



ENVIRONMENTAL PLUS, INC.  
CONSULTING AND REMEDIAL CONSTRUCTION

31 October 2006

Mr. Larry Johnson  
Environmental Engineer  
New Mexico Oil Conservation Division  
1625 North French Drive  
Hobbs, New Mexico 88240



Re: **Initial C-141**  
**Chesapeake Energy**  
**#1 State L ( EPI Reference #160078)**  
**UL-C, Section 19, Township 17 South, Range 36 East**

Dear Mr. Johnson:

Environmental Plus, Inc., on behalf of Mr. Bradley Blevins, Chesapeake Energy Corporation (Chesapeake), submits the attached New Mexico Oil Conservation Division (NMOCD) form C-141 for the above-referenced leak site, located on land owned by the state of New Mexico.

The site is located approximately 9 miles northeast of Lovington, New Mexico (reference *Figure 1*). Information obtained from the New Mexico Office of the State Engineer's website and a United States Geological Survey (USGS) database indicates no water supply wells within a 1,000-foot radius of the release site. However, there are eleven water supply wells located within a 1.0-mile radius of the release site (reference *Figure 2*). Groundwater level data indicates an average depth to water of approximately 53 feet below ground surface (reference *Table 1*). The attached site information and metrics form ranks the site in accordance with the NMOCD Guidelines for Remediation of Leaks, Spills and Releases (August 13, 1993).

Approximately fifteen (15) barrels of oil were released when a union on a flow-line failed with zero (0) barrels recovered.

ENVIRONMENTAL PLUS, INC.



---

Should you have any questions or concerns please feel free to contact me at (505) 394-3481 or via e-mail at [dduncan@envplus.net](mailto:dduncan@envplus.net) or Mr. Bradley Blevins at (505) 391-1462 ext. 6224 or via e-mail at [bblevins@chkenergy.com](mailto:bblevins@chkenergy.com). All official communication should be addressed to:

