

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 Energy	<b>Contact:</b> Bradley Blevins
<b>Address:</b> P.O. Box 190	<b>Telephone No.:</b> (505) 391-1462 ext. 6224
<b>Facility Name:</b> Pronghorn State #1	<b>Facility Type:</b> Tank Battery

<b>Surface Owner:</b> Jim Keller	<b>Mineral Owner:</b>	<b>Lease No.:</b>
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**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	34	23S	34E	1,980	N	1,980	E	Lea

**Latitude:** N 32° 15' 46.45" **Longitude:** W 103° 27' 20.87"

**NATURE OF RELEASE**

<b>Type of Release:</b> Petroleum and/or production fluids	<b>Volume of Release:</b> Unknown	<b>Volume Recovered:</b> Unknown
<b>Source of Release:</b> Various sources	<b>Date and Hour of Occurrence:</b> Historical	<b>Date and Hour of Discovery:</b>
<b>Was Immediate Notice Given?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	<b>If YES, To Whom?</b>	
<b>By Whom?</b> Bradley Blevins	<b>Date and Hour:</b>	
<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

**Describe Cause of Problem and Remedial Action Taken.\*** The release is historical from various sources.

**Describe Area Affected and Cleanup Action Taken.\*** Approximately 210 square-feet of surface area was impacted by the release. Soil borings were advanced to collect soil samples to delineate extent of impacted soil. A remediation proposal will be developed based on soil sample analyses.

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.

**OIL CONSERVATION DIVISION**

<b>Signature:</b> 	<b>Approved by District Supervisor:</b>	
<b>Printed Name:</b> Bradley Blevins	<b>Approval Date:</b>	<b>Expiration Date:</b>
<b>Title:</b> Field Supervisor	<b>Conditions of Approval:</b>	
<b>E-mail Address:</b> bblevins@chkenergy.com	<b>Attached</b> <input type="checkbox"/>	
<b>Date:</b> 4-3-06 <b>Phone:</b> (505) 391-1462 ext. 6224		

\* Attach Additional Sheets If Necessary

Chesapeake - 147179  
Facility - #PAC0609132841  
Incident - #PAC0609132913

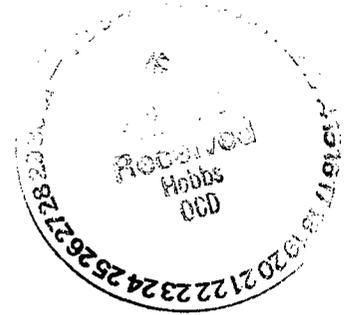
10 application - #PAC0609133096



**ENVIRONMENTAL PLUS, INC.**  
CONSULTING AND REMEDIAL CONSTRUCTION

30 March 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 Pronghorn State #1 – Reference #160050**  
**UL-G, Section 34, Township 23 South, Range 34 East**  
**Latitude N 32° 15' 46.45" and Longitude W 103° 27' 20.87"**

Dear Mr. Johnson:

Environmental Plus, Inc. (EPI), 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 Jim Keller.

The site is located approximately 20 miles northwest of Jal, 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 there are no water supply wells within a 1,000-foot radius of the release site. However, there are no 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 ~~475~~ 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).

The historical release is of an unknown volume of petroleum and/or production fluids from varying sources.

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Should you have any questions or concerns please feel free to contact me at (505) 394-3481 or via e-mail at [iolness@envplus.net](mailto:iolness@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

