

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> Bonanza Federal #1	<b>Facility Type:</b> Tank Battery

<b>Surface Owner:</b> Jim Keller	<b>Mineral Owner:</b>	<b>Lease No.:</b> LC 067715
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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
I	28	23S	34E	1,650	S	660	E	Lea

**Latitude:** N 32° 16' 22.34" **Longitude:** W 103° 28' 06.98"

#### 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 1,700 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.

<b>Signature:</b>	<b>OIL CONSERVATION DIVISION</b>	
<b>Printed Name:</b> Bradley Blevins	<b>Approved by District Supervisor:</b>	
<b>Title:</b> Field Supervisor	<b>Approval Date:</b>	<b>Expiration Date:</b>
<b>E-mail Address:</b> bblevins@chkenergy.com	<b>Conditions of Approval:</b>	<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 - APAC 0609637202  
incident - nPAC 0609637886

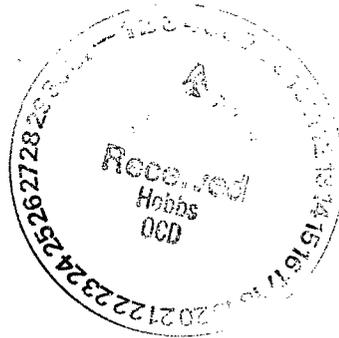
application - APAC 0609638493



**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 Bonanza Federal #1 – Reference #160047**  
**UL-I, Section 28, Township 23 South, Range 34 East**  
**Latitude N 32° 16' 22.34" and Longitude W 103° 28' 06.98"**

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 275 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.

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 [iolness@envplus.net](mailto:iolness@envplus.net) or Mr. Bradley Blevins at (505) 391-1462 ext. 6224 or via e-mail at [bblevins@chkenegy.com](mailto:bblevins@chkenegy.com). All official communication should be addressed to:

