

RECEIVED

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Blvd., Hobbs, NM 88240
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505

NOV 03 2008

HOBBS (11)

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	Concho E State No. 002	Facility Type	Oil Well

Surface Owner	STATE	Mineral Owner		Lease No.	
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LOCATION OF RELEASE API #30-025-20823

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	31	17S	35E	660	SOUTH	1700	WEST	LEA

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Oil	Volume of Release	13 BBLS	Volume Recovered	4 BBLS
Source of Release	A valve broke	Date and Hour of Occurrence	8/1/08 1:00 P.M.	Date and Hour of Discovery	8/01/08 2:00 P.M.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? C. Williams			
By Whom?	Bradley Blevins	Date and Hour 8/1/08 2 p.m.			
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.* <p style="text-align: right;">qW @ 100'</p>					

Describe Cause of Problem and Remedial Action Taken.*
A valve broke releasing oil outside the tank battery containment. Vaccum trucks dispatched to recover as much of the oil as possible, recovered 4 bbls.

Describe Area Affected and Cleanup Action Taken.*
4 BBLS of oil was recovered. Soil remediation activities commenced on 8/4/08. Soil was excavated and disposed of at Sundance's Eunice facility. Samples were taken and are attached. Closure approval was granted by C. Williams of the NMOCD on 8/26/08. The site was backfilled on 9/8/08.

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: <u>Cliff P Brunson</u> for Chesapeake Operating, Inc.		OIL CONSERVATION DIVISION	
Printed Name: CLIFF P. BRUNSON		Approved by District Supervisor: <u>Jeffrey Selkirk</u>	
Title: PRESIDENT	Approval Date: 11-03-08	Expiration Date: 11-03-08	
E-mail Address: CBRUNSON@BBCINTERNATIONAL.COM	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 9/8/08	Phone: 505-397-6388		

* Attach Additional Sheets If Necessary

IRP-1997

FGRL 0834052551



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: 08/13/08
 Reporting Date: 08/18/08
 Project Owner: CHESAPEAKE
 Project Name: STATE E #2
 Project Location: BUCKEYE, NM

Sampling Date: 08/12/08
 Sample Type: SOIL
 Sample Condition: INTACT
 Sample Received By: ML
 Analyzed By: ZL/HM

LAB NUMBER SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (>C ₁₀ -C ₂₈) (mg/kg)	Cl* (mg/kg)
ANALYSIS DATE	08/15/08	08/15/08	08/13/08
H15720-1 SP 1 @ 1'	20.7	185	182
H15720-2 SP 2 @ 1'	11.0	358	224
H15720-3 SP 3 @ 1.5'	<10.0	299	272
H15720-4 SP 4 @ 1.5'	<10.0	398	224
Quality Control	509	538	510
True Value QC	500	500	500
% Recovery	102	108	102
Relative Percent Difference	1.8	4.2	<0.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Std. Methods 4500-CFB
 *Analyses performed on 1:4 w:v aqueous extracts.

OK to close!
Chris Williams
8/26/08

Cliff Brunson

 Chemist

08/18/08

 Date

H15720TCL 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 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 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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



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

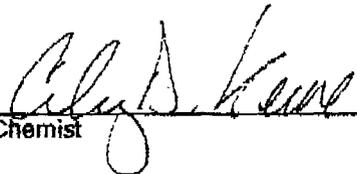
Receiving Date: 08/13/08
 Reporting Date: 08/18/08
 Project Owner: CHESAPEAKE
 Project Name: STATE E #2
 Project Location: BUCKEYE, NM

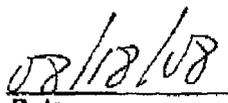
Sampling Date: 08/12/08
 Sample Type: SOIL
 Sample Condition: INTACT
 Sample Received By: ML
 Analyzed By: CK

LAB NUMBER	SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE		08/14/08	08/14/08	08/14/08	08/14/08
H15720-1	SP 1 @ 1'	<0.010	<0.010	<0.010	<0.030
H15720-2	SP 2 @ 1'	<0.010	<0.010	<0.010	<0.030
H15720-3	SP 3 @ 1.5'	<0.010	<0.010	<0.010	<0.030
H15720-4	SP 4 @ 1.5'	<0.010	<0.010	<0.010	<0.030
Quality Control		0.044	0.054	0.048	0.144
True Value QC		0.050	0.050	0.050	0.150
% Recovery		88.3	108	97.0	96.0
Relative Percent Difference		4.1	4.5	5.0	6.8

METHOD: EPA SW-846 8021B

TEXAS NELAP CERTIFICATE T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE,
 AND TOTAL XYLENES.


