Form 3160-5 (August 2007)

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED OMB NO 1004-0135 Expires: July 31, 2010

	Expires: July 31, 2010		_
5	Lease Serial No NMNM24683	,	
6	If Indian, Allottee or Tribe Name		

	NOTICES AND REPU				MINIMINIZ4003				
Do not use thi abandoned we	o not use this form for proposals to drill or to re-enter an andoned well. Use form 3160-3 (APD) for such proposals.  6 If Indian, Allottee or Tribe Name								
SUBMIT IN TRI	PLICATE - Other instru	ctions on rev	erse side.		7. If Unit or CA/Agree	ement, Name and/or No.			
I. Type of Well  ☐ Gas Well ☐ Oth	Sade								
2 Name of Operator ✓CHESAPEAKE OPERATING,	Contact	LINDA GOO l@chk com	D			/			
3a Address P.O. BOX 18496 OKLAHOMA CITY, OK 7315	3b Phone No. (include area code) Ph: 405-935-4275  HOBBS OCD  Sec , T , R., M , or Survey Description) IMP SESW 880FSL 1760FWL  FEB 1 3 2012  APPROPRIATE BOX(ES) TO INDICATE NATURE OF ACTION  TYPE OF ACTION  10 Field and Pool, or Exploratory DAGGER LAKE DAGG								
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 8 T22S R33E Mer NMP SESW 880FSL 1760FWL									
12. CHECK APPI	ROPRIATE BOX(ES) TO	O INDICATE	NATUREOF	ESTICE, RE	EPORT, OR OTHER	R DATA			
TYPE OF SUBMISSION			ТҮРЕ С						
☐ Notice of Intent	☐ Acidize	□ Dee	pen	□ Producti	on (Start/Resume)	☐ Water Shut-Off			
<del>_</del>	Alter Casing	□ Frac	ture Treat	□ Reclama	ntion	■ Well Integrity			
✓ Subsequent Report	☐ Casing Repair	□ Nev	Construction	Recomp	lete	□ Other			
Final Abandonment Notice	☐ Change Plans	□ Plug	g and Abandon	✓ M Tempora	arily Abandon				
	Convert to Injection	Plug	Plug Back		isposal				
following completion of the involved testing has been completed. Final Al determined that the site is ready for f 12/21/2011 BLED DOWN CAS GET ANY DEEPER. POOH, RBP (5.900 OD). PLUG SAT I WELL IN. RD WIRELINE. SD 12/29/2011 BLED DOWN CAS VIA EL FARMER. SIH W/6" B	d operations If the operation rebandonment Notices shall be figural inspection.)  SING. ND WELLHEAD. I GAUGE RING & JUNK EDOWN AT 1362'. UNABIOFN.12-22-23-24-25-26-2  SING. ND WELLHEAD. IT & 7" CASING SCRAP	esults in a multipided only after all NU SPOOL. RASKET HAD LE TO GET DITES. PURS. POOL A RE ON 60 JT	Ile completion or re requirements, inclination of the IH W/6.059 OE PARAFFIN & F EEPER. POOH IUT DOWN FO AND BOP. REC S 2-7/8 WORKS	COMPLETION IN A SUDDING TECHNICAL SERVICES OF R. I. ND SPOOL. R. HOLIDAYS SERVED 279 J	inew interval, a Form 316 in, have been completed, in TO 1400?. UNAE UBBER. RIH W/7? . NU WELLHEAD. S & WAITING ON RI	50-4 shall be filed once and the operator has BLE TO BAKER TSM SHUT G			
1/3/2012 TIH WITH 6" BIT & 7 CLOSED BOP RAMS - SDFN	After 6-/-2	<del>OH-W/BIT/SCR</del> well must b	APER-8-2 7/0 De online	WORKSTRING  TA EXP'  A150	es 6/1/2012				
AST Prad \$12 010  14 I hereby certify that the foregoing is	or plans to P	& A musi	De submille	9 <b>u.</b> 	SEE NOI	COAS JON			
14 I hereby certify that the foregoing is	Electronic Submission #				System				
Name (Printed/Typed) LINDA GOOD			Title SR. REGULATORY COMPLIANCE SPEC						
Signature (Electronic S	Submission)		Date 01/23/2	2012		•			
	THIS SPACE F	OR FEDERA	L OR STATE	OFFICE US	SE				
Approved By J. D. W Ritbork 2			Title L PE	7		Date 2/1/12			
Conditions of approval, if any, are attache ertify that the applicant holds legal or equivalent would entitle the applicant to conduct the applica	Office CF	0							

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.

