

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

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 ☐ Oil Well ☒ Gas Well ☐ 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 11050 Midland TX 79702-8050	3b. Phone No. (include area code) (432)687-2992	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 880' FSL & 1760' FWL, Sec. 8, T22S, R33 E		8. Well Name and No. Merchant Federal 8 #1
		9. API Well No. 30-025-36318
		10. Field and Pool, or Exploratory Area Undesignated
		11. County or Parish, State Lea New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/ Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☒ 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 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.)

Chesapeake, respectfully, requests permission to haul water from this lease. We propose to use Control Recovery Inc to haul this water from the location. Their facility number is R9166. Water Production & disposal information is attached.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

RECEIVED
2005 MAR 16 A 8:08
BUREAU OF LAND MGMT
HOBBS, NEW MEXICO

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

Brenda Coffman

Signature

Brenda Coffman

Title

Regulatory Analyst

Date

03/11/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

DAVID E. GLASS

Title

PETROLEUM ENGINEER

Date

MAR 28 2005

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.

Title 18 U.S.C. Section 1001, makes 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)

Water Production & disposal Information

In order to process your disposal request, the following information must be completed:

1. Name of formations producing water on the lease. Morrow
2. Amount of water produced from all formations in barrels per day. 24000
3. Attach a current water analysis of produced water from all zones showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates. (one sample will suffice if the water is commingled)
4. How water is stored on the lease. 210 WT. Tank
5. How water is moved to the disposal facility. Trucking
6. Identify the Disposal Facility by :
 - A. Facility operators name. CRI
 - B. Name of facility or well name & number. Commercial Surface Waste Facility
 - C. Type of facility or well (WDW)(WIW) etc. Evaporation
 - D. Location by 1/4 1/4 section 27 township 20S range 32E
7. Attach a copy of the State issued permit for the Disposal Facility.

Submit to this office, 414 West Taylor, Hobbs, NM 88240, the above required information on a Sundry Notice 3160-5. Submit 1 original and 5 copies, within the required time frame. (This form may be used as an attachment to the Sundry Notice.) Call me at 505-393-3612 if you need to further discuss this matter.