 Chemist


 Date

H15720B BBC

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CARDINAL LABORATORIES

101 East Marland, 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

1 of 1

Company Name: BIG International			BILL TO			ANALYSIS REQUEST												
Project Manager: Cliff Brunson			P.O. #:			CHLORIDE TPH (Geo. Lab) BTEX												
Address: 1524 W. Marland			Company:															
City: HOBBS State: NM Zip: 88246			Attn: SAME															
Phone #: (505) 397-6388 Fax #: (505) 397-0397			Address:															
Project #: _____ Project Owner: CHESAPEAKE			City:															
Project Name: State E # 2			State: _____ Zip: _____															
Project Location: Buckeye, NM			Phone #:															
Sampler Name: Roger Hernandez			Fax #:															
FOR LAB USE ONLY			MATRIX			PRESERV.			SAMPLING									
Lab I.D.	Sample I.D.	(C)RAB OR (C)OMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACIDBASE	ICE/COOL	OTHER:	DATE	TIME				
1-15720-1	SP 1 @ 1'	1	1			✓				✓			8/12/08	1:00	✓	✓	✓	
-2	SP 2 @ 1'	1	1			✓				✓			8/12/08	1:30	✓	✓	✓	
-3	SP 3 @ 1.5'	1	1			✓				✓			8/12/08	1:20	✓	✓	✓	
-4	SP 4 @ 1.5'	1	1			✓				✓			8/12/08	1:30	✓	✓	✓	

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Relinquished By: Roger Hernandez	Date: 8/12/08	Time: 5:00 PM	Received By: Ken Swinney	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
Relinquished By: Ken Swinney	Date: 8-13-08	Time: 9:30 AM	Received By: Mike LeBut	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Delivered By: (Circle One)	Sample Condition		CHECKED BY:		
Sampler - UPS - Bus - Other:	Cool Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		MCPB		
REMARKS:					

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

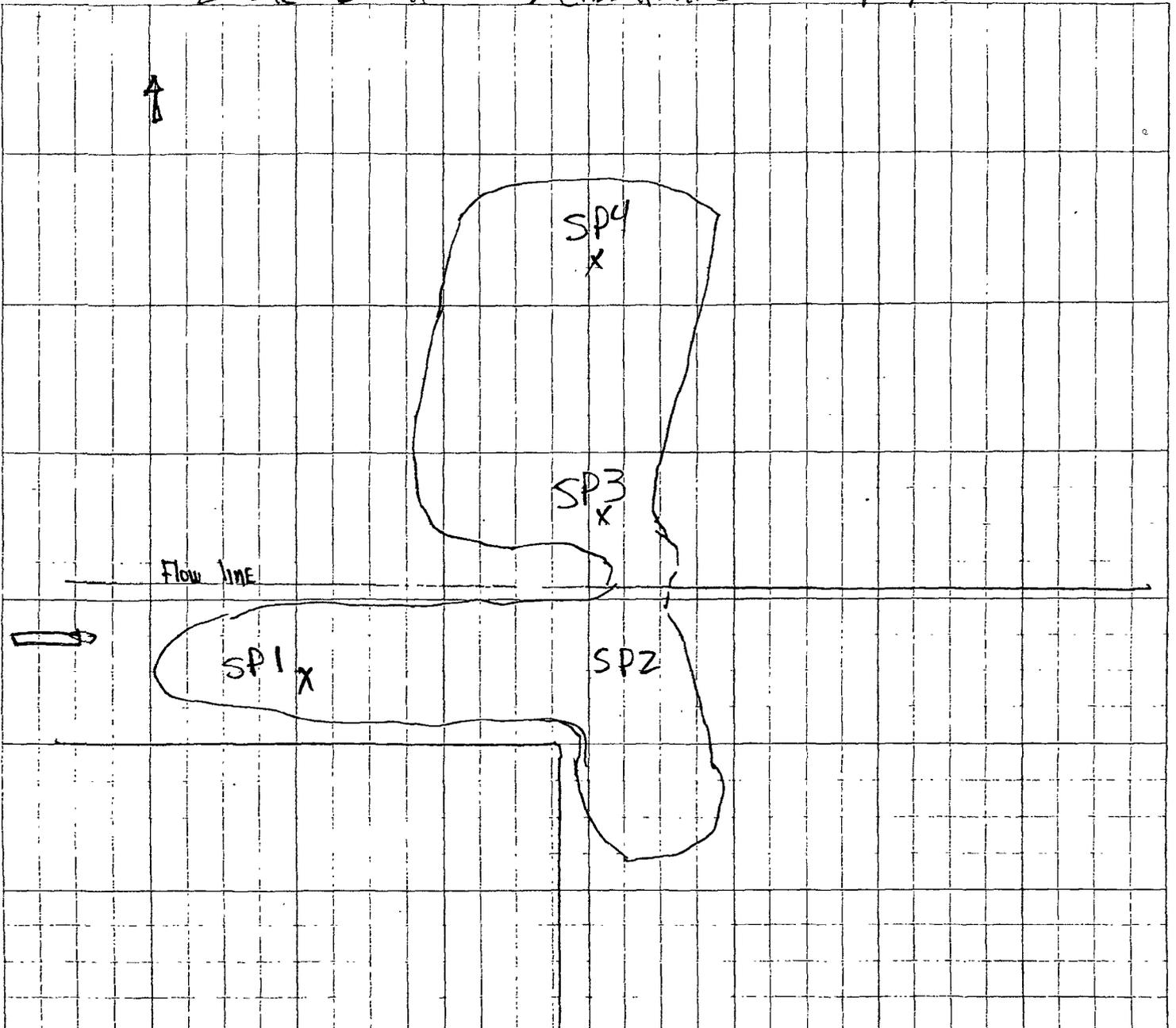
BBC INTERNATIONAL

5053970397

RECEIVED 08/18/2008 02:18

Site E #2 / CHESAPEAKE

8/12/08



		TIME
SP1 @	1'	1:00
SP2 @	1'	1:10
SP3 @	1.5'	1:20
SP4 @	1.5'	1:30

GPS N 32 78620'

W 103.50044°

