

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

|  |                                      |
|--|--------------------------------------|
| Name of Company Chesapeake Operating, Inc. | Contact Bradley Blevins              |
| Address PO Box 190 Hobbs, NM 88241         | Telephone No. 505-391-1462 ext. 6224 |
| Facility Name State A #7                   | Facility Type Tank Battery           |
| Surface Owner                              | Mineral Owner                        |
| Lease No. API 3002501202                   |                                      |

**LOCATION OF RELEASE**

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| G           | 34      | 14S      | 33E   | 1980          | North            | 2310          | East           | Lea    |

Latitude 33.06065° Longitude 103.59763°

**NATURE OF RELEASE**

|  |   |  |
|--|---|--|
| Type of Release Oil  | Volume of Release 23 bbls                   | Volume Recovered 20 bbls                   |
| Source of Release Oil tank ran over  | Date and Hour of Occurrence 11-1-07 8:00 am | Date and Hour of Discovery 11/1/07 9:30 am |
| Was Immediate Notice Given?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?<br>Pat Richards            |  |
| By Whom? Bradley Blevins   | Date and Hour 11/5/07 7:25 am               | <b>RECEIVED</b>                            |
| Was a Watercourse Reached?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  | If YES, Volume Impacting the Watercourse    |  |

JAN 11 2008

**HOBBS OCD**

Describe Cause of Problem and Remedial Action Taken.\*

Line from separator to water tank plugged off forcing fluid into the oil tank. Vacuum truck recovered free fluid. Fluid stayed in firewall containment.

Describe Area Affected and Cleanup Action Taken.\*

Area affected approximately 65'X45' inside firewall. Impacted soil was removed and disposed of at NMOCD -Approved facility. Site confirmation samples were collected and submitted to Chris Williams of the NMOCD. See attached for lab data and Chris' e-mail approval for site backfilling and closure.

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>Cliff P Brunson</i> for Chesapeake Operating, Inc. |  | <b>OIL CONSERVATION DIVISION</b>                       |                                  |
| Printed Name: Cliff P. Brunson                                   |  | Approved by District Supervisor: <i>Chris Williams</i> |                                  |
| Title: President   |  | Approval Date: <i>11/29/07</i>                         | Expiration Date: <i>11/29/07</i> |
| E-mail Address: cbrunson@bbcinternational.com                    |  | Conditions of Approval:                                |                                  |
| Date: 1/9/08 Phone: 505-397-6388                                 |  | Attached <input type="checkbox"/>                      |                                  |

\* Attach Additional Sheets If Necessary

*RP#1718*





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

Receiving Date: 11/14/07  
 Reporting Date: 11/15/07  
 Project Owner: CHESAPEAKE  
 Project Name: STATE A #7  
 Project Location: LOVINGTON, NM

Sampling Date: 11/13/07  
 Sample Type: SOIL  
 Sample Condition: COOL & INTACT  
 Sample Received By: SB  
 Analyzed By: BC

| LAB NO. | SAMPLE ID                   | BENZENE<br>(mg/Kg) | TOLUENE<br>(mg/Kg) | ETHYL<br>BENZENE<br>(mg/Kg) | TOTAL<br>XYLENES<br>(mg/Kg) |
|---------|-----------------------------|--------------------|--------------------|-----------------------------|-----------------------------|
|         | ANALYSIS DATE               | 11/15/07           | 11/15/07           | 11/15/07                    | 11/15/07                    |
|         | H13713-1 SP1                | <0.002             | <0.002             | 0.006                       | 0.014                       |
|         | H13713-2 SP2                | <0.002             | <0.002             | 0.103                       | 0.252                       |
|         | H13713-3 SP3                | 0.164              | 4.51               | 7.36                        | 17.4                        |
|         | H13713-4 SP4                | 0.055              | 0.702              | 0.371                       | 0.743                       |
|         | Quality Control             | 0.113              | 0.107              | 0.110                       | 0.317                       |
|         | True Value QC               | 0.100              | 0.100              | 0.100                       | 0.300                       |
|         | % Recovery                  | 113                | 107                | 110                         | 106                         |
|         | Relative Percent Difference | 3.3                | 8.6                | 6.6                         | 6.3                         |

