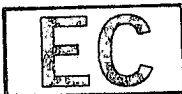


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 20005. Lease Serial No.
NMNM24683

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
MERCHANT FEDERAL 8 19. API Well No.
30-025-36318-00-X110. Field and Pool, or Exploratory
PERMIAN
UNDESIGNATED11. County or Parish, and State
LEA COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
CHESAPEAKE OPERATING INCContact: BARBARA BALE
E-Mail: bbale@chkenergy.com3a. Address
P O BOX 18496
OKLAHOMA CITY, OK 731543b. Phone No. (include area code)
Ph: 405.879.9112
Fx: 405.879.9583

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 8 T22S R33E SESW 880FSL 1760FWL
32.24050 N Lat, 103.35488 W Lon

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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Drilling Operations
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

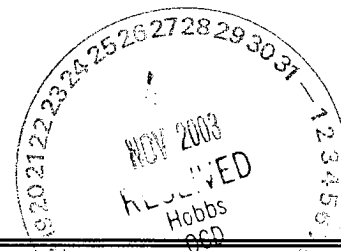
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths 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.)

10/25/03 Run 76 jts 4-1/2" 13.5# P-110 liner & liner hanger, total liner 3,395.86', TOL 11,986', RD csg crew & LD machine, TIH e/E-liner 125 stds & double DP, RU cmt head, wash to bottom, no fill, circ out gas, set hanger, circ.

10/26/03 Pump 20 bbls dual spacer, cmt w/250 sx Super H cmt, circ, RD cmt crew, TOOH, LD liner setting tool, break down cmt head, TIH w/polish mill, dress off TOL, test liner to 1000#, circ, run test on liner, pump annular volume 285 bbls, flow back 21 bbls, had 278# on annulus, flow back 2.5 bbls, well was balanced, flow cont'd to reverse out remainder of mud, RD cmt crew

10/27/03 LD DP & mill, TIH w/DCs & 22 stds DP, LD DP & DCs, ND BOP, install flange, clean pits

10/28/03 Release Nabors Drilling Rig #311 @5:00 a.m.



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

Electronic Submission #25486 verified by the BLM Well Information System
For CHESAPEAKE OPERATING INC, sent to the Hobbs
Committed to AFMSS for processing by ARMANDO LOPEZ on 11/25/2003 (04AL0053SE)

Name (Printed/Typed) BARBARA BALE

Title AUTHORIZED REPRESENTATIVE

Signature

(Electronic Submission)

Date 11/25/2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By **ACCEPTED**DAVID R GLASS
Title PETROLEUM ENGINEER

Date 11/25/2003

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 Hobbs

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 ****