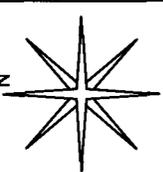
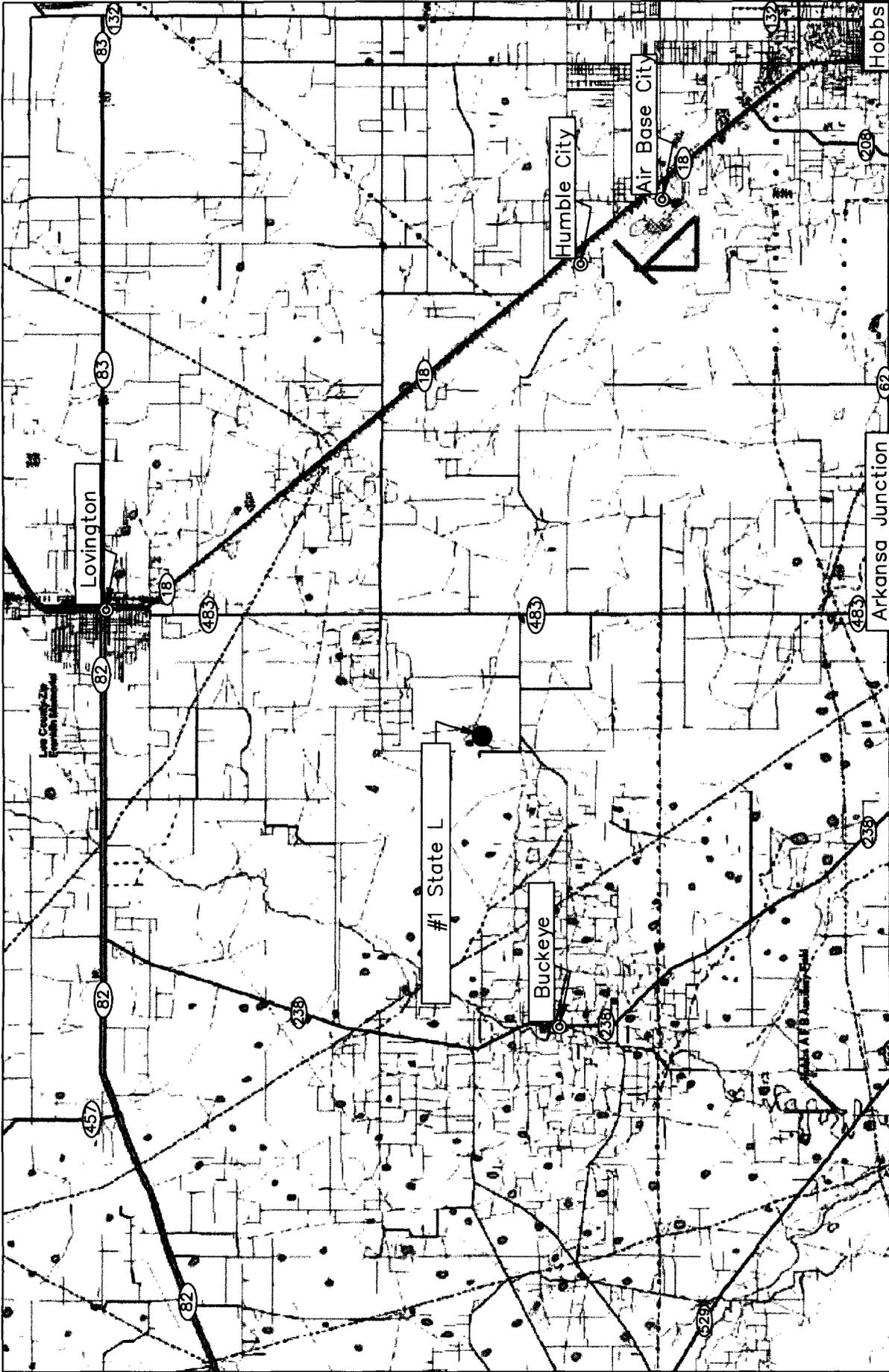
Mr. Bradley Blevins  
Chesapeake Energy  
P.O. Box 190  
Hobbs, New Mexico 88240

Sincerely,

ENVIRONMENTAL PLUS, INC.

David P. Duncan  
Civil Engineer

cc: Bradley Blevins, Chesapeake Energy – Hobbs, NM  
Curtis Blake, Chesapeake Energy – Hobbs, NM  
Harlan Brown, Chesapeake Energy – Oklahoma City, OK  
Thaddeus Kostrubala – New Mexico State Land Office  
Myra Meyers – New Mexico State Land Office  
File



REVISED:

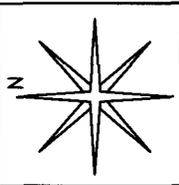
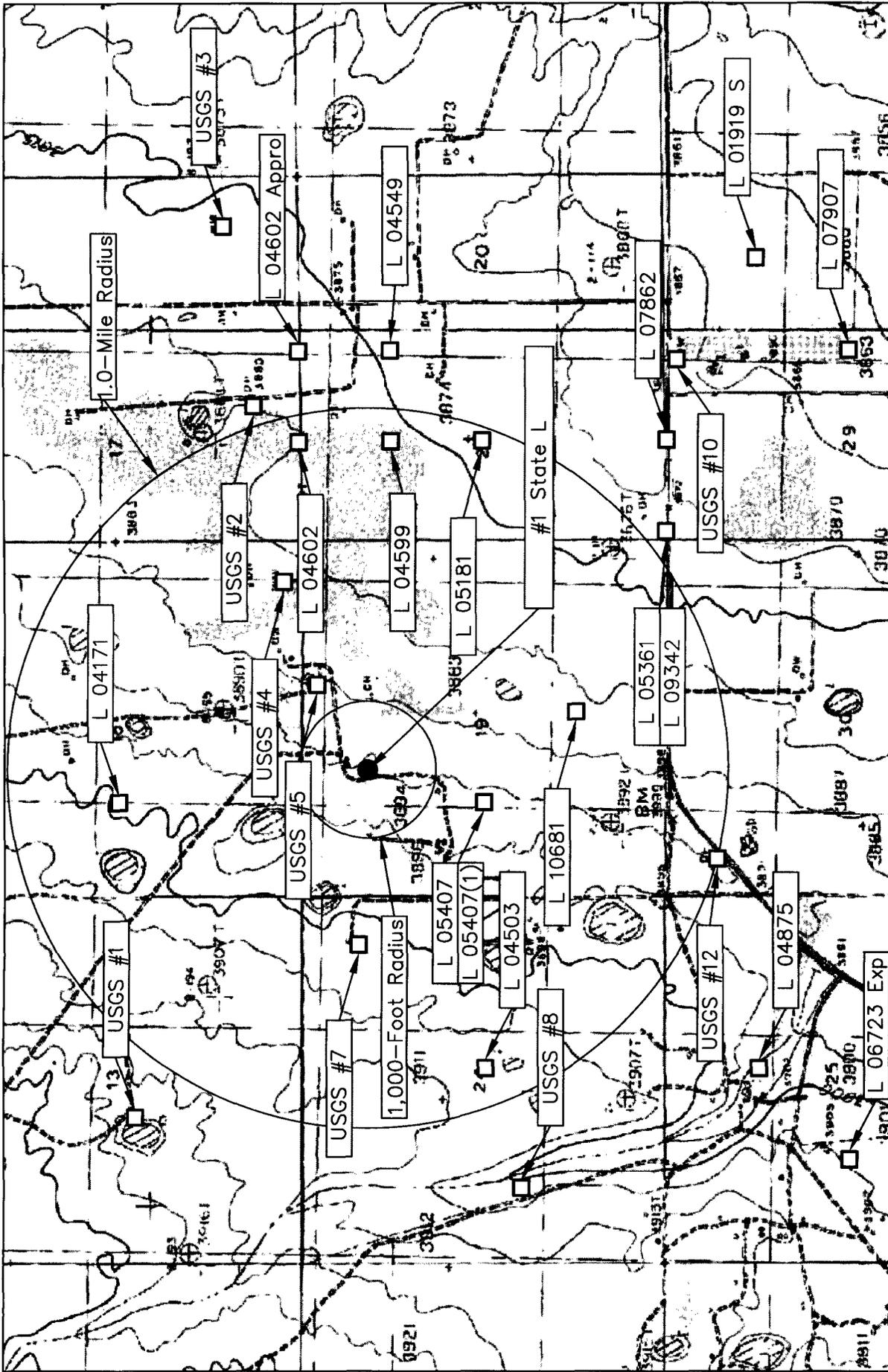
DWG By: Daniel Dominguez  
October 2006

SHEET  
1 of 1



Lea County, New Mexico  
NE 1/4 of the NW 1/4, Sec. 19, T17S, R36E  
N 32° 49' 29.16" W 103° 23' 46.41"  
Elevation: 3,894 feet amsl

Figure 1  
Area Map  
Chesapeake Energy  
#1 State L



REVISED:  
 DWG By: Daniel Dominguez  
 October 2006

Lea County, New Mexico  
 NE 1/4 of the NW 1/4, Sec. 19, T17S, R36E  
 N 32° 49' 29.16" W 103° 23' 46.41"  
 Elevation: 3,894 feet amsl

