

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 | Federal 24 #2 | Facility Type | Tank Battery |

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

LOCATION OF RELEASE API #30-025-33779

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| | 24 | 20S | 38E | 660 | SOUTH | 1980 | WEST | LEA |

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | | | | |
|---|---|--------------------------------|------------------|----------------------------|------------------|
| Type of Release | PRODUCED WATER | Volume of Release | 25 BBLS | Volume Recovered | 20 BBLS |
| Source of Release | A valve was left open on heater | Date and Hour of Occurrence | 3/11/08 8:30 A.M | Date and Hour of Discovery | 3/11/08 9:30 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 | CHRIS WILLIAMS | | | |
| Was a Watercourse Reached? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Date and Hour 3/11/08 10:36 AM | | | |
| If YES, Volume Impacting the Watercourse. | | | | | |

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

A valve was left open on the heater. Vacuum trucks were used to recover free fluid. All fluids stayed inside the fire wall.

Describe Area Affected and Cleanup Action Taken.*

20 BBLS of water was recovered. Immediate remedial operations were commenced by soil removal. Remedial actions and test results will be furnished with the final C-141.

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: <i>Cliff P Brunson</i> for Chesapeake Operating, Inc. | Approved by District Supervisor: <i>Chris Williams</i> | |
| Printed Name: CLIFF P. BRUNSON | Approval Date: <i>3/11/08</i> | Expiration Date: <i>3/20/08</i> |
| Title: PRESIDENT | Conditions of Approval: | |
| E-mail Address: CBRUNSON@BBCINTERNATIONAL.COM | Attached <input type="checkbox"/> | |
| Date: 3/19/08 Phone: 505-397-6388 | <i>1RP-1840</i> | |

* Attach Additional Sheets If Necessary

PCOH08 10834380



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

**ANALYTICAL RESULTS FOR
BBC INTERNATIONAL
ATTN: CLIFF BRUNSON
1324 W. MARLAND
HOBBS, NM 88240
FAX TO: (575) 397-0397**

Receiving Date: 03/13/08
Reporting Date: 03/17/08
Project Owner: CHESAPEAKE
Project Name: FEDERAL #24-2
Project Location: EUNICE, NM

Sampling Date: 03/13/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: AB

| LAB NUMBER | SAMPLE ID | BENZENE (mg/kg) | TOLUENE (mg/kg) | ETHYL BENZENE (mg/kg) | TOTAL XYLENES (mg/kg) |
|-----------------------------|-----------|--------------------|--------------------|-----------------------------|-----------------------------|
| ANALYSIS DATE | | 03/14/08 | 03/14/08 | 03/14/08 | 03/14/08 |
| H14443-1 | SP1 @ 2 | <0.001 | <0.001 | <0.001 | <0.003 |
| H14443-2 | SP2 @ 2 | <0.001 | <0.001 | <0.001 | <0.003 |
| | | | | | |
| | | | | | |
| Quality Control | | 0.096 | 0.089 | 0.084 | 0.258 |
| True Value QC | | 0.100 | 0.100 | 0.100 | 0.300 |
| % Recovery | | 95.9 | 88.9 | 84.2 | 86.0 |
| Relative Percent Difference | | 2.1 | 0.5 | 2.1 | 2.3 |

METHOD: EPA SW-846 8021B

Cliff B. Keene
Chemist

03/17/08
Date

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ANALYTICAL RESULTS FOR
BBC INTERNATIONAL
ATTN: CLIFF BRUNSON
1324 W. MARLAND
HOBBS, NM 88240
FAX TO: (575) 397-0397

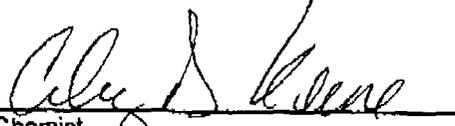
Receiving Date: 03/13/08
 Reporting Date: 03/17/08
 Project Owner: CHESAPEAKE
 Project Name: FEDERAL #24-2
 Project Location: EUNICE, NM

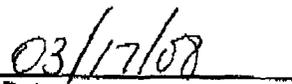
Sampling Date: 03/13/08
 Sample Type: SOIL
 Sample Condition: COOL & INTACT
 Sample Received By: ML
 Analyzed By: AB/CK/KS

| LAB NUMBER | SAMPLE ID | GRO (C ₆ -C ₁₀) (mg/kg) | DRO (>C ₁₀ -C ₂₈) (mg/kg) | Cl* (mg/kg) |
|-----------------------------|-----------|--|--|----------------|
| ANALYSIS DATE | | 03/14/08 | 03/14/08 | 03/14/08 |
| H14443-1 | SP1 @ 2 | <10.0 | <10.0 | 128 |
| H14443-2 | SP2 @ 2 | <10.0 | <10.0 | 112 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Quality Control | | 485 | 552 | 500 |
| True Value QC | | 500 | 500 | 500 |
| % Recovery | | 97.1 | 110 | 100 |
| Relative Percent Difference | | 16.4 | 19.6 | <0.1 |

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl: Std. Methods 4500-ClB

*Analyses performed on 1:4 w:v aqueous extracts.


 Chemist


 Date

H14443TPHCL2 BBC

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