

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other		5. Lease Serial No. NMNM24683
2. Name of Operator CHESAPEAKE OPERATING, INC. Contact: LINDA GOOD E-Mail: linda.good@chk.com		6. If Indian, Allottee or Tribe Name
3a. Address P.O. BOX 18496 OKLAHOMA CITY, OK 73154-0496	3b. Phone No. (include area code) Ph: 405-935-4275	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 8 T22S R33E SESW 880FSL 1760FWL		8. Well Name and No. MERCHANT 8 FEDERAL 1
		9. API Well No. 30-025-36318
		10. Field and Pool, or Exploratory UNDES DAGGER LAKE DEL
		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			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☒ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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.)

2/4/2010 SET 25 SX CMT PLUG @ 12,031'

2/5/2010 PUMP 30 SXS OF CLASS H CMT, 1.18 YIELD @ 15.1 PPG. SPOT @ 12,031'. EST TOC 11,833'.

2/6/2010 TIH & SET CIBP @ 11,700'. BAIL 35' OF CMT ON PLUG. TEST CSG & PLUG TO 5000 PSI FOR 10 MIN. NO LEAK OFF. RUN MIT CHART FOR 30 MINUTES @ 500 PSI. NO LEAK OFF. TIH & PERFORATE BRUSHY CANYON FROM 8582' - 8624' (42) W/ 2 SPF (84 HOLES).

2/8/2010 FRAC BRUSHY CANYON FROM 8582' - 8624' W/4000 GAL 15% NEFE, 45,360 GAL FRAC B 20#, 57,302# 20/40 WHITE SAND, TAILING IN W/18,000# SLC.

2/9/2010 FLOWBACK.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #81835 verified by the BLM Well Information System For CHESAPEAKE OPERATING, INC., sent to the Hobbs	
Name (Printed/Typed) LINDA GOOD	Title SR. REGULATORY COMPLIANCE SPEC
Signature (Electronic Submission)	Date 02/24/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title PETROLEUM ENGINEER	Date FEB 25 2010
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 

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #81835 that would not fit on the form

32. Additional remarks, continued

2/10/2010 SWAB TEST.

2/16/2010 ? 2/17/2010 RAN PRODUCTION RODS AND PUMP. TURNED OVER TO PRODUCTION.

ATTACHMENTS: CBL & CIT CHART.

(CHK PN 819462)