Figure 2  
 Site Location Map  
 Chesapeake Energy  
 #1 State L

0 2,000 4,000 SHEET  
 1 of 1  
 Feet

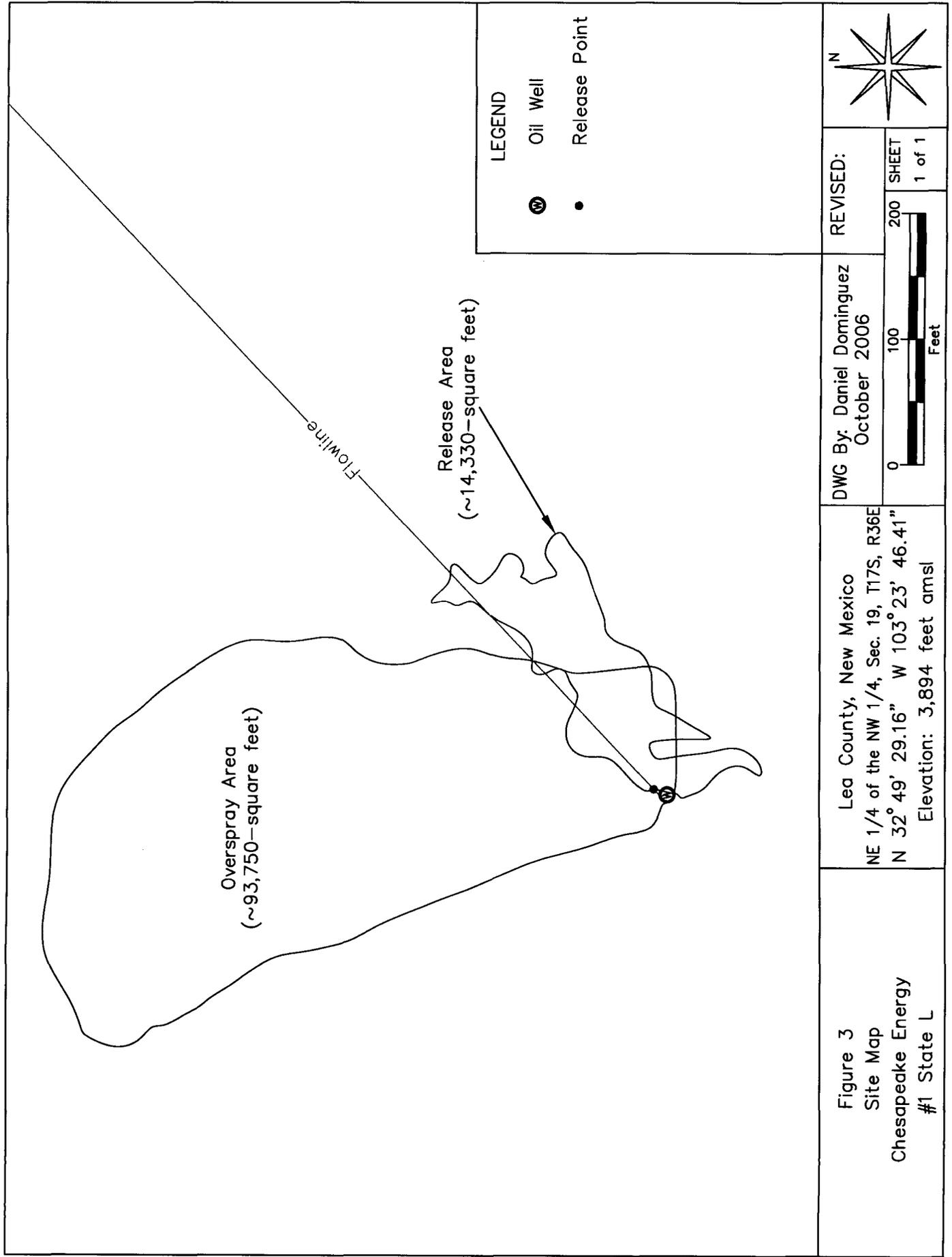
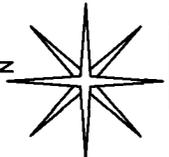
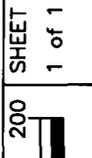


Figure 3  
 Site Map  
 Chesapeake Energy  
 #1 State L

Lea County, New Mexico  
 NE 1/4 of the NW 1/4, Sec. 19, T17S, R36E  
 N 32° 49' 29.16" W 103° 23' 46.41"  
 Elevation: 3,894 feet amsl

DWG By: Daniel Dominguez  
 October 2006

REVISED:  
 SHEET  
 1 of 1



LEGEND  
 ● Oil Well  
 ● Release Point

TABLE 1

Well Data

Chesapeake Energy - #1 State L (Ref. # 160078)

