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

Surface Owner: McCasland Partnership	**Mineral Owner:**	**Lease No.:**

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	20	20S	39E					Lea

64'

Latitude: N 32° 33' 49.44" **Longitude:** W 103° 04' 26.54"

NATURE OF RELEASE

Type of Release: Petroleum and/or production fluids	**Volume of Release:** ~10 bbls	**Volume Recovered:** ~5 bbls
Source of Release: Well kicked during work over activities.	**Date and Hour of Occurrence:** 8 March 2006	**Date and Hour of Discovery:** 8 March 2006
Was Immediate Notice Given? ☐ Yes ☐ No ☒ Not Required	**If YES, To Whom?**	
By Whom?	**Date and Hour:** March 2006	
Was a Watercourse Reached? ☒ Yes ☐ No	**If YES, Volume Impacting the Watercourse:** Sheen due to overspray.	

If a Watercourse was Impacted, Describe Fully.* Stock pond had a light sheen from overspray; booms and absorbent pads were utilized to clean water surface.

Depth to Groundwater: ~40 feet

Describe Cause of Problem and Remedial Action Taken.* The well kicked during workover activities resulting in the release of approximately 10 barrels of crude oil, which impacted approximately 5,400 square feet of the pad. In addition, overspray from the release impacted approximately 36,600 square feet of pasture land. A vacuum truck was retained to recover approximately 5 barrels of pooled crude oil and microblaze, in a 6% solution, was applied to the overspray area

Describe Area Affected and Cleanup Action Taken.* Approximately 42,000 square-feet of surface area was impacted by the release. 60 gallons of Microblaze at a 6% solution was immediately applied to the overspray area to enhance natural biodegradation of overspray.

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 Supervisor	**Approval Date:**	**Expiration Date:**
E-mail Address: bblevins@chkenergy.com	**Conditions of Approval:**	**Attached** ☐
Date: **Phone:** (505) 391-1462 ext. 6224		

