

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**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

HOBBS OCD

DEC 06 2012

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

RECEIVED

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
Contact: ERIN CARSON E-Mail: erin.carson@chk.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address OKLAHOMA CITY, OK 73154-0496	3b. Phone No. (include area code) Ph: 405-935-2896	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 Multiple--See Attached		11. County or Parish, and State LEA COUNTY, NM

Accepted as to plugging of the well bore.  
Liability under bond is retained until  
Surface restoration is completed.

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 checked="" 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.)

CHESAPEAKE IS SUBMITTING THE FOLLOWING P&amp;A PROCEDURE. ATTACHED IS THE WELLBORE DIAGRAM.

10/1/2012 WELL CONDITIONS; WELL ON VACUUM - TIH WITH WORK STRING TO 9,000' - RIGGED UP CEMENT PUMP AND CIRCULATED HOLEWITH 290 BBL OF 9.2# BRINE - TOH STANDING BACK 140 STANDS - COMPLETED TOH LAYING DOWN THE REST - SECURED WELL & SDFN.

10/2/2012 LOADED THE HOLE WITH BRINE - RIH WITH LOGGING TOOLS & RAN CBL FROM 5,000' TO 3,050'. LOCATED TOC BEHIND 7" @ 3,280'. R/D WIRELINE - TIH WITH 2-7/8" WORKSTRING TO 8,676'. CIRCULATED HOLE WITH 250 BBL OF 9.5#MUD - SPOTTED 40 SX CLASS H CMT PLUG & DISPLACED TBG WITH 50 BBL - TOH STANDING BACK WITH 20 STANDS & S/D WOCESTIMATED TOC @ 8,450' - SECURED THE WELL & SDFN.

10/3/2012 PULLED TUBING LAYING DOWN TO 7,095' - SPOTTED A 40 SX CLASS "C" CEMENT PLUG - DISPLACE

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #155210 verified by the BLM Well Information System  
For CHESAPEAKE OPERATING INC, sent to the Hobbs  
Committed to AFMSS for processing by KURT SIMMONS on 10/24/2012 (13KMS1340SE)

Name (Printed/Typed) ERIN CARSON

Title AUTHORIZED REPRESENTATIVE

Signature (Electronic Submission)

Date 10/17/2012

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <b>ACCEPTED</b>	JAMES A AMOS Title SUPERVISORY EPS	Date 12/02/2012
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.		RECLAMATION DUE 4-6-13

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 \*\*

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**Additional data for EC transaction #155210 that would not fit on the form**

**10. Field and Pool, continued**

RED TANK

**32. Additional remarks, continued**

THE TBG WITH 40 BBL OF 9.5# PPG MUD - STOOD BACK 20 STANDS & S/D WOC 4 HOURS - TBIH TAGGING TOC @ 6,890' KB - TOH LAYING DOWN TO 4,835' KB - SPOTTED A 60 SX CLASS 'C' CEMENT PLUG - DISPLACE THE TBG WITH 26 BBL 9.5# PPG MUD - ESTIMATED TOC @ 4,454' KB STOOD BACK 20 STANDS - SECURED THE WELL & SDFN

10/4/2012 PUH TO 3,426' AND SPOT 40 SX CLASS C CMT. DISPLACE TBG W/ 18 BBL 9.5 PPG MUD TOH STANDING BACK 20 STANDS - WOC FOR 4 HOURS - TBIH & TAG TOC @ 3,187' KB - TOH & PRESSURE TESTED CSG @ 500# HELD PRESSURE FOR 10 MINUTES - BLED DOWN THE CASING - R/U WIRELINE & RIH - PERF CASING @ 1,700' - POH WITH PERF GUNS & RIG DOWN WIRELINE - R/U PUMP & ESTABLISH PUMP IN RATE @ 2.5 BPM FOR 30 BBL OF 9.5 PPG MUD - SECURE WELL AND SDFN.

10/5/2012 TIH W/ 7" PACKER ON 2-7/8" WORKSTRING TO 1,377'. SET PACKER AND ESTABLISHED RATE AT 2.5 BPM. SQUEEZED 40 SX CLASS C CMT DISPLACED W/ 15.5 BBL OF 9.5 PPG MUD - WOC 4 HOURS - TOH W/ PACKER - TBIH WITH OPEN ENDED TUBING - TAG TOC @ 1,560' TOH WITH TUBING - R/U WIRELINE & RIH - PERFORATED THE CASING @ 1,155' - POH & R/D WIRELINE - P/U & TIH WITH PACKER TO 703'. SET PACKER AND SQUEEZED 50 SX CLASS C CEMENT INTO PERFS - DISPLACED TUBING WITH 12 BBL OF 9.5 PPG MUD - SECURED WELL SDFWE.

10/8/2012 UNSET PACKER AND TOH W/ 2-7/8" WORKSTRING - TBIH OPEN ENDED AND TAGGED TOC @ 911' - TOH - R/U WIRELINE TO 60' PERFORATED THE CASING - POH AND VERIFIED ALL SHOTS FIRED - R/D WIRELINE - CLOSED BOP & ESTABLISHED PUMP IN/CIRCULATION RATE - N/D BOP & N/U WELLHEAD FLANGE - MIXED AND CIRCULATED 25 SX CLASS "C" CEMENT BACK TO THE SURFACE - SECURED THE WELL & BEGAN RIGGING DOWN EQUIPMENT - WELL IS P/A - FINAL REPORT.

CHK PN 819462

# CURRENT WELLBORE SCHEMATIC

WELL: MERCHANT 8 FEDERAL 1(CVX)  
 FIELD: SAPPHIRE PROSPECT  
 COUNTY: LEA STATE: NEW MEXICO  
 LOCATION: 880.0 FSL & 1,760.0 FWL SEC 10, BLK ,  
 ELEVATION: 3,571.0 GR -- 3,594.0 RKB  
 TD: 15,400.0 PBDT: Original Hole - 11,665.0

STATUS: P & A

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