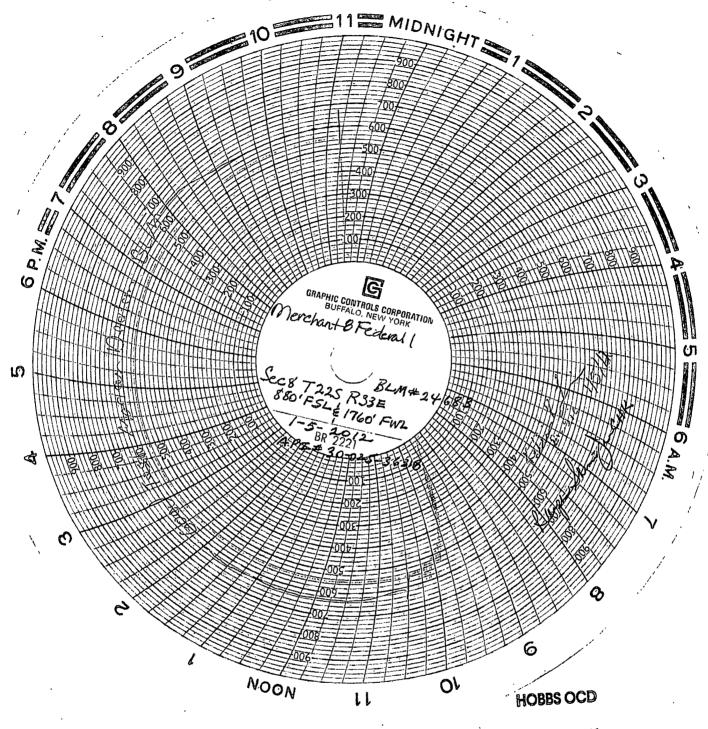
## Additional data for EC transaction #128918 that would not fit on the form

## 32. Additional remarks, continued

1/4/2012 RBIH TESTING @ 6,000# ABOVE THE SLIPS - RAN IN WITH XN NIPPLE - 6' TBG SUB 7" BAKER HORNET PACKER - ON-OFF TOOL (2.225 ID PROFILE) ON 2-7/8 N-80 WORKSTRING - R/D TESTERS - SET PACKER AT 8,530' - LOAD BACKSIDE & PERFORMED PRE-TEST TO 500# - OK - N/D BOP - N/U WELLHEAD & SDFN.

1/5/2012 RIGGED UP PUMP TRUCK & PRESSURED UP BETWEEN CASING AND TUBING TO 500# - CONDUCTED MIT ON CASING FOR 30 MINUTES. HELD OK (TEST WITNESSED BY BLM INSPECTOR, MARLAN DEATEN) RDSU & PUMP TRUCK - FINAL REPORT.

(CHK PN 819462)



FEB 1 3 2012

RECEIVED

## **CURRENT WELLBORE SCHEMATIC**

WELL: MERCHANT 8 FEDERAL 1 FIELD: SAPPHIRE PROSPECT

COUNTY: LEA STATE: NEW MEXICO LOCATION: 880.0 FSL & 1,760.0 FWL SEC 8, 022S, 033E ELEVATION: 3,571.0 GR -- 3,594.0 RKB TD: 15,400.0 PBTD: Original Hole - 11665.0

STATUS: PRODUCING

PROP #: 819462 API: 3002536318 SPUD DATE: 8/25/2003 RIG RELEASE: 10/28/2003 FIRST SALES: 12/23/2003 WELLBORE TYPE: VERTICAL