*** Attach Additional Sheets If Necessary**

Chesapeake - 147179
facility - fPAC0610937061

Incident - nPAC0610937306
application - pPAC0610937832

Julio State #1
160052

4-19-06 JERBAC OK Closure

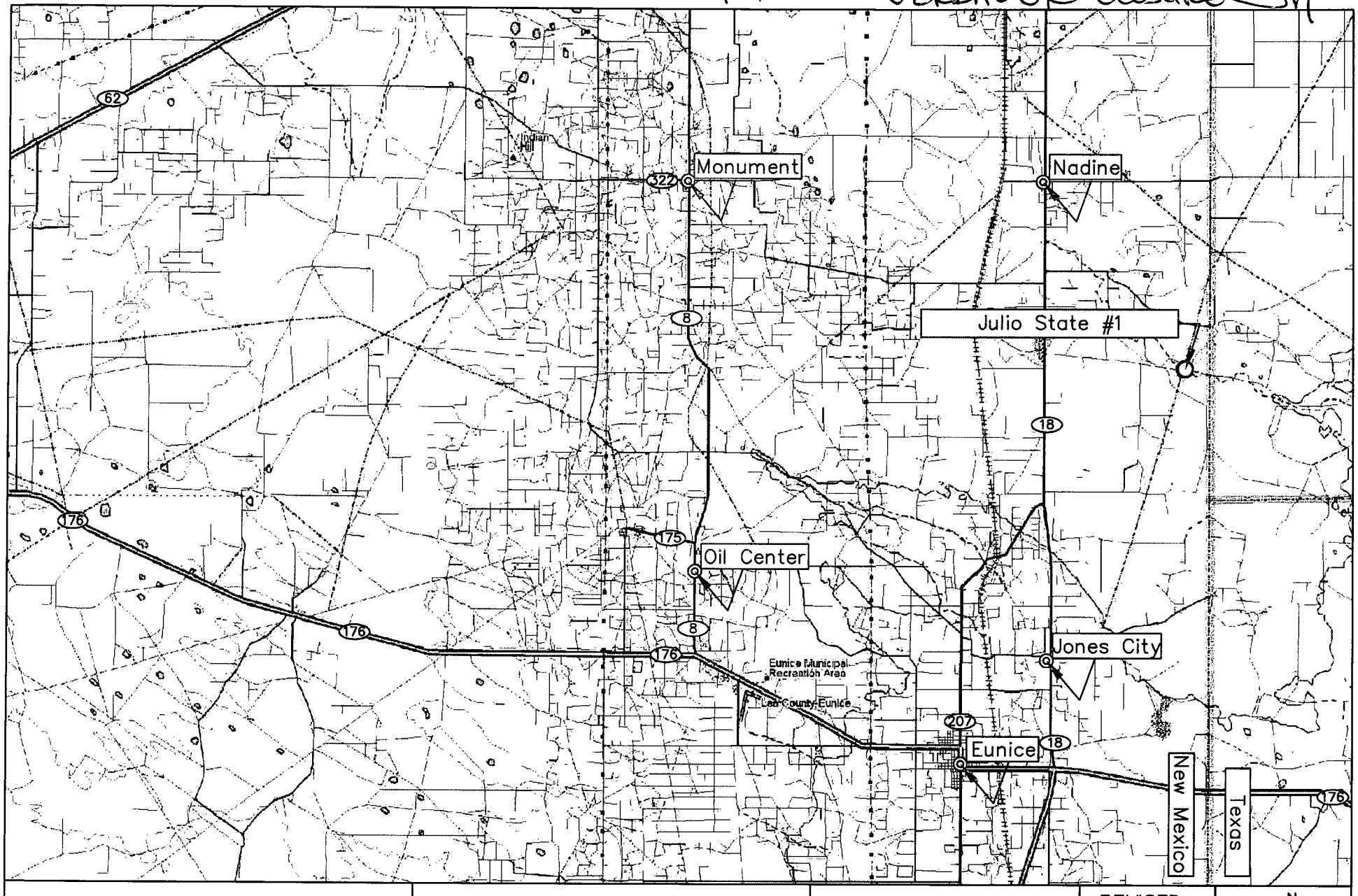

Figure 1
Area Map
Chesapeake Energy
Julio State #1

Lea County, New Mexico
NW 1/4 of the NW 1/4, Sec. 20, T20S, R39E
N 32°33' 49.44" W 103°04' 26.54"
Elevation: 3,515 feet amsl

DWG By: Daniel Dominguez
March 2006

REVISED:

