None DEPTH SET (MD): PACKER SET (MD):

31. PERFORATION RECORD (Interval, size and number)

None

32. ACID, SHOT, FRACTURE CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
None	

33. PRODUCTION

DATE FIRST PRODUCTION Dry Hole PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) N/A WELL STATUS (Producing or shut-in) Plugged

DATE OF TEST	HOURS TESTED	CHOKES SIZE	PROD'N. FOR TEST PERIOD	OIL—BSL.	GAS—MCF.	WATER—BSL.	GAS-OIL RATIO

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) _____ TEST WITNESSED BY _____

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Barbara J. Bale TITLE Regulatory Analyst DATE 6-8-95

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

AUG 28 1995

Copied into coll. St., BSB

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

5. Lease Designation and Serial Number:

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

1. Type of Well: OIL GAS OTHER: *New Drilling Well

8. Well Name and Number:

SALT WASH #1-16

2. Name of Operator:

CHESAPEAKE OPERATING, INC.

9. API Well Number:

43-019-31356

3. Address and Telephone Number:

P.O. Box 54525, Oklahoma City, OK 73154 (405)840-3000

10. Field and Pool, or Wildcat:

Salt Wash Field

4. Location of Well

Footages:

CG, Sec., T., R., M.: NE SW Sec 16, 23S-17E

County: Grand

State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT
(Submit in Duplicate)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

X Other Change Logging Program 2.6.6 of APD as per R649-3-4.

Approximate date work will start Spud 1-30-95
Later in the drilling operation

SUBSEQUENT REPORT
(Submit Original Form Only)

- Abandon *
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other _____
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

As discussed with Michael Hebertson on 02-07-95, the following changes are planned for 2.6.6 of R649-3-4 (permitting of well to be drilled) and are as follows:

Electric Line Logging

- DIL: 8400' to TD - instead of - 9-5/8" shoe to TD
- CNL/FDC: 8400' to TD - instead of - 7000' to TD

Mud Logging

- Conventional Mudlogger: 8400' to TD - instead of - 4800' to TD

13. Name & Signature: Barbara J. Bale
Barbara J. Bale

Title: Regulatory Analyst Date: 2-8-95

(This space for State use only)

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

Copy - File, C.W. St., BJB
AUG 28 1995

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL GAS OTHER: New Drilled Well

2. Name of Operator:
CHESAPEAKE OPERATING, INC.

3. Address and Telephone Number:
P.O. Box 54525, Oklahoma City, OK 73154 (405)840-3000

4. Location of Well
Footages:
OO, Sec., T., R., M.: NE SW Sec 16, 23S-17E

5. Lease Designation and Serial Number:

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:
SALT WASH #1-16

9. API Well Number:
43-019-31356

10. Field and Pool, or Wildcat:
Salt Wash Field

County: Grand
State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT
(Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandon | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recomplete |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate date work will start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

- | | |
|---|---|
| <input type="checkbox"/> Abandon | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input checked="" type="checkbox"/> Change of Plans | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

As per discussion 3-19-95 with Frank Matthews, the well is a dry hole, and Chesapeake Operating, Inc. has elected to bypass the electric line log & will proceed with the P&A procedure.

13.

Name & Signature: Barbara J. Bale
Barbara J. Bale

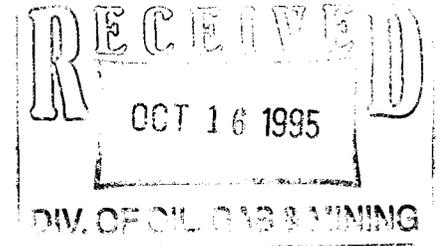
Title: Regulatory Analyst Date: 3-20-95

S.W. ENERGY CORPORATION

847 EAST FOURTH SOUTH

SALT LAKE CITY, UTAH 84102

TELEPHONE (801) 532-6664



12 October 1995

State of Utah
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Gentlemen: Re: Lease ML-45209

This letter is to inform you that
Chesapeake Operating, Inc., has conveyed all
their rights in the 1-16 well back to S. W.
Energy Corporation.

*Sec. 16, T. 23S, R. 17E / 43-019-31356
(PA'd 3-22-95)*

Sincerely yours,

S. W. ENERGY CORPORATION

A handwritten signature in cursive script that reads "Richard P. Smoot".

Richard P. Smoot

RPS:ED

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to
 Well File Salt Wash 1-16 Suspense Other
(Location) Sed6 Twp 23S Rng 17E (Return Date) _____
(API No.) 43-019-31356 (To - Initials) _____

1. Date of Phone Call: 11/12/96 Time: 9:15

2. DOGM Employee (name) Frank Matthews (Initiated Call
Talked to:
Name Ed Bonner (Initiated Call - Phone No. (538-5151
of (Company/Organization) State Institutional Trust Land Adm

3. Topic of Conversation: Re hat of location -

4. Highlights of Conversation: Ed said they sold a 20,000
acre bond from Smart + have released Chesapeake.
Part of this bond is fee + part is state
Trust Lands. State Lands has returned
Chesapeake bond. The location is
not recontoured or reseeded
because Smart is suppose to re-
enter the well. I would have
Smart put up the bond w/ ^{the amount} we are holding
from Chesapeake. Need to get R/Ts
OK!

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File
SALT WASH 1-16
(Location) Sec 16 Twp 23SRng 17E
(API No.) 43-019-31356

Suspense
(Return Date) _____
(To - Initials) _____

Other
BOND FILE(S)
CHESAPEAKE
RICHARD P SMOOT

1. Date of Phone Call: 11-12-96 Time: 10:50

2. DOGM Employee (name) L. CORDOVA (Initiated Call
Talked to:

Name ED BONNER (Initiated Call - Phone No. (801) 538-5151
of (Company/Organization) TRUST LANDS ADMIN.

3. Topic of Conversation: BONDING?

4. Highlights of Conversation: _____

SURF & MINERALS ARE PART FEE & PART STATE THAT IS WHY DOGM HELD 1/2 (\$20,000)
OF BOND COVERAGE FOR THE ABOVE STATED WELL AND WHY TRUST LANDS HELD 1/2 (\$20,000)
FOR A TOTAL OF \$40,000 (TD 8744'). BOTH PROVIDED BY CHESAPEAKE/OPERATOR OF WELL.
*TRUST LANDS HAS RELEASED CHESAPEAKE'S \$20,000 BOND IN PLACE WITH THEM BECAUSE
THE WELL HAS BEEN PROPERLY PLUGGED; HOWEVER THE LOCATION HAS NOT BEEN PROPERLY
REHABED. RICHARD SMOOT HAS PROVIDED TRUST LANDS WITH A \$10,000 CERT. OF DEPOSIT
#0514233 FOR REHAB PURPOSES. (SMOOT IS THE FEE SURF & FEE MINERAL OWNER)
SMOOT MAY RE-ENTER THE WELL AT A LATER DATE; IF SO ADDITIONAL BOND COVERAGE WILL
BE REQUIRED BY BOTH TRUST LANDS AND DOGM. IN THE MEAN TIME - DOGM MAY RELEASE
CHESAPEAKE'S \$20,000 BOND.

**961113 Richard Smoot "In agreement w/above!"*