

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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

RECEIVED

JUL 27 2009

HOBBSOCD

## SUDDRY 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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8 Well Name and No. MERCHANT 8 FEDERAL 1 ✓
2 Name of Operator CHESAPEAKE OPERATING INC Contact: LINDA GOOD E-Mail: linda.good@chk.com		9. API Well No. 30-025-36318-00-S1 ✓
3a Address P O BOX 18496 OKLAHOMA CITY, OK 73154-0496	3b. Phone No. (include area code) Ph: 405-935-4275	10 Field and Pool, or Exploratory UNDESIGNATED
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 Unit - N ✓		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 checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input 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 recompleate 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 recompleation 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 RECOMPLETE THIS WELL PER THE FOLLOWING PROCEDURE:

1. MIRU PU. NDWH/NUBOP
2. PRESSURE TEST CASING TO 2,000 PSI.
3. RU WIRELINE CO. RUN CBL FROM PBTD TO DV TOOL @ 6,999' W/2,000 PSI TRAPPED ON THE CASING.
4. PERFORATE BRUSHY CANYON 8,582-8,624' (42'), W/2 SPF (84 HOLES), 120 DEGREE PHASING USING CASING GUN, .4" PERF HOLES.
5. RIH W/PACKER ON 2 7/8" TBG TO 8,525'. SPOT ACID ACROSS PERFS AND PULL PACKER UP TO 8,500'.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14 I hereby certify that the foregoing is true and correct. Electronic Submission #72272 verified by the BLM Well Information System For CHESAPEAKE OPERATING INC, sent to the Hobbs Committed to AFMSS for processing by KURT SIMMONS on 07/16/2009 (09KMS0945SE)	
Name (Printed/Typed) LINDA GOOD	Title SR. REGULATORY COMPLIANCE SPEC
Signature (Electronic Submission)	Date 07/16/2009

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By CHRISTOPHER WALLS	Title PETROLEUM ENGINEER	Date 07/24/2009
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 KZ JUL 27 2009

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 #72272 that would not fit on the form**

**32. Additional remarks, continued**

REVERSE ACID BACK INTO TUBING. SET PACKER AND PRESSURE BACKSIDE TO 1000 PSI. ACIDIZE PERFS W/4,000 GAL 15% NEFE ACID DROPPING 125 PERF BALLS EVENLY THROUGHOUT JOB. DISPLACE ACID TO BOTTOM PERF. SI 30 MINS. FLOW/SWAB BACK ACID AND TEST. POH W/PACKER.

6. IF WARRANTED, FRAC BRUSHY CANYON PERFS PER FRAC RECOMMENDATION DOWN CASING (ANTICIPATE 75,000# SAND, 50 BPM). FLOW BACK WELL UNTIL IT DIES.

7. RIH W/2 7/8" TBG W/SN to 8,550' (ABOVE PERFS) AND TAC @ 8,500'. RIH W/PUMP AND RODS.

8. NDBOP/NUWH. RD MO.

**Merchant 8 Federal 1  
30-025-36318  
Chesapeake Operating Inc.  
July 23, 2009  
Conditions of Approval**

- 1. Surface disturbance beyond the existing pad must have prior approval.**
- 2. Casing pressure test (2000 psi) required before perforating.**
  - a. Spot 25 sxs cmt on CIBP @ 12,059' to cover top of Wolfcamp formation. Top of Wolfcamp 11,982'**
- 3. Closed loop system required.**
- 4. Operator to have H2S monitoring equipment on location.**
- 5. For the Brushy Canyon depth, a minimum of a 3M BOP is required and must be tested.**
- 6. Subsequent sundry and completion report required.**
- 7. When well is abandoned or prior to setting a plug must be set to cover top of Bone Spring Formation.**
- 8. Subject to like approval by State.**

**CRW 072309**