0 3.0 6.0
Miles

SHEET
1 of 1

N

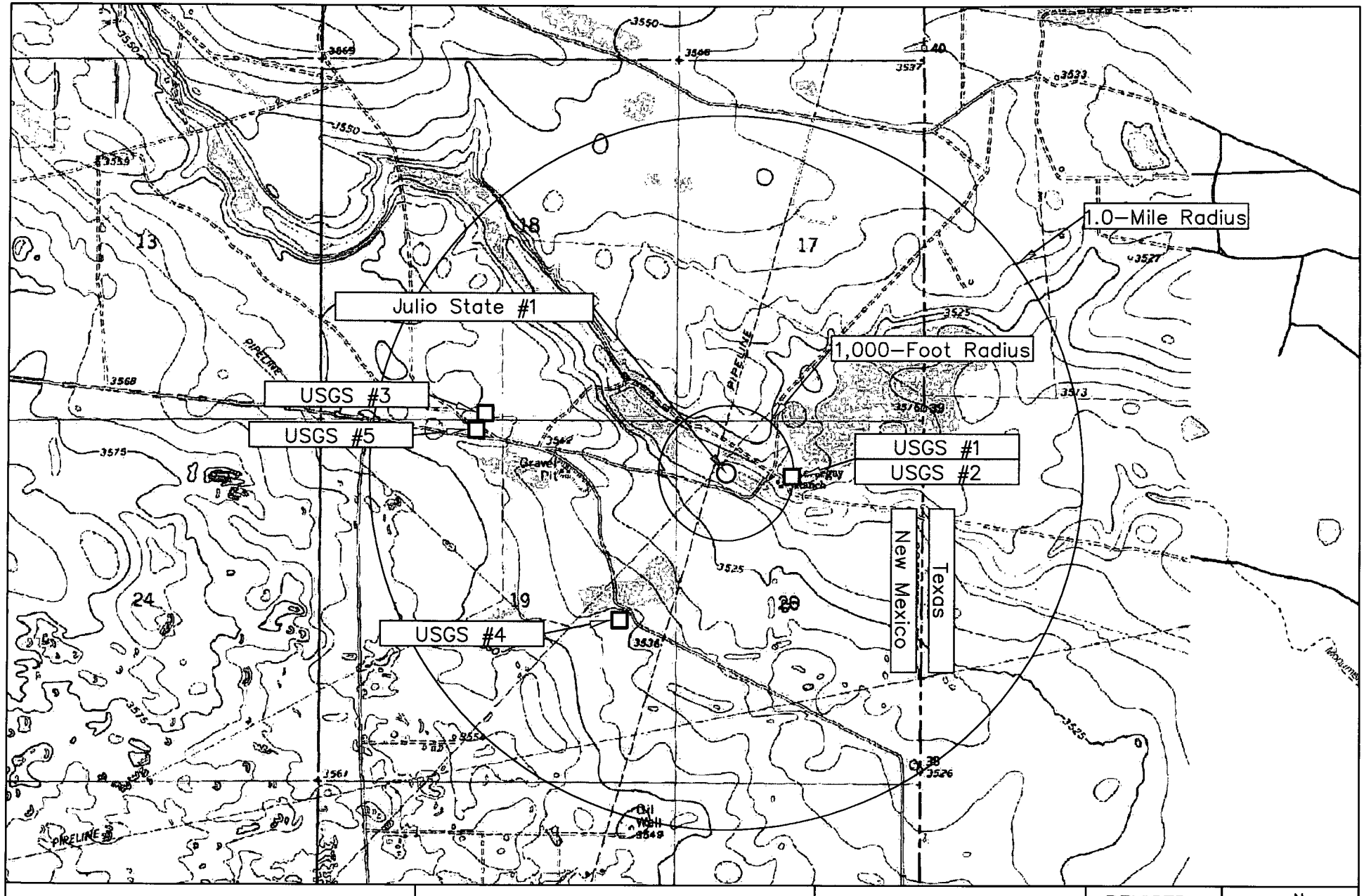

Figure 2
Site Location Map
Chesapeake Energy
Julio State #1

Lea County, New Mexico
NW 1/4 of the NW 1/4, Sec. 20, T20S, R39E
N 32°33' 49.44" W 103°04' 26.54"
Elevation: 3,515 feet amsl

DWG By: Daniel Dominguez
March 2006

REVISED:

0 2,000 4,000
Feet

SHEET
1 of 1

N

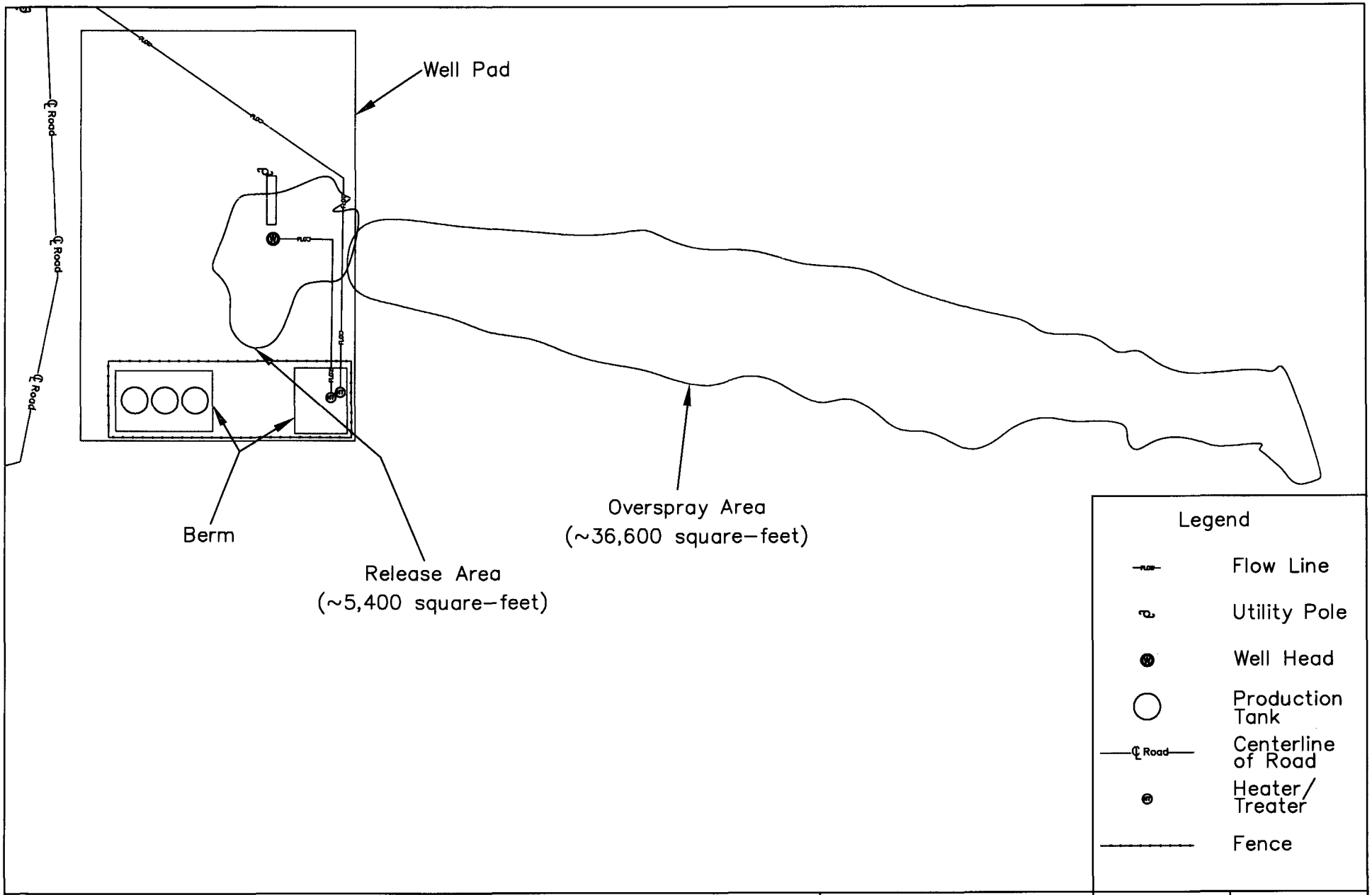

Figure 3 Site Map Chesapeake Energy Julio State #1	Lea County, New Mexico NW 1/4 of the NW 1/4, Sec. 20, T20S, R39E N 32°33' 49.44" W 103°04' 26.54" Elevation: 3,515 feet amsl	DWG By: Daniel Dominguez March 2006	REVISED:	N
		0 80 160 Feet	SHEET 1 of 1	

