

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
1625 N. French Dr.
Hobbs, NM 88240

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM24683
2. Name of Operator Chesapeake Operating, Inc.		6. If Indian, Allottee or Tribe Name
3a. Address P. O. Box 18496 Oklahoma City, OK 73154-0496	3b. Phone No. (include area code) (405) 848-8000	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SE SW Sec 8-22S-33E 880' FSL & 1760' FWL		8. Well Name and No. Merchant Federal 8 #001
		9. API Well No. 30-025-36318
		10. Field and Pool, or Exploratory Area Permian Undesignated
		11. County or Parish, State Lea Co., NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Tubing, Liner, Perforations
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

11/20/03 PU machine, RU csg crew, unload tbg, RIH w/seal assembly, put BOP on, RU, PU machine, RU csg crew, MU seal assembly, PU 384 jts 3-1/2" P-110 tbg, set 80,000# on liner top, RD
11/22/03 NU tree & BOP, test to 5000#, RU Schlumberger, perf Morrow "E" 14971-978' @4 spf, RD, well on vaccum
11/23/03 RIH w/477 jts 2-3/8" tbg, set pkr @14,888', test to 1000#
11/24/03 Swab
11/25/03 RU Cudd, test 4-1/2" to 2000#, tie on tbg, load hole w/48 bbls 7% KCL, pump into formation @14,971-978', max rate 1.5 BPM @7260#, min rate .8 BPM @6000#, pump total 109 bbls 7% KCL, SD, bring out acid, pump 36 bbls 7-1/2% Ne-Fe acid w/clay stabilizer & methanol @.6 BPM, 7500#, flush w/70 bbls 7%, after 6l BF pump acid on perfs well broke back to 6700# @3 BPM, finish pmping flush @3 BPM, 6500#, ISIP 5200#, 5 min 4647#, 10 min 4473#, 15 min 4390#, RD Cudd
12/03/03 MIRU BJ Services, pressure test lines, pressure 4-1/2"x7" annulus to 2960#, SITP, 115#, frac Morrow E 14971-978' w/prop & CO2 @9680#, ISIP 8060#, RD BJ, RD tree saver

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Barbara J. Bale

Title Regulatory Analyst

Signature

Barbara J. Bale

Date 01/14/04

Continued next page

APPROVED FOR REGISTRATION			
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved by (ORIG. SCD) DAVID R. GLASS FEB - 2 - 2004	Title		Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office		
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.			
Instructions on reverse)			

Form 3160-5 Sundry Notice continued

Merchant Federal 8 #001

API 30-025-36318, Lea Co., NM

- 12/06/03 RU Eunice WS #13, TP 1000#, bleed down, would not burn, rlse pkr, pump 70 bbls 7% KCL down csg, POOH w/pkr & tbq, RU Halliburton, set CIBP @14,921', perforate Morrow "B" 14702-728' @ 4 spf, 104 holes, RD
- 12/ 12/03 RU BJ, test csg to 3000#, test lines to 11,000#, start frac job, stage 1, 14,000 gals pad @ 16 BPM, 490#, stage 2, 10,000 gal .25 ppg 20/40 Bauxite @23 BPM, 6600#, stage 3, 2500 gals .5 ppg 20/40 Bauxite @ 24 BPM, 7474#, stage 4 - 3500 gal, 1 ppg 20/40 Bauxite @24 BPM, 7523#, stage 5 - 4500 gal 1.5 ppg 20/40 Bauxite @ 24 BPM, 7800#, stage 6 - 5500 gal, 2 ppg 20/40 Bauxite @24 BPM, 7980#, stage 7 - 6500 gal 2.5 ppg 20/40 Bauxite @24 BPM, 8150#, stage 8 - 6250 gal, 3 ppg 20/40 Bauxite, @24 BPM, 8650#, stage 9 flush @24 BPM, 8800#, screen out @54000# in formation, left 6000# sand in 4-1/2", ISP 10,325#, 5 min 9543#, 10 min 9228#, 15 min 9025#, RD BJ, tie testers on tree saver, 8000#, bleed to 2500#, RD tree saver.
- 12/17/03 RU Halliburton, RU lubricator, 3300# on well, RIH, set pkr @14,630', POOH, bleed well off, RD Halliburton

Barbara J. Dale