Well Config: Original Hole, 1/20/2012 11:00:4	Casing Strin	ng: Line	er			, T.	٠ (۱,۱,١)		125 E. C	<del></del>
Schematic - Actual	Set Depth (ftKB)	5.382 0		Wellbore Original	Hole			String Top	Connection	
13 3/8" 54 5# J-55 Surf!	Item Descri Liner Hanger		OD (in) 4 1/2	ID (in)		(lbs/ft)	Grade		(ftKB)	Btm (ftKB)
Csg ZZZZZZZZZZZZZZZZZZZZZZZZZZZZZZZZZZZZ	Casing Joints		4 1/2		20	13 50	P-110		1,984 0 1,987.0	11,987 0 15,381.0
:Cmt w/ 820 sx. Circ   13 3/8in, 54 50lbs/ft,	Float Shoe		4 1/2					1	5,381.0	15,382 0
J-55, 23-1,110 ftKB	Cement		4 ++ '	· ; ;		10.2	<u> </u>	· · · · · · ·	· · · · · · · · · · · · · · · · · · ·	
9 5/8" 40# K-55 ST&C Int	Surface Cas Start Date	ing Cer Description	ment, casi	ng, 8/28/		String			[Туре	
Cmt w/ 1000 sx Circ!	8/28/2003	Surface	e Casing C		!	Surface	e, 1,110	OftKB	casing	
9 5/8in, 40 00lbs/ft, K-55,	Intermediate Start Date	Casing Description		casing,		03 String			Type	
23-4,600 ftKB <sub>1</sub>			ediate Casi	ng Ceme			diate, 4	,600 OftK	B  casing	
	Production 6	Casing Description		asing, 9		String			Туре	
			tion Casin	g Cemen			tion, 12,	100 OftKI	Bcasing	
	Liner Cemer Start Date	nt, casir		2003	,	String			Туре	
	10/26/2003						5,382 0	tKB	casing	
	Cement Plug Start Date	g, plug, Descriptio	10/20/200	4		String			Туре	
	10/20/2004						5,382 0	tKB	plug	
	Cement Pluc Start Date	g, plug, Descriptio				String			Туре	
BRUSHY CANYON, 8,582		Cemen			1	-	5,382 01	tKB	plug	
E CALL	Cement Pluc Start Date	, plug, Descriptio	12/2/2004			String			Time	
		Cemen					5,382 0	tKB	plug	
	Cement Pluc	, plug, Descriptio	6/8/2006		;	String			17,000	
	·	Cemen					5,382 Of	tKB	Type plug	
PBTD, 11,665	Cement Plug Start Date	, plug, Descriptio	6/8/2006			String				
Cemented Bridge Plug,		Cemen					ion, 12,	100 OftKE	Type 3 plug	
7ın, 11,665 ftKB	Cement Plug Start Date	, <type< th=""><th></th><th>10</th><th></th><th></th><th></th><th></th><th></th><th></th></type<>		10						
CIBP w/ cmt cap		Cement		•		String Product	ion, 12,	100 OftKE	Type 3	ĺ
BONE SPRING, 11,744	Cement Plug Start Date	, plug, Descriptio								
DOINE STRING, 11,744		Cement			- 1	String Product	on, 12,	100.0ftKE	Type B plug	Ì
TOL	Perforations	1,1,1,1			. 12.1	· in	3135		3 4 4 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	20 7 30
CiBP w/ cmt cap Cast Iron Bridge Plug, 3	2/6/2010	BRUSH	Zone/For IY CANYO			Top (f 8,	582 0	Btm (ftKB 8,62	4 0 Open	eni Status
1/2in 12 059 ftkB \			SPRING				744 0		0 0 Isolate	
7 29# L-80 LI&C Prod \		MORRO	SPRING OW				338 0 702 0		5 0 Isolate 8 0 Isolate	
