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: 5014 Carlsbad Highway	Telephone No.: (505) 391-1462, ext. 6224
Facility Name: Mosaic 34 Federal #2H	Facility Type: Production Well

| Surface Owner: United States Government-Bureau of Land Management	Mineral Owner: United States Government-Bureau of Land Management	Lease No.: API #30-015-35831

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	34	24S	28E	371	South	365	East	Eddy

Latitude: N 32° 10' 01.854" Longitude: W 104° 04' 36.112"

NATURE OF RELEASE

Type of Release: Petroleum and/or Production fluids	Volume of Release: ~40 barrels	Volume Recovered: 20 barrels
Source of Release: 2-to-1 reducer on circulating pump	Date and Hour of Occurrence: October 26, 2010 @ 8:00 am	Date and Hour of Discovery: October 26, 2010 @ 2:00 pm
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Mike Bratcher, NMOCD- Artesia	
By Whom? Bradley Blevins, Chesapeake Operating, Inc.	Date and Hour: October 26, 2010 @ 2:00 pm	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse: Not Applicable	

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

Describe Cause of Problem and Remedial Action Taken: A 2-to-1 reducer on the circulating pump malfunctioned causing the release of petroleum products. Approximately 40 barrels of petroleum products were released onto the location. Approximately 280 yards of contaminated soil were removed from the location and transported to a State Approved disposal or remediation facility.

Describe Area Affected and Cleanup Action Taken: Affected area was excavated to various depths measuring from six inches to 5 feet bgs. Soil Samples were taken and submitted to Cardinal Laboratories for testing of TPH, BTEX, and Chlorides. Test results received from Cardinal Laboratories are within NMOCD remedial threshold goals. Upon approval from Chesapeake Operating, the release area will be backfilled, cultivated, and seeded to promote growth of natural vegetation.

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.
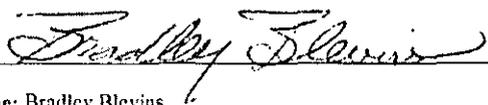
Signature:	OIL CONSERVATION DIVISION
Printed Name: Bradley Blevins	Approved by District Supervisor:
Title: Field Technician	Approval Date: 2/1/11 Expiration Date: N/A
E-mail Address: bblevins@chkenergy.com	Conditions of Approval: Final Attached ☐
Date: December 3, 2010 Phone: (505) 391-1462 ext. 6224	
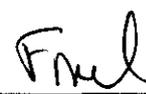
* Attach Additional Sheets If Necessary

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