Well Number	Diversion <sup>A</sup>	Owner	Use	Twsp	Rng	Sec q q q	Latitude	Longitude	Date Measured	Surface Elevation <sup>B</sup>	Depth to Water (ft bgs)
L 05407	0	TRI SERVICE DRILLING COMPANY	PRO	17S	36E	19 1 4	N32° 49' 12.37"	W103° 23' 52.27"	10-Jun-64	3,894	49
L 05407 (1)	0	TRI-SERVICE DRILLING COMPANY	PRO	17S	36E	19 1 4	N32° 49' 12.37"	W103° 23' 52.27"		3,894	
L 10681	3	GOFF DAIRY	STK	17S	36E	19 4 1	N32° 48' 59.38"	W103° 23' 36.77"	02-Jul-97	3,885	40
L 04602	3	HUMBLE OIL & REFINING COMPANY	PRO	17S	36E	17 3 4 2	N32° 49' 39.02"	W103° 22' 50.42"	16-Feb-61	3,885	45
L 04602 APPRO											
L 04171	3	NORWOOD DRILLING COMPANY	PRO	17S	36E	17 4 3 2	N32° 49' 39.10"	W103° 22' 34.96"	16-Feb-61	3,881	45
L 04549	3	INC. CARPER DRILLING CO.	PRO	17S	36E	18 1 4	N32° 50' 4.77"	W103° 23' 52.25"	09-Jun-59	3,904	128
L 04599	3	GARDNER BROTHERS DRILLING CO.	PRO	17S	36E	20 2 1	N32° 49' 26.00"	W103° 22' 34.92"	05-Nov-60	3,878	48
L 05181	0	LOFFLAND BROTHERS COMPANY	PRO	17S	36E	20 1 2	N32° 49' 25.91"	W103° 22' 50.39"	16-Feb-61	3,881	38
L 05361	0	LOWE DRILLING CO.	PRO	17S	36E	20 1 4	N32° 49' 12.80"	W103° 22' 50.36"	21-Jun-63	3,878	75
L 07862	3	R. A. ROGERS	DOM	17S	36E	20 3 4	N32° 48' 46.48"	W103° 23' 5.79"	11-Apr-64	3,877	90
L 09342	3	GREAT WESTERN DRILLING CO.	STK	17S	36E	20 2 2	N32° 48' 46.59"	W103° 22' 50.30"	13-Apr-78	3,872	58
L 01919 S											
L 07907	3	NOLAN H. JR. BRUNSON	DOM	17S	36E	29 2 2 2	N32° 48' 33.75"	W103° 22' 19.24"	14-Jun-01	3,868	110
L 04503	3	TRI SERVICE DRILLING CO.	PRO	17S	35E	24 2	N32° 49' 12.51"	W103° 22' 34.68"	05-Jun-78	3,865	45
L 04875	0	INC. A.W. THOMPSON	PRO	17S	35E	25 2 1 1	N32° 48' 33.26"	W103° 24' 37.95"	10-Sep-60	3,911	43
L 06723 EXP	0	GILES M. LEE	DOM	17S	35E	25 1 4 2	N32° 48' 20.27"	W103° 24' 38.04"	12-Apr-62	3,898	71
USGS #1											
USGS #2											
USGS #3											
USGS #4											
USGS #5											
USGS #7											
USGS #8											
USGS #10											
USGS #12											

\* = Data obtained from the New Mexico Office of the State Engineer Website ([http://waters.ose.state.nm.us:7001/iWATERS/wr\\_RegisServ/let1](http://waters.ose.state.nm.us:7001/iWATERS/wr_RegisServ/let1))

A = In acre feet per annum

B = Elevation interpolated from USGS topographical map based on referenced location.

