

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

RECEIVED State of New Mexico
Energy Minerals and Natural Resources
AUG 11 2009 Oil Conservation Division
HOBBSOCD 220 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

Name of Company	CHESAPEAKE OPERATING, INC.	Contact	BRADLEY BLEVINS
Address	P. O. BOX 190 HOBBS, NM 88241	Telephone No.	575-391-1462
Facility Name	Osudo 22 State #1	Facility Type	Oil Well

Surface Owner	Mineral Owner	Lease No.
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LOCATION OF RELEASE API #30-025-38845

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	22	21S	35E	1980	SOUTH	1310	WEST	LEA

Latitude 32.46230 Longitude 103.36002

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	38 BBLS	Volume Recovered	0 BBLS
Source of Release	Lightning strike, water tank destroyed	5/31/09 11:30 P.M.		5/31/09 11:30 P.M.	
		Date and Hour of Occurrence		Date and Hour of Discovery	
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Geoff Leking		
By Whom?	Cliff Brunson of BBC Intl.	Date and Hour	6/1/09 2:00 PM		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.*

WATER @ 65'

Describe Cause of Problem and Remedial Action Taken.*

Lightning struck produced water tank causing it to rupture and burn. Produced water was released primarily into lined containment area. Remediation efforts will begin immediately.

Describe Area Affected and Cleanup Action Taken.*

38 BBLS of fluid was lost. 0 bbls of fluid were recovered.. Immediate remedial operations were commenced by removing the tanks in the battery so soil removal could commence. Soil removal was commenced to the agreed upon depth and the soil was disposed of at a NMOCD-approved disposal facility. Confirmation samples were submitted and closure was approved by the NMOCD. See attached.

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.

Signature: <i>Bradley Blevins</i>		OIL CONSERVATION DIVISION	
Printed Name: Bradley Blevins		ENV. ENGINEER: Approved by District Supervisor: <i>Geoffrey Leking</i>	
Title: EHS Specialist		Approval Date: 09/18/09	Expiration Date: —
E-mail Address: Bradley.blevins@chk.com		Conditions of Approval:	
Date: 8/11/09	Phone: 575-391-1462	Attached <input type="checkbox"/> IRP-9.6-2206	

* Attach Additional Sheets If Necessary



ARDINAL LABORATORIES

PHONE (575) 383-2328 • 101 E. MARLAND • HOBBS, NM 88240

**ANALYTICAL RESULTS FOR
BBC INTERNATIONAL, INC.
ATTN: CLIFF BRUNSON
P.O. BOX 805
HOBBS, NM 88241
FAX TO: (575) 397-0397**

Receiving Date: 06/10/09
Reporting Date: 06/10/09
Project Owner: CHESAPEAKE
Project Name: NOT GIVEN
Project Location: OSUDO 22 STATE 1

Analysis Date: 06/10/09
Sampling Date: 06/08/09
Sample Type: SOIL
Sample Condition: COOL & INTACT @ 4°C
Sample Received By: ML
Analyzed By: AB

[illegible]

METHOD: Standard Methods	4500-CIB
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Note: Analyses performed on 1:4 w:v aqueous extracts.

Approved
Jeff Leung, NMOC
06/12/09

Chad Kane
Chemist

Date 06/06/09

H17595 BBC

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



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† Cardinal cannot accept verbal changes. Please fax written changes to 805-393-2476