

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

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

X Initial Report Final Report

| | |
|-----------------------------------|----------------------------|
| Name of Company CHESAPEAKE ENERGY | Contact BRAD BLEVINS |
| Address 1616 WEST BOULEVARD | Telephone No. 505-441-0341 |
| Facility Name ATLANTIC RICHFIELD | Facility Type BATTERY |

| | | |
|---------------|---------------|--------------------------|
| Surface Owner | Mineral Owner | Lease No. API 3002522519 |
|---------------|---------------|--------------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|---------------|
| Unit Letter | Section 13 | Township 19S | Range 34E | Feet from the | North/South Line | Feet from the | East/West Line | County LEA |
|-------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|---------------|

Latitude _____ Longitude _____

100'

NATURE OF RELEASE

| | | |
|---|---|---------------------------------------|
| Type of Release OIL | Volume of Release 40-50 BARRELS | Volume Recovered 0 |
| Source of Release TRUCK RELEASE | Date and Hour of Occurrence | Date and Hour of Discovery 12/4/06 |
| Was Immediate Notice Given? X <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? PAT CAPERTON | |
| By Whom? BRAD BLEVINS | Date and Hour 12-07-06 | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes X <input type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* Plains oil hauling truck released 40-50 barrels of oil to the ground surface, Plains was contacted about the release, and told Chesapeake that they would be getting the mess cleaned up.

Describe Area Affected and Cleanup Action Taken.* area measured is 130 feet long and 25 feet wide.

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

| | | |
|--|--|--------------------------|
| Signature: | Approved by District Supervisor: <i>Chris Williams</i> | |
| Printed Name: Bradley Blevins | Approval Date: 12/21/06 | Expiration Date: 2/21/07 |
| Title: environmental | Conditions of Approval: | |
| E-mail Address: bblevins@chkenergy.com | Attached <input type="checkbox"/> | |
| Date: | Phone: 505-441-0341 | |

* Attach Additional Sheets If Necessary

Facility - FPAC0635552263
Incident - NPAC0635552350
Application - PPAC0635552440

RP#1162