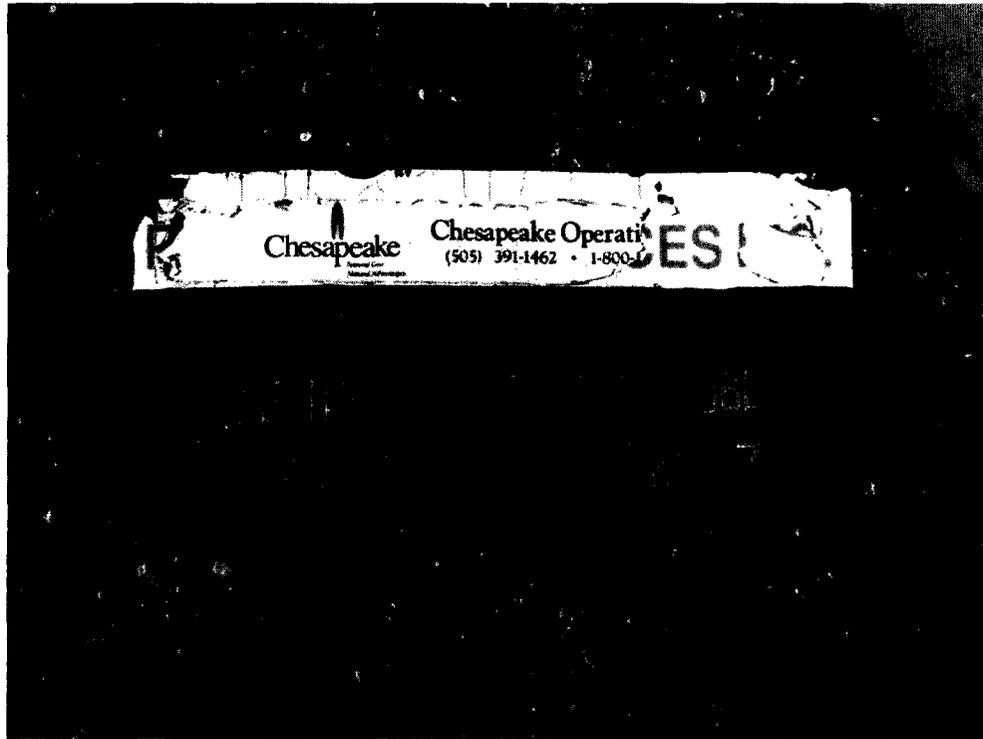
DOM = 72-12-1 Domestic one household

STK = 72-12-1 Livestock watering

PRO = 72-12-1 Prospecting or development of natural resource

quarters are 1=NW, 2=NE, 3=SW, 4=SE; quarters are biggest to smallest.

Shaded area indicates wells not shown in Figure 2



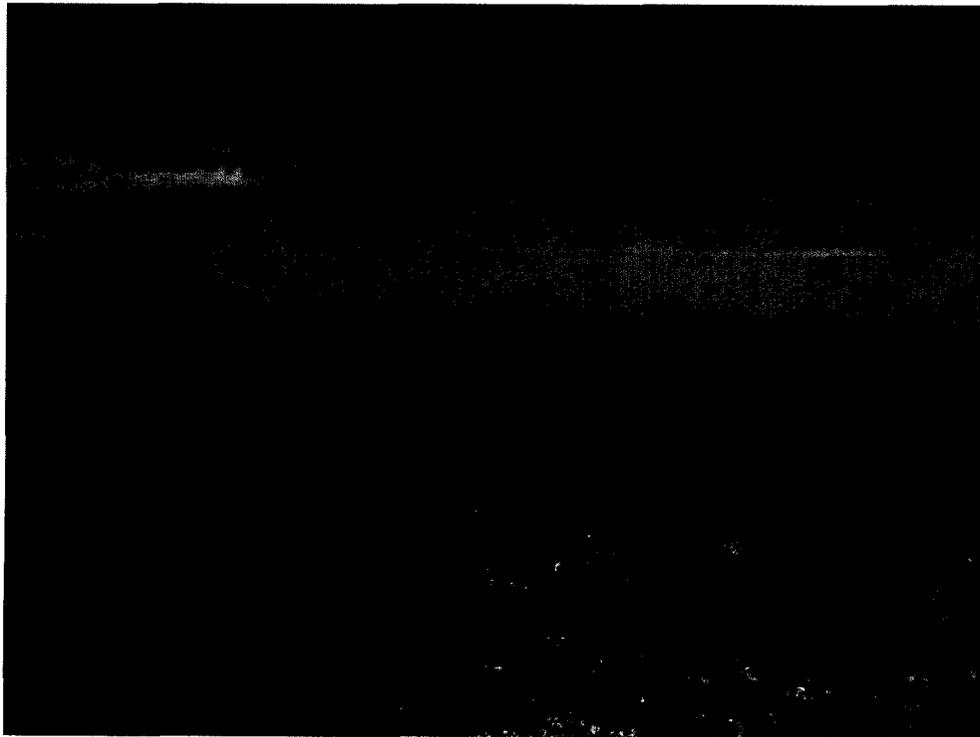
Photograph #1 – Lease sign.



