

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

MAR 10 2010

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM24683
2. Name of Operator CHESAPEAKE OPERATING INC		6. If Indian, Allottee or Tribe Name
Contact: LINDA GOOD E-Mail: linda.good@chk.com		7. If Unit or CA/Agreement, Name and/or No
3a. Address P O BOX 18496 OKLAHOMA CITY, OK 73154-0496	3b. Phone No. (include area code) Ph: 405-935-4275	8. Well Name and No. MERCHANT 8 FEDERAL 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 8 T22S R33E SESW 880FSL 1760FWL		9. API Well No. 30-025-36318-00-S3
		10. Field and Pool, or Exploratory DAGGER LAKE UNKNOWN - Delaware
		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 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 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.)

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 Committed to AFMSS for processing by CHERYLE RYAN on 02/25/2010 (10CMR0092SE)	
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	JAMES A AMOS Title SUPERVISOR EPS	Date 03/07/20
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 \*\***

**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)