

Recd 7/15/09  
NMOCD *MB*

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

30-015-27593

Release Notification and Corrective Action

NMB 091394296

OPERATOR

Initial Report

Final Report

Name of Company: Chesapeake Energy 14119	Contact: Bradley Blevins
Address: 1616 West Bender	Telephone No.: (575) 441-0341
Facility Name: Lotos Federal 4 #901	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
J	9	24S	31E	2310	FSL	2310	FEL	Eddy

Latitude: N 32° 13' 50.62" Longitude: W 103° 46' 52.57"

NATURE OF RELEASE

Type of Release: Oil	Volume of Release: ~ 50 bbls	Volume Recovered: ~20 bbls
Source of Release: Equipment Failure	Date and Hour of Occurrence: 15 May, 2009	Date and Hour of Discovery: 15 May, 2009
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher, NMOCD; Jim Amos, BLM	
By Whom?	Date and Hour:	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse: Not Applicable	

If a Watercourse was Impacted, Describe Fully.\* Not Applicable

Describe Cause of Problem and Remedial Action Taken.\* The release of approximately 50 barrels of oil inside the firewall was the result of equipment failure, with approximately 20 barrels were recovered from the site.

Describe Area Affected and Cleanup Action Taken.\* Approximately 9,100 square-feet of surface area was impacted by the release. Tanks were removed, contaminated soil excavated and hauled to state approved disposal facility. The excavation was sampled and backfilled with clean caliche.

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>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Bradley Blevins	Approved by <i>Mike Bratcher</i>	Signed By <i>Mike Bratcher</i>
Title: EH & S	Approval Date: JUL 21 2009	Expiration Date: NA
E-mail Address: bblevins@chkenergy.com	Conditions of Approval: <i>p/p</i>	Attached <input type="checkbox"/>
Date: 7-14-09 Phone: (575) 441-0341		

\* Attach Additional Sheets If Necessary

2RP-311

**Bratcher, Mike, EMNRD**

---

**From:** Bratcher, Mike, EMNRD  
**Sent:** Wednesday, May 27, 2009 4:05 PM  
**To:** 'Bradley Blevins'  
**Cc:** Daniel Dominguez; Roger Boone  
**Subject:** RE: Lotos Federal 4-901

Bradley,

Based on the analytical data presented, this site is approved for backfill and liner installation.

Be advised that NMOCD approval does not relieve Chesapeake Energy 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, NMOCD approval does not relieve Chesapeake Energy 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](mailto:mike.bratcher@state.nm.us)

---

**From:** Bradley Blevins [mailto:[bradley.blevins@chk.com](mailto:bradley.blevins@chk.com)]  
**Sent:** Wednesday, May 27, 2009 10:05 AM  
**To:** Bratcher, Mike, EMNRD  
**Cc:** Daniel Dominguez; Roger Boone  
**Subject:** Lotos Federal 4-901

Mike,

As discussed, the spill on the Lotos Federal 4 is in the process of being cleaned up, the spill area has been excavated to a depth of three feet. Samples were taken from the bottom of the excavation via track hoe noted in the lab data I sent to you as NT1-NT4 and ST1-ST4 a hard rock layer was encountered on ST1-4 and we were not able to collect samples any deeper. Chesapeake will install a liner below the tanks before the tanks are put back in service. Please respond via e-mail your approval, we will start hauling backfill to site for closure. Once site is complete I will follow up with a final C-141.

Thank you for your assistance.

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



---

This email (and attachments if any) is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this email is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return email and destroy all copies of the email (and attachments if any).

---

**This inbound email has been scanned by the MessageLabs Email Security System.**

---

**Bratcher, Mike, EMNRD**

---

**From:** Daniel Dominguez [ddominguez@envplus.net]  
**Sent:** Wednesday, May 27, 2009 9:47 AM  
**To:** Bratcher, Mike, EMNRD  
**Cc:** 'Bradley Blevins'  
**Subject:** Chesapeake Energy - Lotos Federal 4 #901 site ranking  
**Attachments:** Metrics & Informational C-141.pdf

Mr. Bratcher-

Attached in PDF is the site ranking sheet for the above referenced site. If you have any questions or need more info please call or email.

