

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. *Corrected*
Santa Fe, NM 87505 *7/17/07 CPB*

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 <i>Chesapeake Operating, Inc.</i>	Contact <i>Bradley Blewies</i>
Address <i>P.O. Box 190, Hobbs, nm 88241</i>	Telephone No. <i>505-391-1462, ext. 6224</i>
Facility Name <i>WTY SRV # 443 443</i>	Facility Type <i>oil well</i>

Surface Owner	Mineral Owner	Lease No.
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LOCATION OF RELEASE *API # 30-025-35976*

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<i>I</i>	<i>4</i>	<i>20S</i>	<i>33E</i>	<i>660 370/855</i>	<i>South</i>	<i>660 550/660</i>	<i>EAST</i>	<i>Lea</i>

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release <i>Produced water</i>	Volume of Release <i>80 bbls</i>	Volume Recovered <i>60 bbls</i>
Source of Release	Date and Hour of Occurrence	Date and Hour of Discovery <i>5/17/07</i>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <i>Pat Caperton</i>	
By Whom? <i>Bradley Blewies</i>	Date and Hour <i>5/17/07</i>	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
2" connection broke due to corrosion releasing water. Vacuum trucks were used to recover fluids. Line was repaired.

Describe Area Affected and Cleanup Action Taken.*
Fluid ran across location and into field. Impacted soil will be excavated and disposed of. Samples will be collected for confirmation.

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>	OIL CONSERVATION DIVISION	
Printed Name: <i>Cliff P. Brunson for Chesapeake</i>	Approved by District Supervisor: <i>Chris Williams</i>	
Title: <i>President</i>	Approval Date: <i>7/11/07</i>	Expiration Date: <i>7/11/07</i>
E-mail Address: <i>cbrunson@bcinternational.com</i>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <i>5/23/07</i>	Phone: <i>505-397-6388</i>	

* Attach Additional Sheets If Necessary

RP# 1358

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Name of Company <i>Chesapeake Operations, Inc.</i>	Contact <i>Bradley Blewins</i>
Address <i>P.O. Box 190, Hobbs, Nm 88241</i>	Telephone No. <i>505-391-1462, ext. 6224</i>
Facility Name <i>WTYSRU #443</i>	Facility Type <i>oil well</i>

Surface Owner	Mineral Owner	Lease No.
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Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release <i>Produced water</i>	Volume of Release <i>80 bbls</i>	Volume Recovered <i>60 bbls</i>
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If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
2" connection broke due to corrosion ~~releasing~~ releasing water. Vacuum trucks were used to recover fluids. Line was repaired.

Describe Area Affected and Cleanup Action Taken.* *Fluid ran across location and into field. Impacted soil will be excavated and disposed of. Samples will be collected for confirmation. Impacted soil was excavated and disposed of at Lea Land's facility. Soil samples were collected for confirmation and data is attached. Chris Williams approved closure on 7/5/07. Site was backfilled.*

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.

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Printed Name: <i>Cliff Brunson for Chesapeake</i>		Approved by District Supervisor: <i>Chris Williams</i>	
Title: <i>President</i>		Approval Date: <i>7/11/07</i>	Expiration Date: <i>7/11/07</i>
E-mail Address: <i>cbrunson@bbsinternational.com</i>		Conditions of Approval:	
Date: <i>7/7/07</i>	Phone: <i>505-397-6398</i>	Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

RP# 1358



PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
 PHONE (505) 393-2326 • 101 L. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
 BBC INTERNATIONAL, INC.
 ATTN: CLIFF BRUNSON
 P.O. BOX 805
 HOBBS, NM 88241
 FAX TO: (505) 397-0397

Receiving Date: 07/03/07
 Reporting Date: 07/03/07
 Project Owner: CHESAPEAKE
 Project Name: WTU 443
 Project Location: HALFWAY, NM

Analysis Date: 07/03/07
 Sampling Date: 07/02/07
 Sample Type: SOIL
 Sample Condition: COOL & INTACT
 Sample Received By: LB
 Analyzed By: HM

LAB NO.	SAMPLE ID	Cl ⁻ (mg/Kg)
H12850-1	SP1 @ 6'	16
H12850-2	SP2 @ 6'	16
H12850-3	SP3 @ 7'	64
H12850-4	SP4 @ 6.5'	48
H12850-5	SP5 @ 11'	96
H12850-6	SP6 @ 11'	48
Quality Control		490
True Value QC		500
% Recovery		98
Relative Percent Difference		1.0

OK
 Chris Williams
 7/5/07

METHOD: Standard Methods 4500-Cl⁻B

Note: Analyses performed on 1:4 w/v aqueous extracts.

Chemist

07-03-07
 Date

H12850 BBC

PLEASE NOTE: Liability and Damages: Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



CARDINAL LABORATORIES

101 East Mariand, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603
 (505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <u>BOC International, Inc.</u>		BILL TO		ANALYSIS REQUEST											
Project Manager: <u>Cliff Bamler</u>		P.O. #:													
Address: <u>P.O. Box 805</u>		Company:													
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88240</u>		Attn:													
Phone #: <u>(505) 397-6388</u> Fax #: <u>(505) 397-0397</u>		Address: <u>593</u>													
Project #: <u>---</u> Project Owner: <u>Chesapeake</u>		City:													
Project Name: <u>WTU 443</u>		State: Zip: <u>75</u>													
Project Location: <u>Haltway N.M.</u>		Phone #:													
Sampler Name: <u>Oscar Foyce</u>		Fax #:													

Lab I.D.	Sample I.D.	# CONTAINERS	GROUNDWATER	MATRIX					PRESERV.			SAMPLING		DATE	TIME	
				WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACID/BASE	ICE/COOL	OTHER					
H12850-1	SP1 @ 6'	6			✓					✓			7-2-07	10:35	✓	Chloride
-2	SP2 @ 6'	6			✓					✓			7-2-07	10:40	✓	
-3	SP3 @ 7'	6			✓					✓			7-2-07	10:55	✓	
-4	SP4 @ 6.5'	6			✓					✓			7-2-07	11:03	✓	
-5	SP5 @ 11'	6			✓					✓			7-2-07	11:21	✓	
-6	SP6 @ 11'	6			✓					✓			7-2-07	11:30	✓	

PLEASE NOTE: Liability and Damages: Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Relinquished By: <u>Oscar Foyce</u>	Date: <u>7-2-07</u> Time: <u>17:30</u>	Received By: <u>Ken Swainey</u>	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
Relinquished By: <u>Ken Swainey</u>	Date: <u>7-3-07</u> Time: <u>10:43</u>	Received By: <u>[Signature]</u>	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Delivered By: (Circle One) Sampler - UPS - Bus - Other:	Sample Condition Cool Intact <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No	CHECKED BY: (Initials) <u>JS</u>	REMARKS:	

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476