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

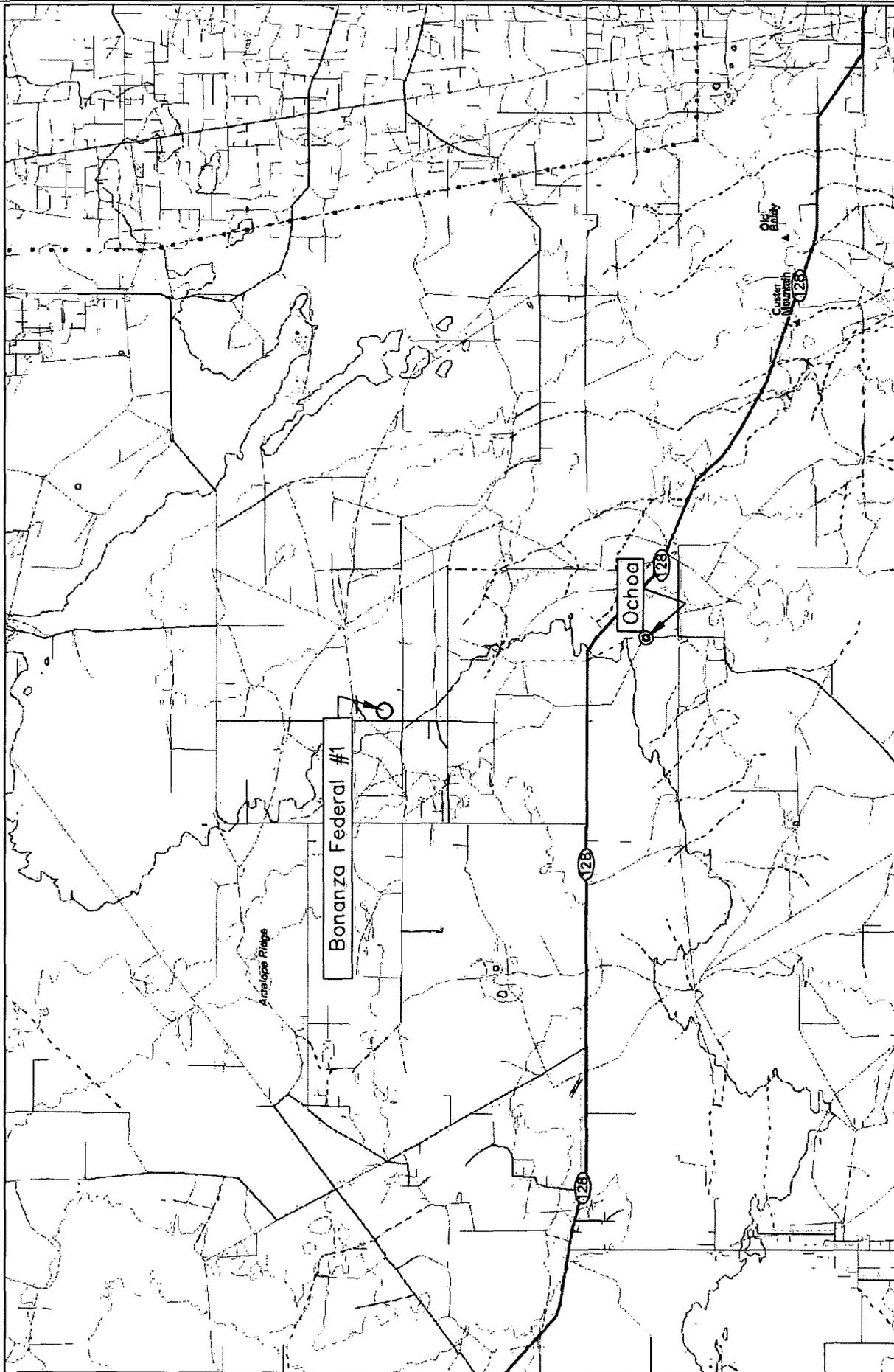
Sincerely,

ENVIRONMENTAL PLUS, INC.

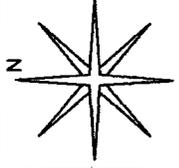
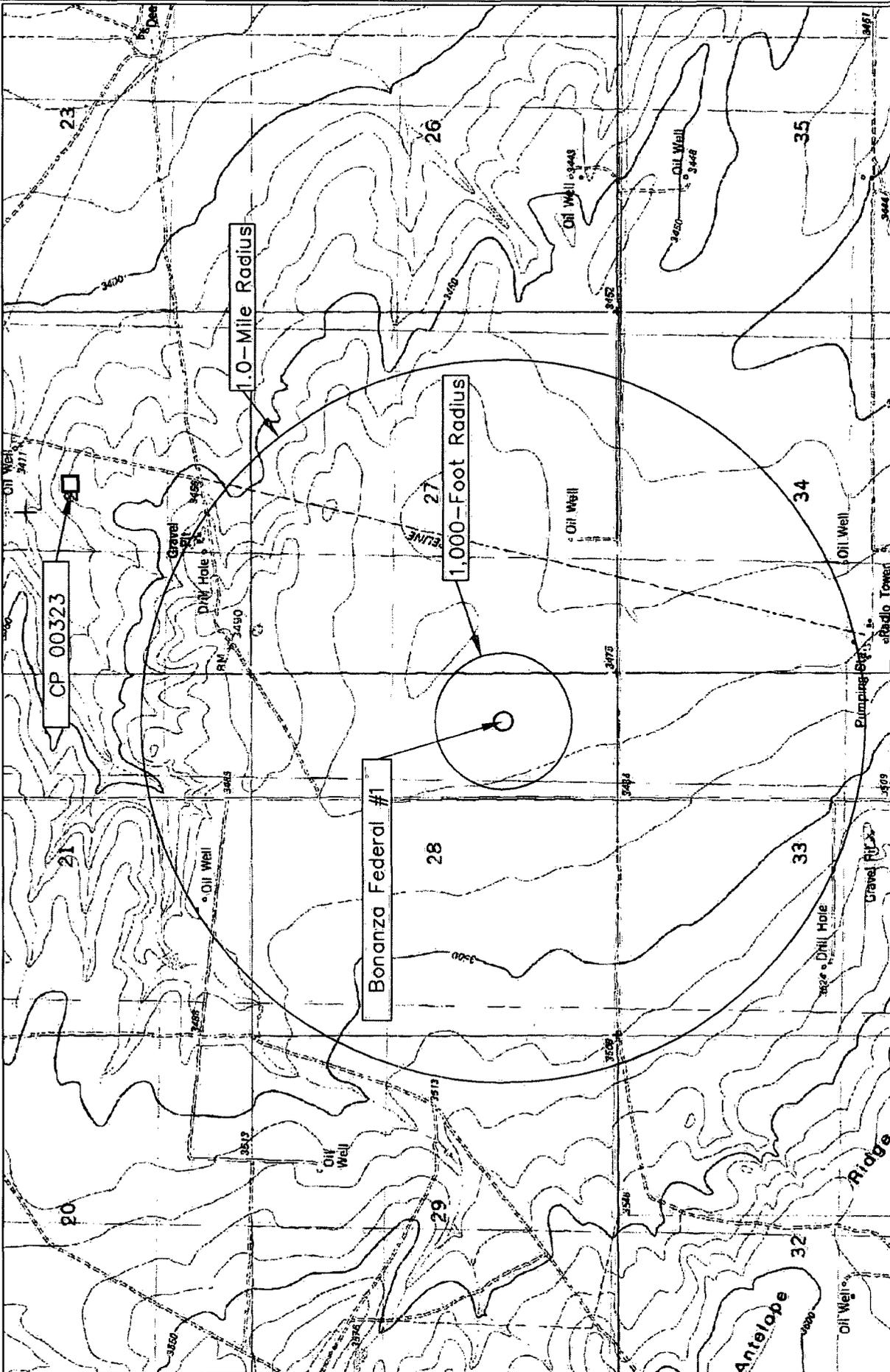