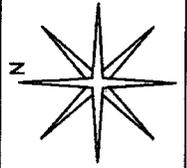
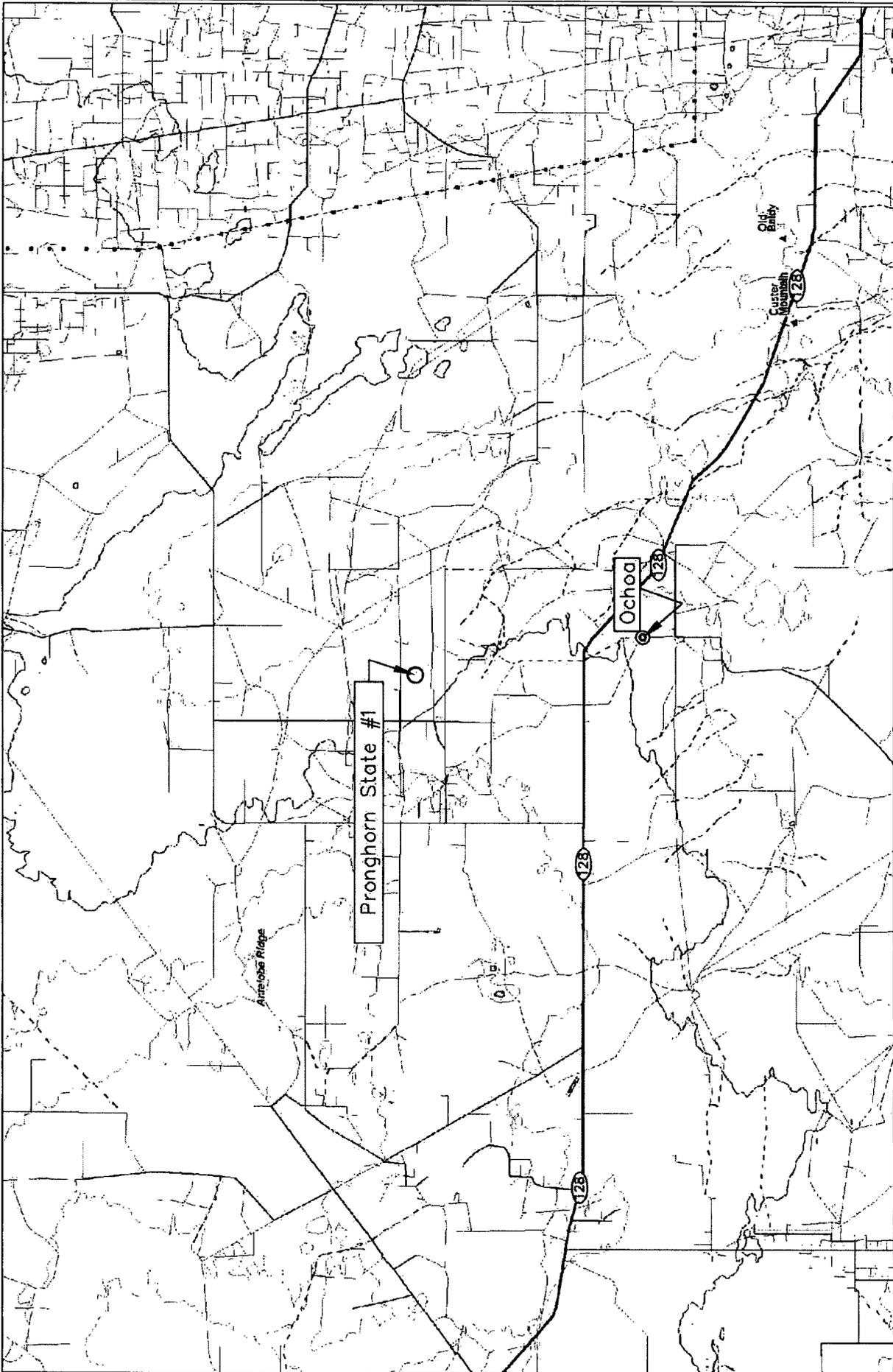
Sincerely,

ENVIRONMENTAL PLUS, INC.



