

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTRECEIVED
MAR 10 2010
HOBBSDOFORM 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 checked="" type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr.			6. If Indian, Allottee or Tribe Name		
2. Name of Operator CHESAPEAKE OPERATING INC Contact: LINDA GOOD 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. 30-025-36318-00-S3 ✓		
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 DAGGER LAKE		
14. Date Spudded 08/25/2003			11. Sec., T., R., M., or Block and Survey or Area Sec 8 T22S R33E Mer NMP ✓		
15. Date T.D. Reached 10/28/2003			12. County or Parish LEA		
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) SONIC FDC CNL SONIC DLL			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	0	1105		820	273	0	
12.250	9.625 K-55	40.0	0	4600		1000	397	0	
8.750	7.000 L-80	29.0	0	12100	6999	1150	294	0	
6.250	4.500 P-110	13.5	11984	15382		250		11984	

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

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DELAWARE			8582 TO 8624		84	OPEN
B) BRUSHY CANYON	8582	8624				
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
02/16/2010	02/16/2010	24	→	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	
			→	13	0	130		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
02/16/2010	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	
			→	312	0	3120		POW	

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

ELECTRONIC SUBMISSION #81836 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

ACCEPTED FOR RECORD

MAR 7 2010

BUREAU OF LAND MANAGEMENT
ELECTRIC PUMPING UNIT

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
BONE SPRING MORROW	11744	11780		RUSTLER DELAWARE BONE SPRING WOLFCAMP STRAWN ATOKA MORROW	974
	14702	14728			4770 8625 11982 13507 13772 14252

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

Committed to AFMSS for processing by CHERYLE RYAN on 02/25/2010 (10CMR0091SE)

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.

** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED **

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)