Photograph #2 – Release area, looking northerly.



Photograph #3 - Looking northerly at the overspray area.



Photograph #4 - Looking northerly at the overspray area.



Information and Metrics

**Incident Date:**  
26 October 2006

**NMOCD Notified:**  
26 October 2006

<b>Site:</b> #1 State L		<b>Assigned Site Reference :</b> #160078	
<b>Company:</b> Chesapeake Operating			
<b>Street Address:</b> 1616 West Bender			
<b>Mailing Address:</b> P.O. Box 190			
<b>City, State, Zip:</b> Hobbs, New Mexico 88240			
<b>Representative:</b> Bradley Blevins			
<b>Representative Telephone:</b> (505) 391-1462 ext. 6224			
<b>Telephone:</b>			
<b>Fluid volume released (bbls):</b> 15 bbls		<b>Recovered (bbls):</b> none	
<p>&gt;25 bbls: Notify NMOCD verbally within 24 hrs and submit form C-141 within 15 days. (Also applies to unauthorized releases &gt;500 mcf Natural Gas)</p> <p>5-25 bbls: Submit form C-141 within 15 days (Also applies to unauthorized releases of 50-500 mcf Natural Gas)</p>			
<b>Leak, Spill, or Pit (LSP) Name:</b> #1 State L			
<b>Source of contamination:</b> Flowline			
<b>Land Owner, i.e., BLM, ST, Fee, Other:</b> State			
<b>LSP Dimensions:</b> Unknown			
<b>LSP Area:</b> ~14,330 ft <sup>2</sup>			
<b>Location of Reference Point (RP):</b>			
<b>Location distance and direction from RP:</b>			
<b>Latitude:</b> N 32° 49' 29.16"			
<b>Longitude:</b> W 103° 23' 46.41"			
<b>Elevation above mean sea level:</b> 3,894 feet			
<b>Feet from South Section Line:</b>			
<b>Feet from East Section Line:</b>			
<b>Location- Unit or ¼:</b> NE¼ of the NW¼		<b>Unit Letter:</b> C	
<b>Location- Section:</b> 19			
<b>Location- Township:</b> 17 South			
<b>Location- Range:</b> 36 East			
<b>Surface water body within 1000' radius of site:</b> none			
<b>Domestic water wells within 1000' radius of site:</b> none			
<b>Agricultural water wells within 1000' radius of site:</b> one			
<b>Public water supply wells within 1000' radius of site:</b> none			
<b>Depth from land surface to groundwater (DG):</b> ~53 feet			
<b>Depth of contamination (DC):</b> unknown			
<b>Depth to groundwater (DG - DC = DtGW):</b> ~53 feet			
<b>1. Groundwater</b>		<b>2. Wellhead Protection Area</b>	
If Depth to GW <50 feet: <i>20 points</i>		If <1000' from water source, or; <200' from private domestic water source: <i>20 points</i>	
If Depth to GW 50 to 99 feet: <i>10 points</i>			
If Depth to GW >100 feet: <i>0 points</i>		If >1000' from water source, or; >200' from private domestic water source: <i>0 points</i>	
		3. Distance to Surface Water Body	
		<200 horizontal feet: <i>20 points</i>	
		200-1000 horizontal feet: <i>10 points</i>	
		>1000 horizontal feet: <i>0 points</i>	
<b>Site Rank (1+2+3) = 10+0+0=20</b>			
<b>Total Site Ranking Score and Acceptable Concentrations</b>			
Parameter	>19	10-19	0-9
Benzene <sup>1</sup>	10 ppm	10 ppm	10 ppm
BTEX <sup>1</sup>	50 ppm	50 ppm	50 ppm
TPH	100 ppm	1,000 ppm	5,000 ppm