Iain Olness, P.G.  
Hydrogeologist

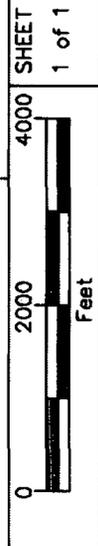
cc: Bradley Blevins, Chesapeake Energy – Hobbs, NM  
Curtis Blake, Chesapeake Energy – Hobbs, NM  
Harlan Brown, Chesapeake Energy – Oklahoma City, OK  
Jim Keller, Landowner  
File



<p>Figure 1 Area Map Chesapeake Energy Bonanza Federal #1</p>	<p>Lea County, New Mexico NE 1/4 of the SE 1/4, Sec. 28, T23S, R34E N 32° 16' 22.34" W 103° 28' 06.98" Elevation: 3,475 feet amsl</p>	<p>DWG By: Daniel Dominguez January 2006</p>	<p>REVISED:</p>
	<p>0 3.0 6.0 SHEET 1 of 1 Miles</p>		



REVISID:  
 DWG By: Daniel Dominguez  
 January 2006



Lea County, New Mexico  
 NE 1/4 of the SE 1/4, Sec. 28, T23S, R34E  
 N 32° 16' 22.34" W 103° 28' 06.98"  
 Elevation: 3,475 feet amsl

