

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS** **HOBBS OCD**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

AUG 25 2011

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input 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 OKLAHOMA CITY, OK 73154-0496		7. If Unit or CA/Agreement, Name and/or No	
3b. Phone No. (include area code) Ph: 405.935.2411		8. Well Name and No. MERCHANT 8 FEDERAL 1	
4. Location of Well (Footage, Sec., T, R, M, or Survey Description) Sec 8 T22S R33E SESW 880FSL 1760FWL		9. API Well No. 30-025-36318-00-S3	
		10. Field and Pool, or Exploratory DAGGER LAKE UNKNOWN	
		11. County or Parish and State LEA COUNTY, 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" 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 recompletable 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 recompletion 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 TEMPORARILY ABANDON THE MERCHANT 8 FEDERAL 1 WELL. THE PROCEDURE IS ATTACHED.

THIS WELL IS ON THE NEW MEXICO IAWL LIST AND CHESAPEAKE IS CONSIDERING USING THE WELLBORE TO ACCESS THE 2ND BONE SPRING FOR COMPLETION. CHESAPEAKE WILL NEED TIME TO GET THE RESULTS FROM THE 2ND BONE SPRING COMPLETION IN THE AREA WHICH WE HAVE OWNERSHIP. WE ARE ASKING TO TAKE THE WELL FOR FIVE YEARS. CHESAPEAKE WILL PERFORM A MIT ONCE A YEAR.

DENIED: Recomplete well within 90 days as approved by Dustin Winkler on 10/4/2010 or submit NOI to P&A within 90 days. See 3a. added to approved recompletion sundry, test squeeze of perfs. and casing after drilling out CICR (1000psi) WWI. attached

(CHK PN 819462)

LAST prod. 3/2010

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #115090 verified by the BLM Well Information System For CHESAPEAKE OPERATING INC, sent to the Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 08/15/2011 (11DLM0696SE)	
Name (Printed/Typed) LYNDEE SONGER	Title REGULATORY COMPLIANCE ANALYST
Signature (Electronic Submission)	Date 08/12/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DENIED	DUNCAN WHITLOCK Title LEAD PET	Date 08/20/2011
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 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		

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

ECUNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

BLM Carlsbad Field Office

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OMB NO. 1004-0135
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1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM24683
2. Name of Operator CHESAPEAKE OPERATING, INC. Contact: LINDA GOOD E-Mail: linda.good@chk.com		6. If Indian, Allottee or Tribe Name
3a. Address P.O. BOX 18496 OKLAHOMA CITY, OK 73154-0496	3b. Phone No. (include area code) Ph: 405-935-4275	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T, R, M., or Survey Description) Sec 8 T22S R33E SESW 880FSL 1760FWL		8. Well Name and No. MERCHANT 8 FEDERAL 1
		9. API Well No. 30-025-36318
		10. Field and Pool, or Exploratory UNDES DAGGER LAKE DEL
		11. County or Parish, and State LEA COUNTY, NM

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SQUEEZE PERFS AND RECOMPLETE 2ND BONE SPRING:

**ENTERED
IN AFMSS**

CHESAPEAKE, RESPECTFULLY REQUESTS PERMISSION TO RECOMPLETE THIS WELL PER THE FOLLOWING PROCEDURE:

1. PU 7" 29# CICR. TIH & set @ 8,550'.
2. Unsting to pressure test. Sting back into CICR and establish rate into the Brushy Canyon perforations.
3. RU cement crew. Pump cmt squeeze while hesitating in. Unsting and reverse out. TOH. RD cement crew.
4. PU 6" bit and drill collars. TIH to CICR @ 8,550'. Drill and clean out to PBTD @ 11,665'. TOH. LD bit & collars.
5. PU 4" PPG perforating guns loaded w/2 SPF, 120o phasing, 22.7g charges, w/0.40" holes. Correlate

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL***30. Test squeeze
of perfs and
casing after
drilling out CICR
(1000 psi)
Wesley Ingman
8/20/2010*

14. I hereby certify that the foregoing is true and correct. Electronic Submission #92402 verified by the BLM Well Information System For CHESAPEAKE OPERATING, INC., sent to the Hobbs	
Name (Printed/Typed) LINDA GOOD	Title SR. REGULATORY COMPLIANCE SPEC
Signature (Electronic Submission)	Date 09/08/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By	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	
	Is/ Dustin Winkler	OCT 4 2010

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 any statement or representation of agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****