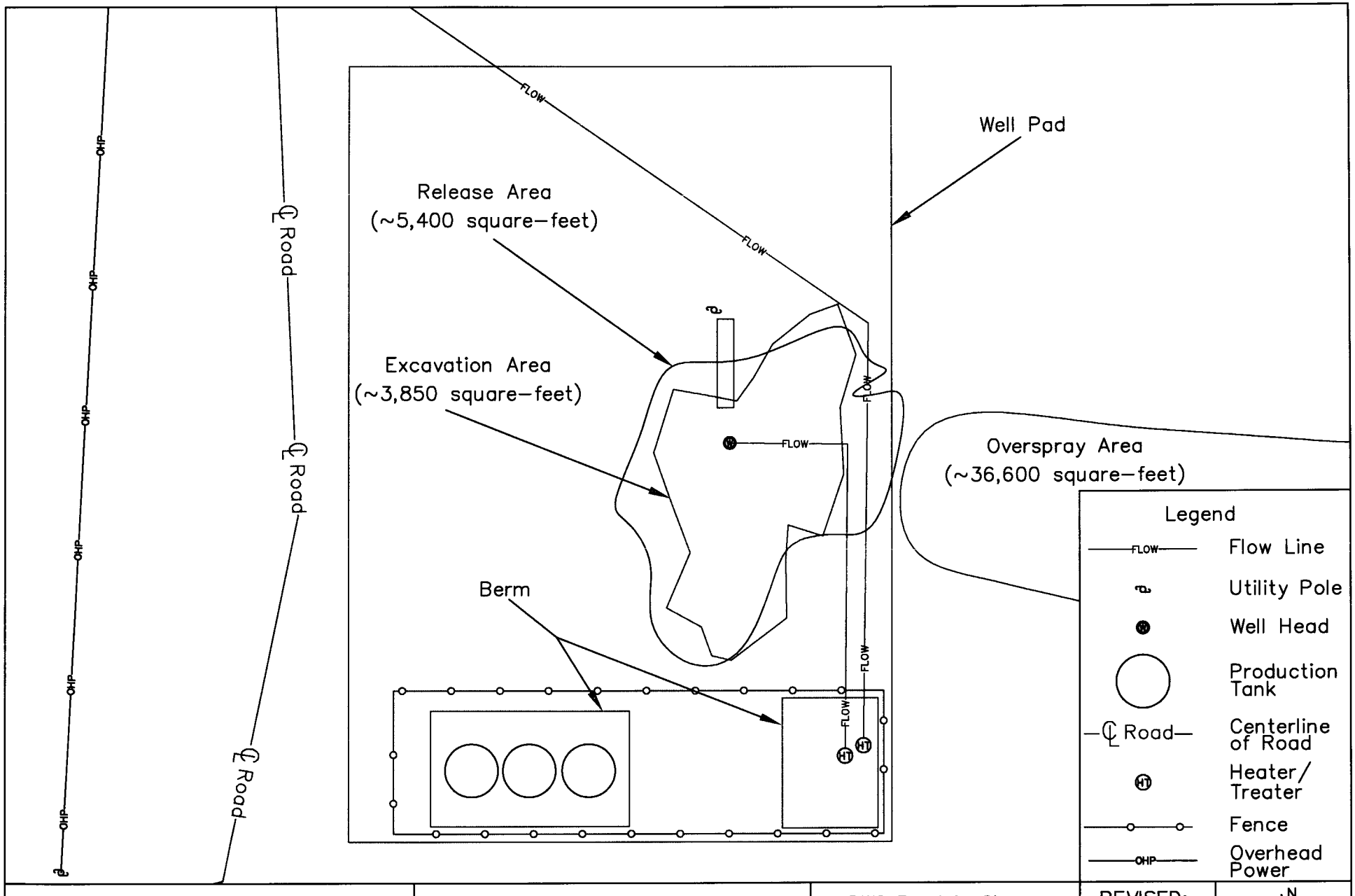

Figure 4
Excavation Area Map
Chesapeake Energy
Julio State #1

Lea County, New Mexico
NW 1/4 of the NW 1/4, Sec. 20, T20S, R39E
N 32°33' 49.44" W 103°04' 26.54"
Elevation: 3,515 feet amsl