Iain Olness, P.G.  
Hydrogeologist

cc: Bradley Blevins, Chesapeake Energy – Hobbs, NM  
Curtis Blake, Chesapeake Energy – Hobbs, NM  
Harlan Brown, Chesapeake Energy – Oklahoma City, OK  
Jim Keller, Landowner  
File

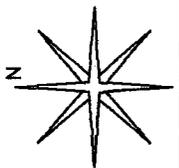
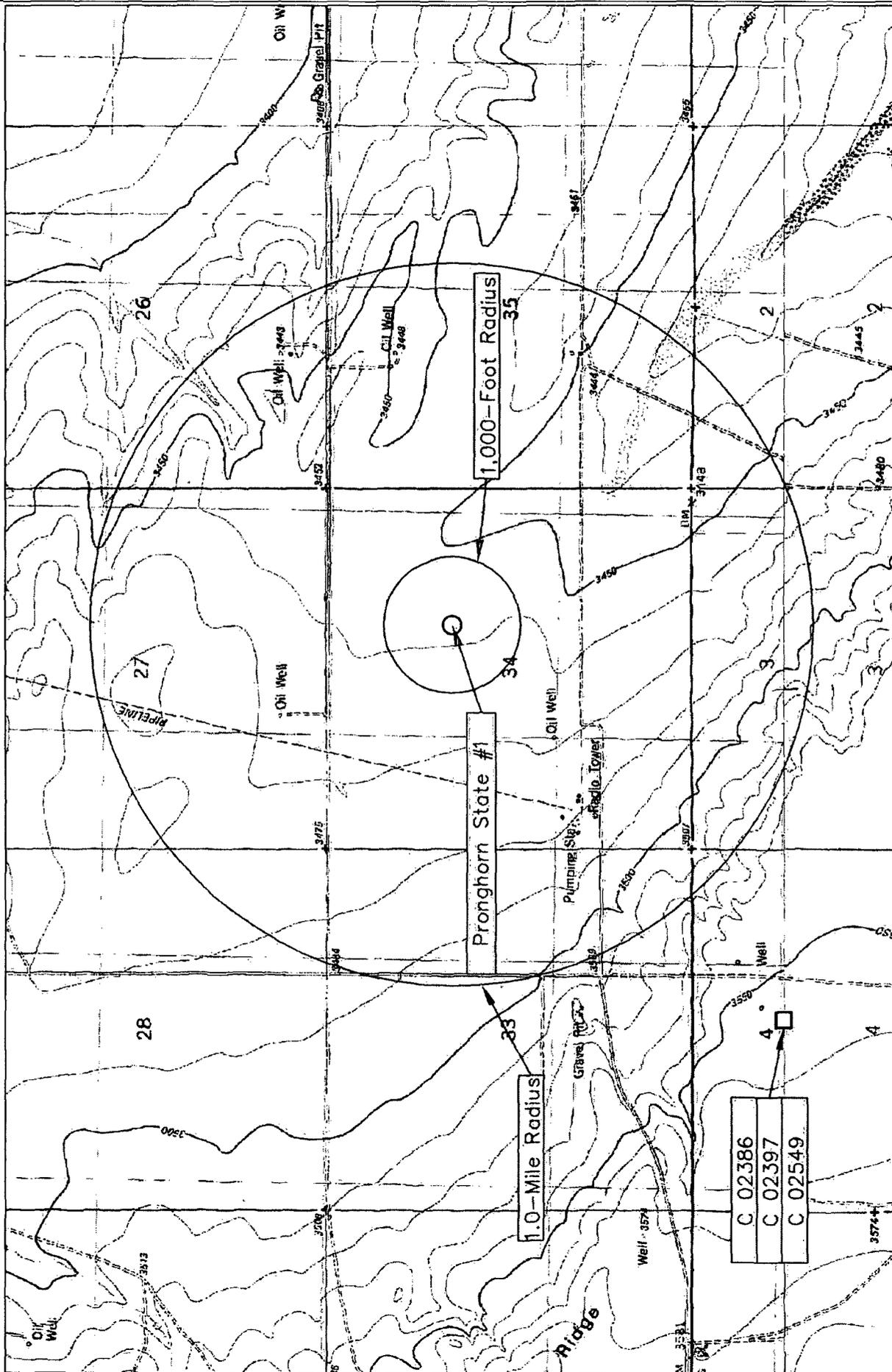


DWG By: Daniel Dominguez  
January 2006

Lea County, New Mexico  
SW 1/4 of the NE 1/4, Sec. 34, T23S, R34E  
N 32° 15' 46.45" W 103° 27' 20.87"  
Elevation: 3,458 feet amsl

