

**RECEIVED**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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

AUG 03 2009

HOBBSSOCD

**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.

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

|   |   |   |
|---|---|---|
| 1 Type of Well<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other |   | 5. Lease Serial No<br>NMNM24683                   |
| 2 Name of Operator<br>CHESAPEAKE OPERATING INC  |   | 6. If Indian, Allottee or Tribe Name              |
| Contact LINDA GOOD<br>E-Mail: linda.good@chk.com  |   | 7. If Unit or CA/Agreement, Name and/or No        |
| 3a Address<br>P O BOX 18496<br>OKLAHOMA CITY, OK 73154-0496   | 3b Phone No (include area code)<br>Ph: 405.935.4275<br>Fx: 405.849.4275 | 8 Well Name and No<br>Multiple--See Attached      |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>Multiple--See Attached                                |   | 9. API Well No<br>Multiple--See Attached          |
|   |   | 10 Field and Pool, or Exploratory<br>UNDESIGNATED |
|   |   | 11. County or Parish, and State<br>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 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.)

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 PBDT 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'.

|   |                                      |
|---|--------------------------------------|
| 14. I hereby certify that the foregoing is true and correct.<br><b>Electronic Submission #72272 verified by the BLM Well Information System<br/>For CHESAPEAKE OPERATING INC, sent to the Hobbs<br/>Committed to AFMSS for processing by KURT SIMMONS on 07/16/2009 (09KMS0945SE)</b> |                                      |
| 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 <u>CHRISTOPHER WALLS</u>  | Title <u>PETROLEUM ENGINEER</u>  |
| 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  | <b>APPROVED</b><br>JUL 29 2009<br>Date 07/24/2009<br>CHRISTOPHER WALLS<br>BUREAU OF LAND MANAGEMENT<br>CARLSBAD FIELD OFFICE |

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 \*\***

## Additional data for EC transaction #72272 that would not fit on the form

### Wells/Facilities, continued

| Agreement | Lease     | Well/Fac Name, Number  | API Number         | Location   |
|-----------|-----------|------------------------|--------------------|--|
| NMNM24683 | NMNM24683 | MERCHANT 8 FEDERAL 1 ✓ | 30-025-36318-00-S2 | Sec 8 T22S R33E SESW 880FSL 1760FWL<br>32 24050 N Lat, 103 35488 W Lon |
| NMNM24683 | NMNM24683 | MERCHANT 8 FEDERAL 1   | 30-025-36318-00-S1 | Sec 8 T22S R33E SESW 880FSL 1760FWL<br>32 24050 N Lat, 103 35488 W Lon |

Unit-N ✓

### 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 29, 2009  
Conditions of Approval  
REVISED**

- 1. Notify BLM 575-393-3612 a minimum of 4 hrs. prior to starting work.**
- 2. Surface disturbance beyond the existing pad must have prior approval.**
- 3. Closed loop system required.**
- 4. Due to H2S in the area operator to have H2S monitoring equipment on location.**
- 5. A minimum of a 3M BOP is required and must be tested prior to any of the work performed down hole.**
- 6. Casing pressure test (2000 psi) as proposed to be performed after setting CIBP at 11,700'**
  - a. Drill out CIBP at 11,700'.**
  - b. Spot 25 sxs cmt on CIBP at 12,059' to cover top of Wolfcamp formation and the top of liner. WOC min. 4 hrs. and tag plug at 11,930' or shallower. Top of Wolfcamp 11,982'**
  - c. Set CIBP at 11,700' and bail 35' of cmt or spot 25 sxs on top.**
- 7. Resume proposed procedure.**
- 8. Subsequent sundry and completion report required.**
- 9. When well is abandoned or prior to setting a plug must be set to cover top of Bone Spring Formation.**
- 10. Subject to like approval by State due to state surface.**

**CRW 072909**