Figure 2  
 Site Location Map  
 Chesapeake Energy  
 Bonanza Federal #1

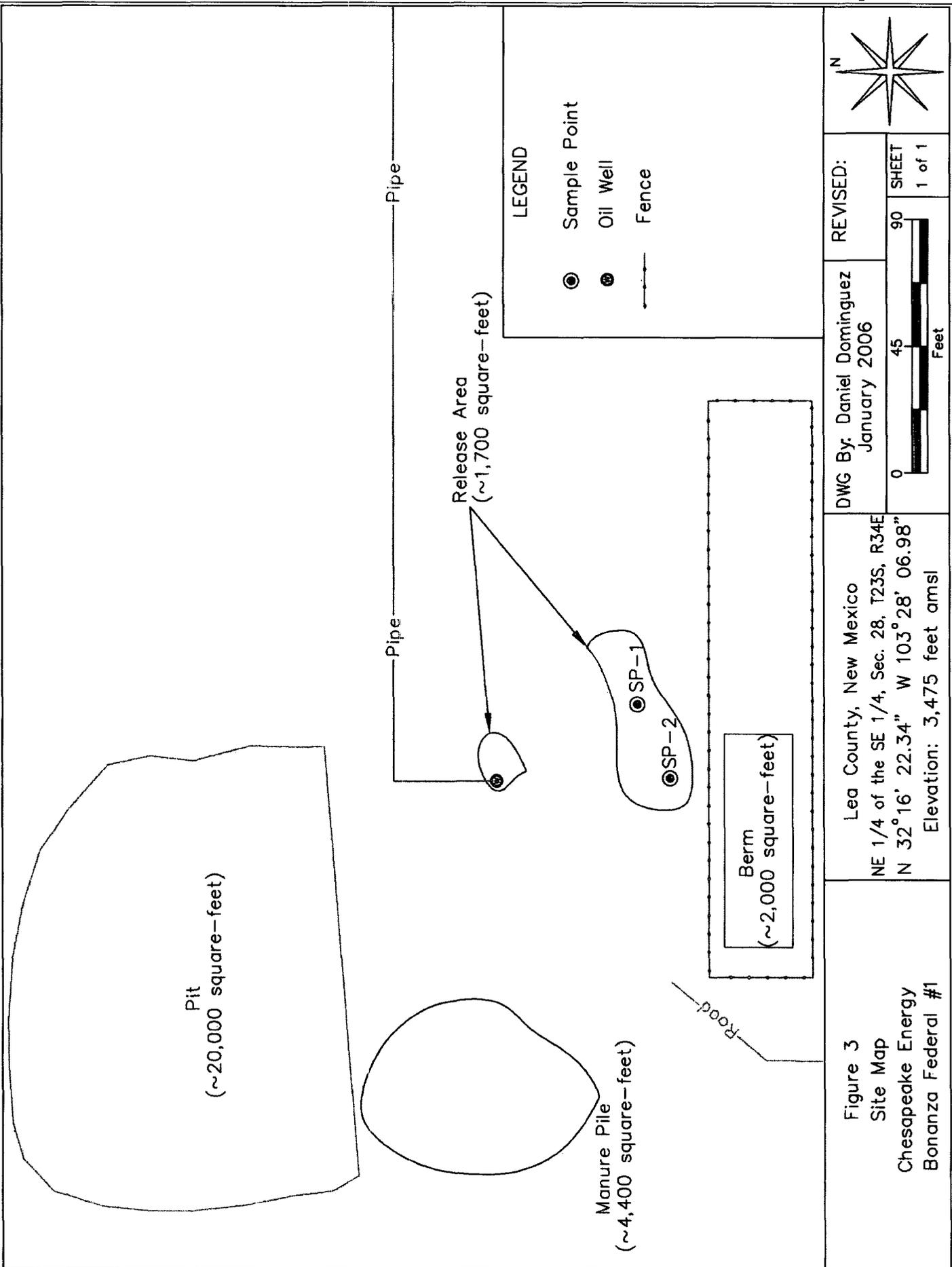


Figure 3  
Site Map  
Chesapeake Energy  
Bonanza Federal #1

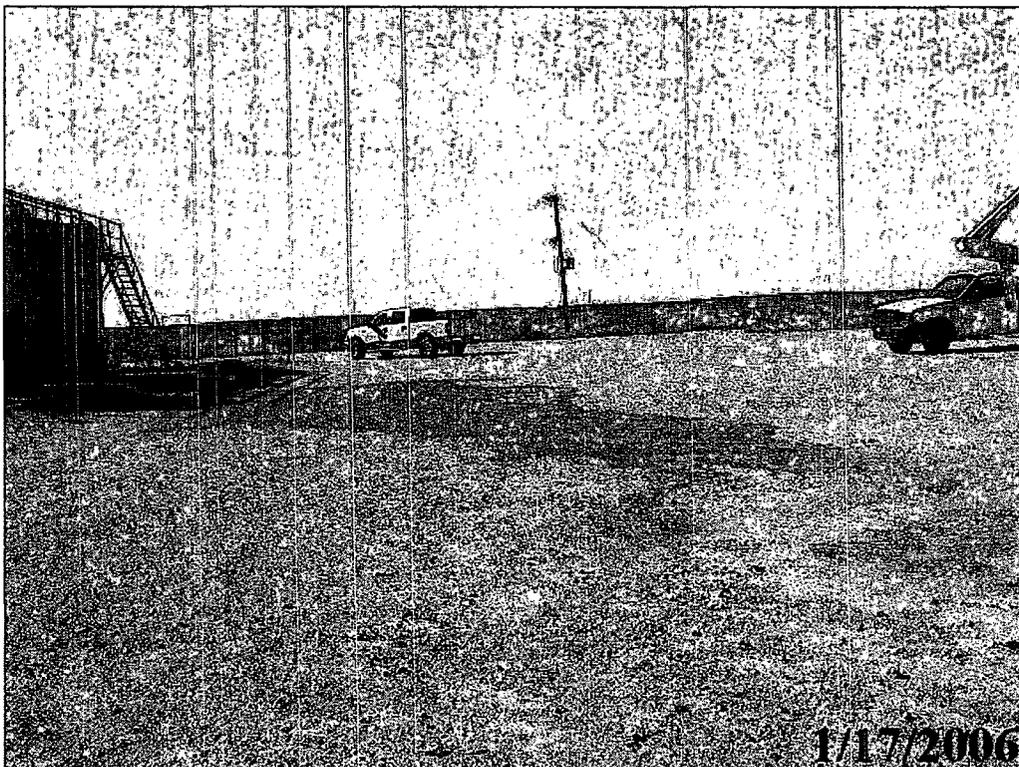
**TABLE 1**  
**Well Data**  
**Chesapeake Energy - Bonanza Federal #1 (Ref. # 