

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.	575-391-1462
Facility Name	Osudo 22 State #1	Facility Type	Oil Well

Surface Owner	STATE	Mineral Owner		Lease No.	
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LOCATION OF RELEASE API #30-025-38845

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	22	21S	35E	1980	SOUTH	1310	WEST	LEA

Latitude 32.46230 Longitude 103.36002 30.025-38845.00.00

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	38 BBLs	Volume Recovered	0 BBLs
Source of Release	Lightning strike, water tank destroyed	Date and Hour of Occurrence	5/31/09 11:30 P.M.	Date and Hour of Discovery	5/31/09 11:30 P.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?	Cliff Brunson of BBC Intl.	Geoff Leking			
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Date and Hour 6/1/09 2:00 PM			
If YES, Volume Impacting the Watercourse.					

If a Watercourse was Impacted, Describe Fully.*

WATER @ 60'

Describe Cause of Problem and Remedial Action Taken.*
Lightning struck produced water tank causing it to rupture and burn. Produced water was released primarily into lined containment area. Remediation efforts will begin immediately.

Describe Area Affected and Cleanup Action Taken *
38 BBLs of fluid was lost. 0 bbls of fluid were recovered.. Immediate remedial operations were commenced by removing the tanks in the battery so soil removal could commence. Soil removal will be done and 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

Signature:		OIL CONSERVATION DIVISION	
Printed Name:	Curtis Blake	Approved by	ENV ENGR District Supervisor:
Title:	Production Supt.	Approval Date:	06/12/09
E-mail Address:	cblake@chkenergy.com	Expiration Date:	08/10/09
Date:	6/3/09	Conditions of Approval:	SUBMIT FINAL C-141 BY 08/10/09
Phone:	575-391-1462	Attached	<input type="checkbox"/>

* Attach Additional Sheets If Necessary

FGRL0910335841

IRP-09.6.2206