

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other			5. Lease Serial No. NMNM24683		
b. Type of Completion <input type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input checked="" type="checkbox"/> Diff. Resvr. Other _____			6. If Indian, Allottee or Tribe Name		
2. Name of Operator CHESAPEAKE OPERATING, INC. E-Mail: linda.good@chk.com			7. Unit or CA Agreement Name and No.		
3. Address P.O. BOX 18496 OKLAHOMA CITY, OK 73154-0496			8. Lease Name and Well No. MERCHANT 8 FEDERAL 1		
3a. Phone No. (include area code) Ph: 405-935-4275			9. API Well No. 30-025-36318		
4. Location of Well (Report location clearly and in accordance with Federal requirements) At surface SESW 880FSL 1760FWL At top prod interval reported below SESW 880FSL 1760FWL At total depth SESW 880FSL 1760FWL			10. Field and Pool, or Exploratory UNES DAGGER LAKE DEL		
14. Date Spudded			11. Sec., T., R., M., or Block and Survey or Area Sec 8 T22S R33E Mer NMP		
15. Date T.D. Reached			12. County or Parish HOBBS		
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 02/16/2010			13. State NM		
17. Elevations (DF, KB, RT, GL)* 3571 GL			18. Total Depth: MD 15400 TVD		
19. Plug Back T.D.: MD 11665 TVD			20. Depth Bridge Plug Set: MD 11700 TVD		
21. Type Electric & Other Mechanical Logs Run (Submit copy of each)			22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis)		

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17.500	13.375 J-55	54.5		1110		820		0	
12.250	9.625 K-55	40.0		4600		1000		0	
8.750	7.000 L-80	29.0		15400		1400		0	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.875	8708							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) BRUSHY CANYON	8582	8624	8582 TO 8624		84	OPEN
B)						
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
8582 TO 8624	FRAC W/4000 GAL 15% NEFE, 45,360 GAL FRAC B 20#, 57,302# 20/40 WHITE SAND, TAIL W/18,000# SLC

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
	02/22/2010	1	→	13.0	0.0	130.0			ELECTRIC PUMPING UNIT
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
	SI		→					POW	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
			→						
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
	SI		→						

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #81836 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

*KZ*

## 28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press Flwg SI	Csg. Press	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
			→						

## 28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press Flwg SI	Csg. Press	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
			→						

29. Disposition of Gas(Sold, used for fuel, vented, etc.)

NO MEASURABLE GAS

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
SEE REMARKS					

32. Additional remarks (include plugging procedure):

FORMATION TOPS:  
 Formation TVD Subsea  
 Rustler 975 2622  
 Delaware 4770-1173  
 Bell Canyon 4931 -1334  
 Cherry Canyon 5735 -2138  
 Cherry Canyon Marker 5934 -2337  
 Brushy Canyon 6914 -3317

33. Circle enclosed attachments:

- |   |                    |               |                       |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd.)     | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis   | 7 Other:      |                       |

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #81836 Verified by the BLM Well Information System.  
 For CHESAPEAKE OPERATING, INC., sent to the Hobbs

Name (please print) LINDA GOOD

Title SR. REGULATORY COMPLIANCE SPEC

Signature (Electronic Submission)

Date 02/24/2010

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.

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**Additional data for transaction #81836 that would not fit on the form**

**32. Additional remarks, continued**

Basal Brushy Canyon Sand 8449 -4852  
BoneSprings Lime 8625 -5028  
Upper BoneSprings Pay 8800 -5203  
First Bone Springs 9889 -6292  
Second BoneSprings 10495 -6898  
Third Bonesprings 11753 -8156  
Wolfcamp 11981 -8384  
Cisco 12872 -9275  
Canyon 11753 -8156  
Strawn 13535 -9938  
Atoka 13722 -10125  
Atoka Sand 13802 -10205  
Atoka Bank 13848 -10251  
U. Morrow Clastic 14253 -10656

(CHK PN 819462)