REVISED:  
0 3.0 6.0 SHEET  
1 of 1  
Miles

Figure 1  
Area Map  
Chesapeake Energy  
Pronghorn State #1



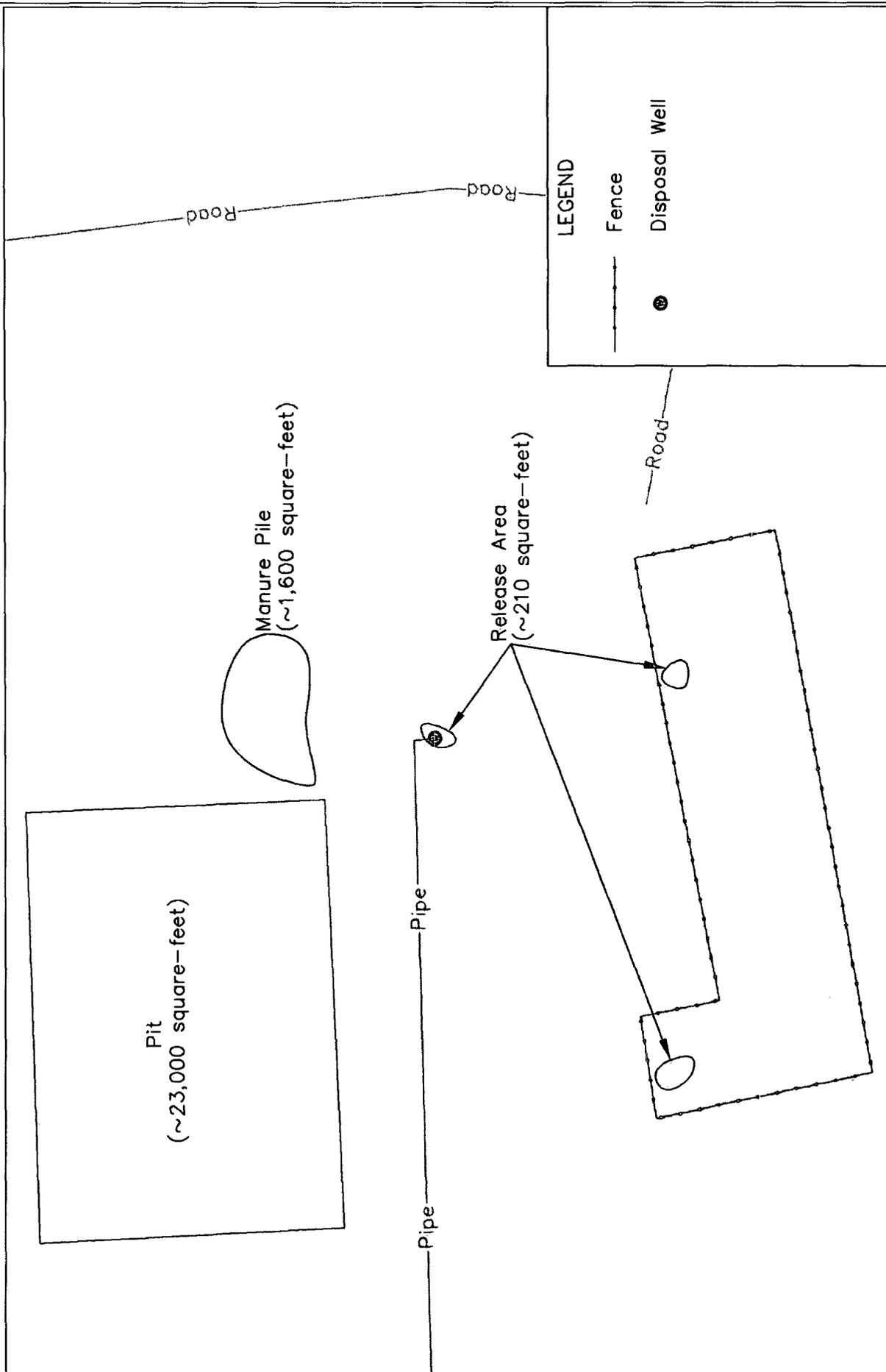
REVISIONS:  
 0 2000 4000 SHEET  
 1 of 1