160047)**

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)	(lbs)
CP 00323 EXP	0	SHELL OIL COMPANY	PRO	23S	34E	22	2	3		N32° 17' 24.05"	W103° 27' 26.74"		3,445		

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



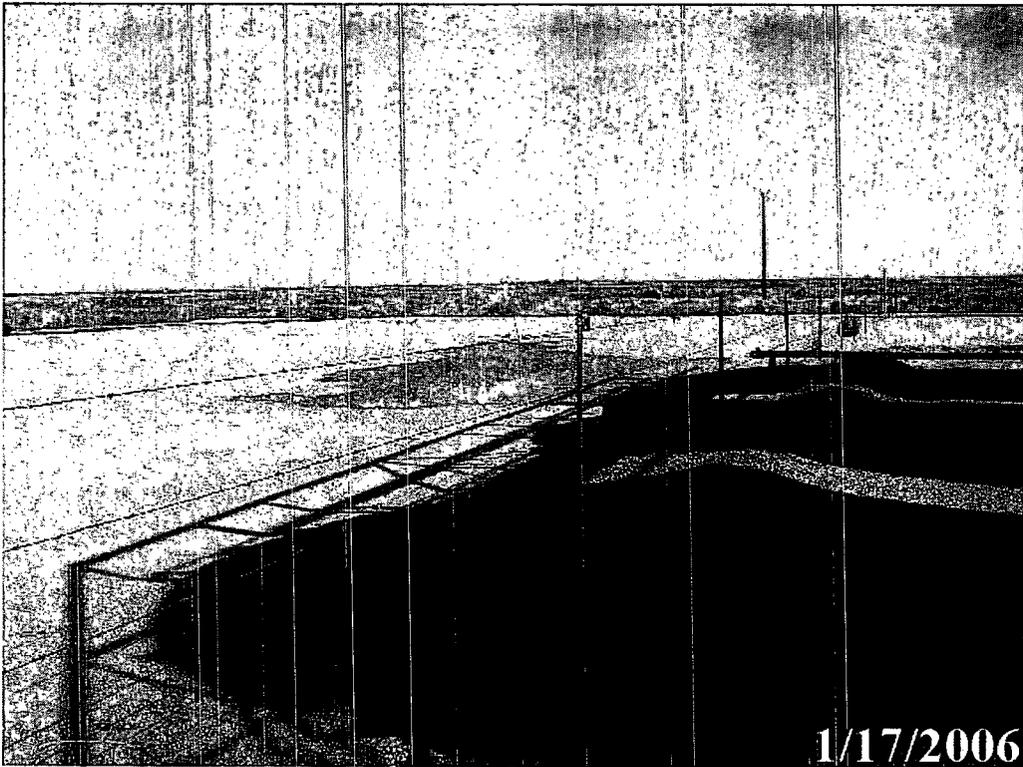
Photograph #1 - Lease sign.