METHOD: EPA SW-846 8260

Cliff Brunson  
 Chemist

11/16/07  
 Date

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# CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603  
(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

|   |  |                  |  |                         |  |  |  |  |  |  |  |  |  |  |  |
|---|--|------------------|--|-------------------------|--|--|--|--|--|--|--|--|--|--|--|
| Company Name: <b>BOL International, Inc.</b>                |  | <b>BILL TO</b>   |  | <b>ANALYSIS REQUEST</b> |  |  |  |  |  |  |  |  |  |  |  |
| Project Manager: <b>Cliff Brunson</b>                       |  | P.O. #:          |  |                         |  |  |  |  |  |  |  |  |  |  |  |
| Address: <b>1229 W. Marland</b>                             |  | Company:         |  |                         |  |  |  |  |  |  |  |  |  |  |  |
| City: <b>Hobbs</b> State: <b>NM</b> Zip: <b>88240</b>       |  | Attn: <b>SAW</b> |  |                         |  |  |  |  |  |  |  |  |  |  |  |
| Phone #: <b>(505) 397-6388</b> Fax #: <b>(505) 397-0397</b> |  | Address:         |  |                         |  |  |  |  |  |  |  |  |  |  |  |
| Project #: <b>-</b> Project Owner: <b>Chesapeake</b>        |  | City:            |  |                         |  |  |  |  |  |  |  |  |  |  |  |
| Project Name: <b>State A #7</b>                             |  | State: Zip:      |  |                         |  |  |  |  |  |  |  |  |  |  |  |
| Project Location: <b>Lovington N.M.</b>                     |  | Phone #:         |  |                         |  |  |  |  |  |  |  |  |  |  |  |
| Sampler Name: <b>Oscar Freyre</b>                           |  | Fax #:           |  |                         |  |  |  |  |  |  |  |  |  |  |  |

| FOR LAB USE ONLY |             | GRAB OR (C)OMP. | # CONTAINERS | MATRIX      |            |      |     |        |        | PRESERV.   |            |        | SAMPLING |  | DATE     | TIME  | TPH 8015M | RTEX |
|------------------|-------------|-----------------|--------------|-------------|------------|------|-----|--------|--------|------------|------------|--------|----------|--|----------|-------|-----------|------|
| Lab I.D.         | Sample I.D. |                 |              | GROUNDWATER | WASTEWATER | SOIL | OIL | SLUDGE | OTHER: | ACID/BASE: | ICE / COOL | OTHER: |          |  |          |       |           |      |
| H13713-1         | SP1         | G               | 1            |             |            |      |     |        |        |            |            |        |          |  | 11-13-07 | 11:51 | ✓         | ✓    |
|                  | 2 SP2       | G               | 1            |             |            |      |     |        |        |            |            |        |          |  | 11-13-07 | 11:52 | ✓         | ✓    |
|                  | 3 SP3       | G               | 1            |             |            |      |     |        |        |            |            |        |          |  | 11-13-07 | 11:54 | ✓         | ✓    |
|                  | 4 SP4       | G               | 1            |             |            |      |     |        |        |            |            |        |          |  | 11-13-07 | 11:59 | ✓         | ✓    |

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|   |  |  |  |                |
|---|--|--|--|----------------|
| Relinquished By: <i>[Signature]</i>                               | Date: <b>11/14/07</b><br>Time: <b>4:56</b>   | Received By:                           | Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No | Add'l Phone #: |
| Relinquished By:  | Date:  | Received By:                           | Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No   | Add'l Fax #:   |
| Delivered By: (Circle One)<br><b>Sampler - UPS - Bus - Other:</b> | Sample Condition<br>Cool Intact<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> Yes <input type="checkbox"/> No | CHECKED BY!<br>(Initials)<br><b>SB</b> | REMARKS:   |                |

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

**Cliff P. Brunson**

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**From:** Williams, Chris, EMNRD [chris.williams@state.nm.us]  
**Sent:** Thursday, November 29, 2007 11:57 AM  
**To:** Cliff P. Brunson  
**Subject:** RE: Closure requests

Go ahead and backfill. I will be in the office for a short time tomorrow. I am not answering the phone so I can get some personnel and timesheet issues resolved. I will be out until the eleventh of December. Chris

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**From:** Cliff P. Brunson [mailto:cbrunson@bbcinternational.com]  
**Sent:** Tuesday, November 27, 2007 5:26 PM  
**To:** Williams, Chris, EMNRD  
**Cc:** Ken Swinney; Jennifer Gilkey  
**Subject:** Closure requests

Chris,

I have attached two files that are lab data results. One is for the Chesapeake State A #7. These are the samples taken after excavation of about 1 foot and the depth to water is over 100 feet so the guidelines would put TPH at 5,000 ppm and as you can see, our results are below that. May we close this site? If in agreement, we will backfill and issue a final C-141.

The second is the McElvain #8 reserve pit. The samples were taken after removal of the pit contents and liner and the depth of the pit is approximately 6 feet below ground surface. The depth to water is approximately 65-70 feet. May we backfill this excavation as well? If in agreement, we will backfill then issue a C-144.

Many thanks for looking at these and letting me know which direction to take.

Cliff

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