

DATE REC'D?

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	P. O. BOX 190 HOBBS, NM 88241	Telephone No.	505-391-1462
Facility Name	LAGOS 22 STATE #1	Facility Type	Producing Well

Surface Owner	STATE OF NM	Mineral Owner	API Lease No.
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API# 30025375410000								
LOCATION OF RELEASE								
Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	22	14S	34E	660	SOUTH	1980	WEST	LEA

57' Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	PRODUCED WATER	Volume of Release	23 BBLS	Volume Recovered	10 BBLS
Source of Release	1/4" VALVE FAILURE	Date and Hour of Occurrence	1/18/07 P.M.	Date and Hour of Discovery	1/19/07 9:00 A.M.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?	BRADLEY BLEVINS	PAT CAPERTON			
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Date and Hour 1/19/07 10:00 A.M.			
If YES, Volume Impacting the Watercourse.					

If a Watercourse was Impacted, Describe Fully.*
AREAL DIMENSIONS?

Describe Cause of Problem and Remedial Action Taken.*
1/4" VALVE FROM WELLHEAD BROKE RELEASING 23 BBLS OF PRODUCED WATER TO LOCATION SURFACE. VACCUM TRUCKS DISPATCHED TO RECOVER AS MUCH FLUID AS POSSIBLE.

Describe Area Affected and Cleanup Action Taken.*
10 BBLS OF PRODUCED WATER WAS RECOVERED. SOIL REMEDIATION ACTIVITIES COMMENCED. SOIL WILL BE EXCAVATED, DISPOSED OF AT NMOCD-APPROVED DISPOSAL FACILITY, SAMPLED, AND BACKFILLED UPON APPROVAL FROM NMOCD.

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: <i>Cliff P. Brunson</i> for Chesapeake Operating, Inc.		OIL CONSERVATION DIVISION	
Printed Name: CLIFF P. BRUNSON		Approved by District Supervisor: <i>[Signature]</i>	
Title: PRESIDENT		Approval Date: 3.19.07	Expiration Date: 6.12.07
E-mail Address: CBRUNSON@BBCINTERNATIONAL.COM		Conditions of Approval: SUBMIT SUMMARY & SAMPLE RESULT W/ FINAL C-141	
Date: 2/23/07 Phone: 505-397-6388		Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

incident - n PAC 0707 923908
application - p PAC 0707 923995

NOTE: ALWAYS SUBMIT APPROX
CHLORIDE CONTENT OF PROD
WTR ON INITIAL C-141
ALONG W/ AREAL DIMENSIONS
OF SPILL AREA

RP# 1218