

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.
Santa Fe, NM 87505

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

30-015-27593

Release Notification and Corrective Action

1MLB0913942016

147179

OPERATOR

Initial Report Final Report

Name of Company	Chesapeake Energy	Contact	Bradley Blevins
Address	1616 West Border	Telephone No.	575-441-0341
Facility Name	Lotos Federal 4	Facility Type	Production
Surface Owner	Mineral Owner	Lease No. 3001527593	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	9	245	31E	2310	FSL	2310	FEL	Eddy

Latitude 32.230930 Longitude 103.781220

NATURE OF RELEASE

Type of Release	Oil	Volume of Release	50	Volume Recovered	20
Source of Release	Equipment Failure	Date and Hour of Occurrence		Date and Hour of Discovery	
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	IF YES, To Whom?			
By Whom?		Mike Bratcher OGD Jim Arnes BLM			
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Date and Hour			
		IF YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Equipment Failed - Tanks Ran over inside Firewall

Describe Area Affected and Cleanup Action Taken.*

Tanks will be removed, Excavation of Soil under will be placed back under tanks

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>Bradley Blevins</i>	OIL CONSERVATION DIVISION	
Printed Name: Bradley Blevins	Approved by District Supervisor	Signed By: <i>Mike Bratcher</i>
Title: EH+S	Approval Date: MAY 19 2009	Expiration Date:
E-mail Address: <i>bradley.blevins@che.com</i>	Conditions of Approval: Remediation Per OGD Rules & Guidelines	Attached <input checked="" type="checkbox"/>
Date: 5-19-09	Phone: 575-441-0341	

* Attach Additional Sheets If Necessary

1MLB 0913942574

2 RP-311



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Chesapeake Operating, Inc.
PO Box 190
Hobbs, NM 88241
ATTN: Bradley Blevins

May 19, 2009

Reference: LOTOS Fed 004 30-015-27593 J-9-24s-31e Eddy County, New Mexico **2RP-311**

Dear Mr. Blevins,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of an Initial Report Form C-141 reporting a release of produced fluids that occurred on or about May 18, 2009 at the above referenced well site. Chesapeake Operating, Inc. (Chesapeake) proposes on the C-141, to remove tanks in the impacted area to facilitate excavation of impacted materials. Chesapeake then proposes to install a liner prior to reinstallation of tanks.

The proposed method of remediation is approved for this site with the following stipulations:

- Notify OCD 48 hours prior to commencement of remedial activities: (The email notification provided with the C-141 will be adequate for start up of this project)
- Notify OCD 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to OCD.
- Provide OCD with a site ranking score and target remediation action levels for contaminants.
- Confirmation samples are to be obtained from excavated area and analyses submitted to OCD prior to installation of liner.
- Submit a Final Report C-141 upon satisfactory completion of project.
- Project to be completed by July 19, 2009
- Like approval by BLM if applicable.

Please be advised that OCD approval does not relieve Chesapeake of liability should their operations have failed to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve Chesapeake of responsibility for compliance with any other federal, state, local laws and/or regulations.

Sincerely,

Mike Bratcher
NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
575-748-1283 Ext.108
mike.bratcher@state.nm.us



Bratcher, Mike, EMNRD

From: Bratcher, Mike, EMNRD
Sent: Wednesday, May 20, 2009 8:49 AM
To: Bradley Blevins
Cc: 'James_Amos@nm.blm.gov'
Subject: LOTOS Federal 004
Attachments: Chesapeake_LOTOS_Fed_004.doc

PLEASE SEE ATTACHMENT

Bratcher, Mike, EMNRD

From: Bradley Blevins [bradley.blevins@chk.com]
Sent: Tuesday, May 19, 2009 8:15 AM
To: Bratcher, Mike, EMNRD; James_Amos@nm.blm.gov
Subject: Lotos Federal 4-Release
Attachments: 20090519071239265.pdf

Mike /Jim,

Attached is the initial C-141 for the Lotos Federal 4, one call will be active Wednesday we will start excavation of the affected area at that time. If you have any question please give me a call.

Thank You,

Bradley Blevins
EH & S Field Specialist
Hobbs Field Office
North Permian Division
Office: (575) 391-1462 x 6224
Cell: (575) 441-0341
Fax: (575)391-6679

-----Original Message-----

From: Bradley Blevins
Sent: Tuesday, May 19, 2009 6:13 AM
To: Bradley Blevins
Subject:

This E-mail was sent from "lhobnm-1-ri02" (Aficio MP C3500).

Scan Date: 05.19.2009 07:12:39 (-0400)

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Bratcher, Mike, EMNRD

From: Bradley Blevins [bradley.blevins@chk.com]
Sent: Monday, May 18, 2009 9:38 AM
To: Bratcher, Mike, EMNRD; James_Amos@nm.blm.gov
Subject: Lotos Federal 4

Mike/ Jim

Chesapeake had a release on the Lotos Federal 4. 50 barrels of oil was released inside the firewall, fluid was contained inside firewall. Tanks are in the process of being removed, once tanks are removed contractors will excavate and haul off contaminated soil to approved landfarm.

Sec 9
T24S
R31E
Nw nw se 2310fsl 2310 fel
API 3001527593

If you have any question please give me a call or e-mail, I will also send in a C-141.

Thank You,

Bradley Blevins
EH & S Field Specialist
Hobbs Field Office
North Permian Division
Office: (575) 391-1462 x 6224
Cell: (575) 441-0341
Fax: (575)391-6679



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