Cmt w/ 1400 sv Crs	11/23/2003	MORRO	OW WC				971 0		8.0 Isolate	
7in, 29 00lbs/ft, L-80,	Tubing String Set Depth (f(KB)	g <u>: Tubi</u>	ng - Produ	ction .		1, 1, 1,		Run Date		<u>; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; </u>
23-12,100 ftKB   CIBP w/ cmt cap	8,	537 4		Original F				von Date	8/12/2010	)
Cast Iron Bridge Plug, 3	Item Descr Tubing	ription	OD (in) 2 7/8			(i) Grad 0 N-80	e Top	23 0	8,520 5	Len (ft) 8,497.53
1/2in, 14,280 ffKB	On-Off Tool w	/ Profile			1			3,520.5	8,522.3	1.81
Cast Iron Bridge Plug 3	Packer Tubing Cub		2.70					3,522.3	8,530 4	8 04
	Tubing Sub Profile Nipple	·R	2 7/8		ļ	-		3,530 4 3,536 4	8,536.4 8,537.4	6.00 1 03
CIBP	Attachments		100	<del></del>		17.50.00	587.	15 L		
Cast Iron Bridge Plug, 3	Date 8/13/2010	Typ Pic	e 1 cture		٠ ا ،	escription CHESAI		MERCH4	ANT 8-13-1	10
	Date	Тур	e 1			escription				
Liner	7/15/2009	,  Pr	ocedure Pa	JUKET			it 8 Fed letion A		ushy Canyo	n :
Cmt w/ 250 sx. Circ   4 1/2in, 13 50lbs/ft,	Date 8/20/2010	Тур	e 1 imp Failure	Popor		escription			# 4 0 00 0	
P-110, 11,984-15,382	0/20/2010		mp railufe	кероп	l	-vv MEI	CHAN	O PED !	# 1 8-20-20	110
TD, 15,400										<b>§</b>
Weil History	···									
Date <u>Event</u> : 11/26/2003 ACDZ 14971'-14978' w/ 35 71 bbl of 7 5% NeFe								-40	BBS O	~ m
12/4/2003 FRAC 14971'-14978'								0 100	and M	<u>-u</u>
12/13/2003   FRAC 14702'-14728' w/ 922 62 bbl & 54000# sd 12/4/2004   ACDZ 11744'-11780' w/ 47 62 bbl 15% NeFe HCl.										
12/8/2004   ACDZ 11744'-11780' w/ 47 62 bbl 20% HCl gld acid & 457 1 12/9/2004   ACDZ 11744'-11780' w/ 400 bbl 20% Gel XL HCl	14 bbl 20% Ge	I XL HC	i					FEB.	132	N12
6/8/2006 Well TA'd										
1/26/2010 Run CBL/CCL/GR from 11560-6800' w/ 2000 psi Good cm 1/27/2010 Tag @ 11669' DO 31' cmt.	t & barners th	rough z	one of inte	rest						
1/28/2010 DO rest of cmt & CIBP @ 11700'								REC	CEIVE	7
1/29/2010 Tag TOL @ 11984' 2/4/2010 DO and fell through Tag up @ 12031'. Notified BLM Pat Mi	cKelvey that	VO 1401-1-	d he setter	256 0-	t plus 1	â 1202			4 EF	<i>y</i>
2/5/2010 PU to 12031' Pump 30 sx cmt Est TOC @ 11833' RLM Pa	uil Flowere ets	hib bate	not have t	a tao plu	~					
2/6/2010 CIBP @ 11700 w/ 35 cmt Ran MIT for 30 min No leak off 2/8/2010 FRAC Brushy Canyon 8582-8624 w/ 4000 gal 15% NeFe, 4	. PERF Brust 5360 gal Fran	ny Cany	on from 85	82-8624 0/40 Whit	w/ 2 jsj	of, 84 h	oles.	C		
, 300 gai 10/0 NGI 6, 4	guii iau	. <u></u>	J. JUZ# 20	" AALIII	o su, lè	vv/ 10	JUUH OL	<u>~</u>		
•										
	'									:
Asset Manager: Jeff Finnell								_		<b></b>