DWG By: Iain Olness
March 2006

REVISED:

0 40 80
Feet

SHEET
1 of 1

N

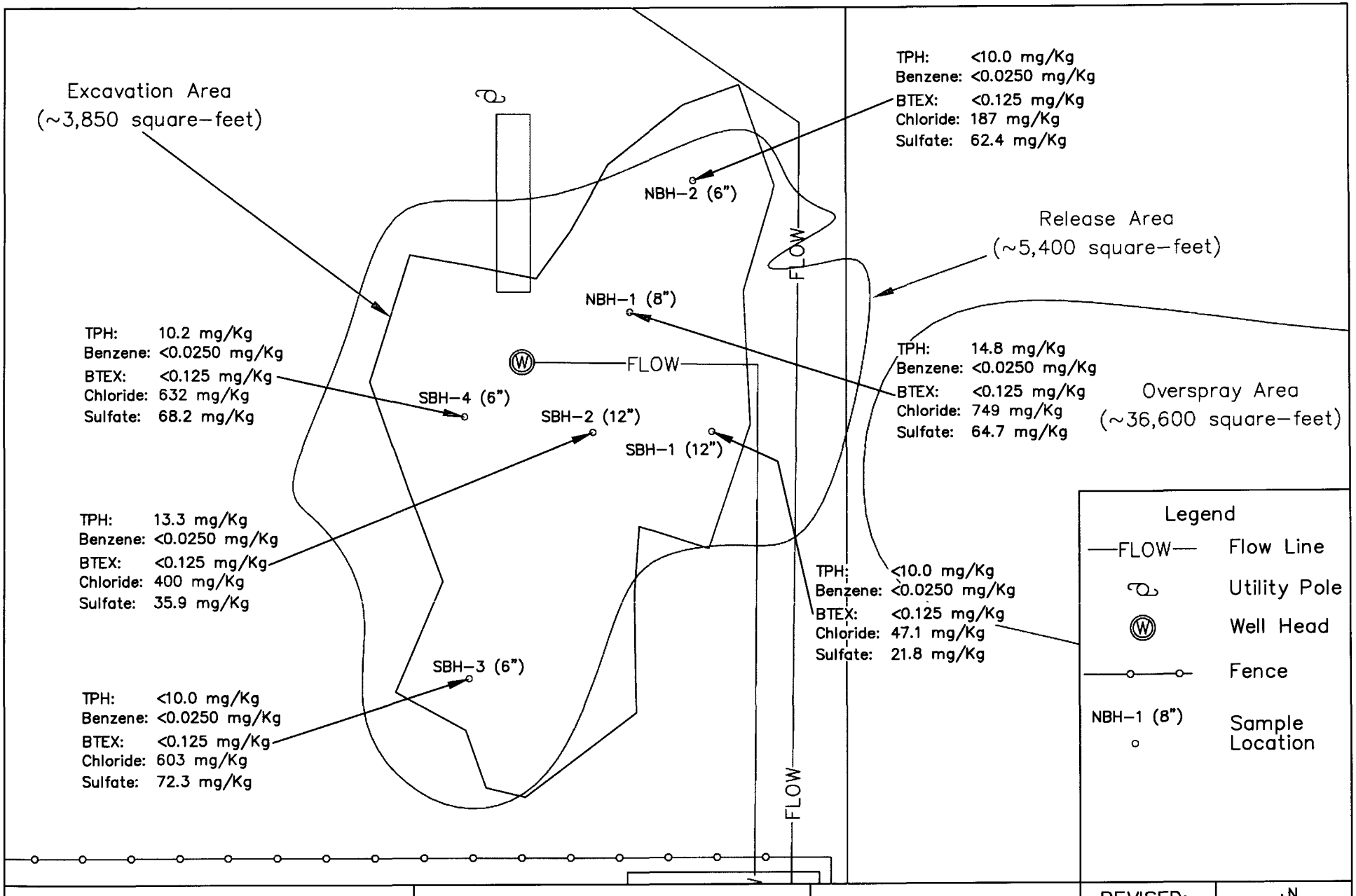

Figure 5
Sample Location Map
Chesapeake Energy
Julio State #1

Lea County, New Mexico
NW 1/4 of the NW 1/4, Sec. 20, T20S, R39E
N 32° 33' 49.44" W 103° 04' 26.54"
Elevation: 3,515 feet amsl