DWG By: Daniel Dominguez  
 January 2006

Lea County, New Mexico  
 SW 1/4 of the NE 1/4, Sec. 34, T23S, R34E  
 N 32° 15' 46.45" W 103° 27' 20.87"  
 Elevation: 3,458 feet amsl

Figure 2  
 Site Location Map  
 Chesapeake Energy  
 Pronghorn State #1

- C 02386
- C 02397
- C 02549



<p>Figure 3 Site Map Chesapeake Energy Pronghorn State #1</p>	<p>Lea County, New Mexico SW 1/4 of the NE 1/4, Sec. 34, T23S, R34E N 32°15' 46.45" W 103°27' 20.87" Elevation: 3,458 feet amsl</p>		<p>DWG By: Daniel Dominguez January 2006</p>	<p>REVISED:</p>
			<p>0 50 100 Feet</p>	<p>SHEET 1 of 1</p>

**TABLE 1**  
**Well Data**  
**Chesapeake Energy - Pronghorn State #1 (Ref. # 160050)**

Well Number	Diversion <sup>A</sup>	Owner	Use	Twp	Rng	Sec q q q	Latitude	Longitude	Date Measured	Surface Elevation <sup>B</sup>	Depth to Water	
											(ft)	(ft bgs)
C 02386	3	RUBERT MADERA	DOM	24S	34E	04 2 1 4	N32° 15' 0.43"	W103° 28' 28.06"	31-Jan-60	3,555		475
C 02397	30	BERT MADERA	COM	24S	34E	04 2 1 4	N32° 15' 0.43"	W103° 28' 28.06"	31-Jan-60	3,555		475
C 02397	3	BERT MADERA	MUL	24S	34E	04 2 1 4	N32° 15' 0.43"	W103° 28' 28.06"	31-Jan-60	3,555		475

<sup>B</sup> = Elevation interpolated from USGS topographical map based on referenced location.

DOM = 72-12-1 Domestic one household

COM = Commercial

MUL = 72-12-1 Multiple domestic households

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

Shaded area indicates wells not shown in Figure 2



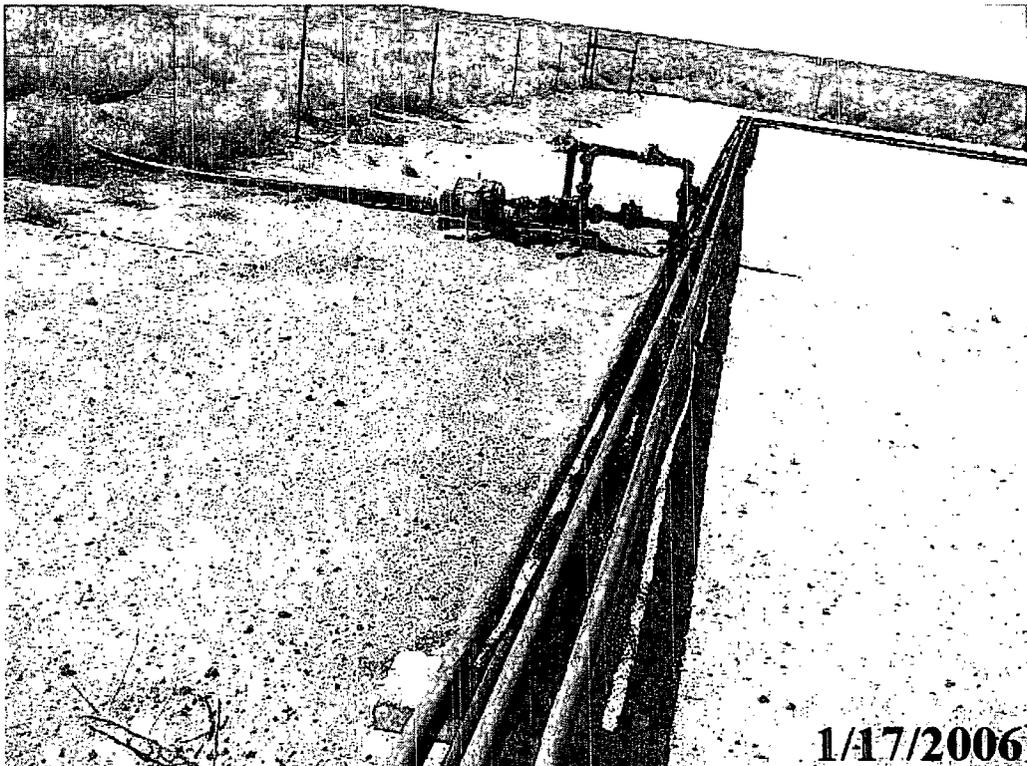
Photograph #1 – Lease sign.