<sup>1</sup>100 ppm field VOC headspace measurement may be substituted for lab analysis

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-141  
Revised October 10, 2003

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

**Release Notification and Corrective Action**

**OPERATOR**  Initial Report  Final Report

<b>Name of Company:</b> Chesapeake Operating	<b>Contact:</b> Bradley Blevins
<b>Address:</b> P.O. Box 190, Hobbs, NM 88240	<b>Telephone No.:</b> (505) 391-1462 ext. 6224
<b>Facility Name:</b> #1 State L	<b>Facility Type:</b> Flowline

<b>Surface Owner:</b> State of New Mexico	<b>Mineral Owner:</b>	<b>API No.:</b> 3002523719000
---	-----------------------	-------------------------------

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	19	17S	36E					Lea

**Latitude:** N 32° 49' 29.16" **Longitude:** W 103° 23' 46.41"

**NATURE OF RELEASE**

WTR  
37

<b>Type of Release:</b> Crude oil	<b>Volume of Release:</b> 15 bbls	<b>Volume Recovered:</b> 0 bbls
<b>Source of Release:</b> Pipeline	<b>Date and Hour of Occurrence:</b> 26 October 2006 in the a.m.	<b>Date and Hour of Discovery:</b> 26 October 2006 @ 6:00 a.m.
<b>Was Immediate Notice Given?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	<b>If YES, To Whom?</b> Pat Caperton, NMOCD	
<b>By Whom?</b> Bradley Blevins	<b>Date and Hour:</b> October 26, 2006 @ 11:00 a.m.	
<b>Was a Watercourse Reached?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>If YES, Volume Impacting the Watercourse:</b> Not Applicable	

**If a Watercourse was Impacted, Describe Fully.\*** Not Applicable

**Depth to Groundwater:** ~53 feet  
**Describe Cause of Problem and Remedial Action Taken.\*** Approximately fifteen (15) barrels of oil were released when a union on a flow-line failed. Zero (0) barrels of fluid were recovered. Upon discovery of the release, Chesapeake Operating contacted EPI for an Emergency Response team. The Emergency Response team worked on the release area continuous from 10/26/06 through 10/27/06. Standing liquid was solidified and the impacted material loaded on plastic barriers. EPI is continuing cleanup of the release area. Upon assessment of the vertical and horizontal extent of impacted soil, EPI will provide the NMOCD with a Remediation Proposal.

**Describe Area Affected and Cleanup Action Taken.\*** Approximately 14,330 square feet of surface area was affected by the release.  
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

<b>OIL CONSERVATION DIVISION</b>	
<b>Signature:</b>	<b>Approved by District Supervisor:</b> <i>[Signature]</i>
<b>Printed Name:</b> Bradley Blevins	<b>Approval Date:</b> 11-2-06 <b>Expiration Date:</b> 1-2-07
<b>Title:</b> Field Supervisor	<b>Conditions of Approval:</b> SUBMIT FINAL CLOSURE BY
<b>E-mail Address:</b> bblevins@chkenergy.com	<b>Attached</b> <input type="checkbox"/>
<b>Date:</b> <b>Phone:</b> (505) 391-1462 ext. 6224	

\* Attach Additional Sheets If Necessary

Incident - nPAC0431335214  
Application - pPAC0431335320

RP# 1110