DWG By: Iain Olness
March 2006

REVISED:

0 20 40
Feet

SHEET 1 of 1

N

TABLE 1

Well Data

Chesapeake Energy - Julio State #1 (Ref. # 160052)

Well Number	Diversion[A]	Owner	Use	Twsp	Rng	Sec q q q	Latitude	Longitude	Date Measured	Surface Elevation[B]	Depth to Water (ft bgs)
USGS #1				20S	39E	20 1 2 3			10-Feb-76		30.58P
USGS #2				20S	39E	20 1 2 3			16-Jan-91		29.5
USGS #3				20S	39E	18 3 4 4			25-Feb-63		45.22S
USGS #4				20S	39E	19 4 2 1			04-Feb-81		53.53
USGS #5				20S	39E	19 1 2 2			31-Jan-96		43.7
L 10056	0	DALLAS MCCASLAND	EXP	20S	39E	30 4 3	N32° 32' 11.74"	W103° 05' 4.33"	17-Dec-88	3,563	40
L 10056	3	DALLAS MCCASLAND	STK	20S	39E	30 4 3	N32° 32' 11.74"	W103° 05' 4.33"	17-Dec-88	3,563	40
L 10056 EXP				20S	39E	30 4 4 2	N32° 32' 11.70"	W103° 04' 48.89"		3,563	

[B] = Elevation interpolated from USGS topographical map based on referenced location.
EXP = Exploration
STK = 72-12-1 Livestock watering
quarters are 1=NW, 2=NE, 3=SW, 4=SE; quarters are biggest to smallest
Shaded area indicates wells not shown in Figure 2

TABLE 2

Summary of Soil Sample Analytical Results

Chesapeake Energy - Julio State #1 (Ref.# 160052)

Sample Location	Depth (feet)	Soil Status	Sample Date	Field Analysis for Organic Vapors (mg/Kg)	Field Chloride Analysis (mg/Kg)	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Total Xylenes (mg/Kg)	Total BTEX (mg/Kg)	Carbon Range C6-C12 (mg/Kg)	Carbon Range C12-C28 (mg/Kg)	Carbon Range C28-C35 (mg/Kg)	Total Hydrocarbon C6-C-35 (mg/Kg)	Chloride (mg/Kg)	Sulfate (mg/Kg)
SP-1	1	Excavated	14-Mar-06	22.6	1,600	--	--	--	--	--	--	--	--	--	--	--
SP-2	1	Excavated	14-Mar-06	37.6	320	--	--	--	--	--	--	--	--	--	--	--
Stockpile	--	Excavated	14-Mar-06	--	640	--	--	--	--	--	--	--	--	--	--	--
Background	1	In Situ	14-Mar-06	--	240	--	--	--	--	--	--	--	--	--	--	--
NBH-1 (8")	0.67	In Situ	16-Mar-06	25.7	880	<0.0250	<0.0250	<0.0250	<0.050	<0.125	<10.0	14.8	<10.0	14.8	**749**	64.7
NBH-2 (6")	0.5	In Situ	16-Mar-06	38.8	600	<0.0250	<0.0250	<0.0250	<0.050	<0.125	<10.0	<10.0	<10.0	<10.0	187	62.4
SBH-1 (12")	1	In Situ	16-Mar-06	13.6	320	<0.0250	<0.0250	<0.0250	<0.050	<0.125	<10.0	<10.0	<10.0	<10.0	47	21.8
SBH-2 (12")	1	In Situ	16-Mar-06	3.5	560	<0.0250	<0.0250	<0.0250	<0.050	<0.125	<10.0	13.3	<10.0	13.3	**400**	35.9
SBH-3 (6")	0.5	In Situ	16-Mar-06	17.8	720	<0.0250	<0.0250	<0.0250	<0.050	<0.125	<10.0	8.11[C]	<10.0	<10.0	**603**	72.3
SBH-4 (6")	0.5	In Situ	16-Mar-06	12.1	760	<0.0250	<0.0250	<0.0250	<0.050	<0.125	<10.0	10.2	<10.0	10.2	**632**	68.2
NMOCD Remedial Thresholds				**100**		**10**				**50**				**100**	**250** [B]	**600** [B]