Photograph #2 - Looking northwesterly at the release area.



Photograph #3 - Looking southwesterly at release area.



Photograph #4 - Looking northeasterly at the release area.



Information and Metrics

<b>Incident Date:</b> Historical	<b>NMOCD Notified:</b>
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<b>Site:</b> Pronghorn State #1		<b>Assigned Site Reference :</b> #160050	
<b>Company:</b> Chesapeake Energy			
<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> Unknown		<b>Recovered (bbls):</b> Unknown	
>25 bbls: Notify NMOCD verbally within 24 hrs and submit form C-141 within 15 days. (Also applies to unauthorized releases >500 mcf Natural Gas)			
5-25 bbls: Submit form C-141 within 15 days (Also applies to unauthorized releases of 50-500 mcf Natural Gas)			
<b>Leak, Spill, or Pit (LSP) Name:</b> Pronghorn State #1			
<b>Source of contamination:</b>			
<b>Land Owner, i.e., BLM, ST, Fee, Other:</b> Jim Keller			
<b>LSP Dimensions:</b> 10 feet by 10 feet, 10 feet by 70 feet, 10 feet by 40 feet			
<b>LSP Area:</b> ~100 ft <sup>2</sup> , ~70 ft <sup>2</sup> , ~40 ft <sup>2</sup>			
<b>Location of Reference Point (RP):</b>			
<b>Location distance and direction from RP:</b>			
<b>Latitude:</b> N 32° 15' 46.45"			
<b>Longitude:</b> W 103° 27' 20.87"			
<b>Elevation above mean sea level:</b> 3,458 feet			
<b>Feet from North Section Line:</b> 1,980			
<b>Feet from East Section Line:</b> 1,980			
<b>Location- Unit or ¼¼:</b> SW¼ of the NE¼		<b>Unit Letter:</b> G	
<b>Location- Section:</b> 34			
<b>Location- Township:</b> T23S			
<b>Location- Range:</b> R34E			
<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> none			
<b>Public water supply wells within 1000' radius of site:</b> none			
<b>Depth from land surface to groundwater (DG):</b> ~475 feet			
<b>Depth of contamination (DC):</b> unknown			
<b>Depth to groundwater (DG - DC = DtGW):</b> ~475 feet			
<b>1. Groundwater</b>		<b>2. Wellhead Protection Area</b>	
If Depth to GW <50 feet: 20 points		If <1000' from water source, or; <200' from private domestic water source: 20 points	
If Depth to GW 50 to 99 feet: 10 points		If >1000' from water source, or; >200' from private domestic water source: 0 points	
If Depth to GW >100 feet: 0 points			
		<b>3. Distance to Surface Water Body</b>	
		<200 horizontal feet: 20 points	
		200-1000 horizontal feet: 10 points	
		>1000 horizontal feet: 0 points	
<b>Site Rank (1+2+3) = 0</b>			
<b>Total Site Ranking Score and Acceptable Concentrations</b>			
<b>Parameter</b>	<b>&gt;19</b>	<b>10-19</b>	<b>0-9</b>
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			