Photograph #2 - Looking west at the release area and tank battery with berm.



Photograph #3-Looking north at release area.



Photograph #4-Looking east at release area.



Information and Metrics

<b>Incident Date:</b> Historical	<b>NMOCD Notified:</b>
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<b>Site:</b> Bonanza Federal #1		<b>Assigned Site Reference :</b> #160047	
<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	
<b>&gt;25 bbls: Notify NMOCD verbally within 24 hrs and submit form C-141 within 15 days.</b> (Also applies to unauthorized releases >500 mcf Natural Gas)			
<b>5-25 bbls: Submit form C-141 within 15 days (Also applies to unauthorized releases of 50-500 mcf Natural Gas)</b>			
<b>Leak, Spill, or Pit (LSP) Name:</b> Bonanza Federal #1			
<b>Source of contamination:</b>			
<b>Land Owner, i.e., BLM, ST, Fee, Other:</b> Jim Keller			
<b>LSP Dimensions:</b> 100 feet by 17 feet			
<b>LSP Area:</b> ~1,700 ft <sup>2</sup>			
<b>Location of Reference Point (RP):</b>			
<b>Location distance and direction from RP:</b>			
<b>Latitude:</b> N 32° 16' 22.34"			
<b>Longitude:</b> W 103° 28' 06.98"			
<b>Elevation above mean sea level:</b> 3,475 feet			
<b>Feet from South Section Line:</b> 1650			
<b>Feet from East Section Line:</b> 660			
<b>Location- Unit or ¼¼:</b> NE¼ of the SE¼		<b>Unit Letter:</b> I	
<b>Location- Section:</b> 28			
<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> ~275 feet			
<b>Depth of contamination (DC):</b> unknown			
<b>Depth to groundwater (DG – DC = DtGW):</b> ~275 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 >1000' from water source, or; >200' from private domestic water source: <i>0 points</i>	
If Depth to GW >100 feet: <i>0 points</i>			
<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			

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Revised October 10, 2003

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with Rule 116 on back  
side of form

**Release Notification and Corrective Action**

**OPERATOR**

Initial Report  Final Report

Name of Company ConocoPhillips Company	Contact John Abney
Address 4001 Penbrook Street Odessa, TX 79762	Telephone No. (505)391-3128
Facility Name Lockhart A-30	Facility Type Tank Battery

Surface Owner BLM	Mineral Owner BLM	Lease No. NM-62664
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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
D	30	21 South	36 East					Lea

Latitude 32 27.207N Longitude 103 18.430W

**NATURE OF RELEASE**

Type of Release Grass Fire	Volume of Release NA	Volume Recovered NA
Source of Release Powerline	Date and Hour of Occurrence 3/22/06 12:45 pm	Date and Hour of Discovery 3/22/06 12 pm
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Pat Caperton	
By Whom? John Abney	Date and Hour 3/22/2006 1:45 pm	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. NA	

If a Watercourse was Impacted, Describe Fully.\*  
NA

Describe Cause of Problem and Remedial Action Taken.\*  
Fire was caused from a powerline that fell to the ground possibly due to a lightning strick and high wind.

Describe Area Affected and Cleanup Action Taken.\*  
132' X 150' of pasture burned with no other property damage.

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: 	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: John Abney	Approved by District Supervisor:	
Title: SHEaR Specialist	Approval Date:	Expiration Date:
E-mail Address: john.h.abney@conocophillips.com	Conditions of Approval:	
Date: 03/24/2006 Phone: (505)391-3128	Attached <input type="checkbox"/>	

\* Attach Additional Sheets If Necessary