Bolded *values are in excess of NMOCD Remediation Thresholds and/or NMWQCC groundwater standards.*

[A] *Estimated concentration; analyte dectected below method detection limits*

[B] *Chloride residuals may not be capable of impacting local groundwater above the NMWQCC standards of 250 mg/L and 600 mg/L, respectively.*

[C] *Detected, but below the Reporting Limit; therefore, result is an estimated concentration.*

Chesapeake
Information and Metrics

Incident Date: 8 March 2006	**NMOCD Notified:** March 2006

Site: Julio State #1	**Assigned Site Reference :** #160052
Company: Chesapeake Energy	
Street Address: 1616 West Bender	
Mailing Address: P.O. Box 190	
City, State, Zip: Hobbs, New Mexico 88240	
Representative: Bradley Blevins	
Representative Telephone: (505) 391-1462 ext. 6224	
Telephone:	
Fluid volume released (bbls): ~10 bbls	**Recovered (bbls):** ~5 bbls
>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)	
Leak, Spill, or Pit (LSP) Name: Julio State #1	
Source of contamination: Well kicked during work over activities.	
Land Owner, i.e., BLM, ST, Fee, Other: McCasland Partnership	
LSP Dimensions: 54 feet by 100 feet, 366 feet by 100 feet	
LSP Area: ~5,400 ft^2, ~36,600 ft^2	
Location of Reference Point (RP):	
Location distance and direction from RP:	
Latitude: N 32° 33' 49.44"	
Longitude: W 103° 04' 26.54"	
Elevation above mean sea level: 3,515 feet	
Feet from North Section Line:	
Feet from East Section Line:	
Location- Unit or ¼¼: NW¼ of the NW¼	**Unit Letter:** D
Location- Section: 20	
Location- Township: T20S	
Location- Range: R39E	
Surface water body within 1000 ' radius of site: Ephemeral stream and stock pond	
Domestic water wells within 1000' radius of site: none	
Agricultural water wells within 1000' radius of site: one	
Public water supply wells within 1000' radius of site: none	
Depth from land surface to groundwater (DG): ~40 feet	
Depth of contamination (DC): unknown	
Depth to groundwater (DG – DC = DtGW): ~40 feet	

1. Groundwater	2. Wellhead Protection Area	3. Distance to Surface Water Body
If Depth to GW <50 feet: *20 points*	If <1000' from water source, or;<200' from private domestic water source: *20 points*	<200 horizontal feet: *20 points*
If Depth to GW 50 to 99 feet: *10 points*		200-1000 horizontal feet: *10 points*
If Depth to GW >100 feet: *0 points*	If >1000' from water source, or; >200' from private domestic water source: *0 points*	>1000 horizontal feet: *0 points*

Site Rank (1+2+3) = 40

Total Site Ranking Score and Acceptable Concentrations

Parameter	>19	10-19	0-9
Benzene[1]	10 ppm	10 ppm	10 ppm
BTEX[1]	50 ppm	50 ppm	50 ppm
TPH	100 ppm	1,000 ppm	5,000 ppm

[1]100 ppm field VOC headspace measurement may be substituted for lab analysis