Sincerely,  
ENVIRONMENTAL PLUS, INC.

Daniel Dominguez  
Environmental Consultant

Environmental Plus, Inc.  
P.O. Box 1558  
2100 Avenue 'O'  
Eunice, NM 88231

(575) 394-3481  
(575) 394-2601 (fax)

---

This inbound email has been scanned by the MessageLabs Email Security System.

---

**Chesapeake**

Information and Metrics

**Incident Date**  
15 May 2009

**NMOCD Notified:**  
15 May 2009

<b>Site:</b> Lotos Federal 4 #901		<b>Assigned Site Reference :</b> #160933	
<b>Company:</b> Chesapeake Energy			
<b>Street Address:</b> 1616 West Bender			
<b>Mailing Address:</b> P.O. Box 190			
<b>City, State, Zip:</b> Hobbs, New Mexico 88240			
<b>Representative:</b> Bradley Blevins			
<b>Representative Telephone:</b> (575) 391-1462 ext. 6224			
<b>Telephone:</b>			
<b>Fluid volume released (bbls):</b> 50-bbls		<b>Recovered (bbls):</b> 20-bbls	
>25 bbls: Notify NMOCD verbally within 24 hrs and submit form C-141 within 15 days. (Also applies to unauthorized releases >500 mcf Natural Gas)			
5-25 bbls: Submit form C-141 within 15 days (Also applies to unauthorized releases of 50-500 mcf Natural Gas)			
<b>Leak, Spill, or Pit (LSP) Name:</b> Lotos Federal 4 #901			
<b>Source of contamination:</b> Petroleum products			
<b>Land Owner, i.e., BLM, ST, Fee, Other:</b> BLM			
<b>LSP Dimensions:</b>			
<b>LSP Area:</b> Release Area ~9,100 s.f			
<b>Location of Reference Point (RP):</b>			
<b>Location distance and direction from RP:</b>			
<b>Latitude:</b> N 32° 13' 50.62"			
<b>Longitude:</b> W 103° 46' 52.57"			
<b>Elevation above mean sea level:</b> 3,440 feet			
<b>Feet from East Section Line:</b> 660'			
<b>Feet from North Section Line:</b> 330'			
<b>Location- Unit or ¼¼: NW ¼ of the SE ¼</b>		<b>Unit Letter:</b> J	
<b>Location- Section:</b> 9			
<b>Location- Township:</b> T24S			
<b>Location- Range:</b> R31E			
<b>Surface water body within 1000' radius of site:</b> none			
<b>Domestic water wells within 1000' radius of site:</b> none			
<b>Agricultural water wells within 1000' radius of site:</b> none			
<b>Public water supply wells within 1000' radius of site:</b> none			
<b>Depth from land surface to groundwater (DG):</b> ~375 feet			
<b>Depth of contamination (DC):</b> unknown			
<b>Depth to groundwater (DG - DC = DtGW):</b> ~375 feet			
<b>1. Groundwater</b>		<b>2. Wellhead Protection Area</b>	
If Depth to GW <50 feet: <i>20 points</i>		If <1000' from water source, or; <200' from private domestic water source: <i>20 points</i>	
If Depth to GW 50 to 99 feet: <i>10 points</i>		If >1000' from water source, or; >200' from private domestic water source: <i>0 points</i>	
If Depth to GW >100 feet: <i>0 points</i>			
<b>Site Rank (1+2+3) = 0 + 0 + 0 = 0</b>			
<b>Total Site Ranking Score and Acceptable Concentrations</b>			
Parameter	>19	10-19	0-9
Benzene <sup>1</sup>	10 ppm	10 ppm	10 ppm
BTEX <sup>1</sup>	50 ppm	50 ppm	50 ppm
TPH	100 ppm	1,000 ppm	5,000 ppm

<sup>1</sup>100 ppm field VOC headspace measurement may be substituted for lab analysis

**Bratcher, Mike, EMNRD**

---

**From:** Bradley Blevins [bradley.blevins@chk.com]  
**Sent:** Wednesday, May 27, 2009 9:01 AM  
**To:** Bratcher, Mike, EMNRD  
**Subject:** FW: LOTOS C #901  
**Attachments:** H17472 EPI.pdf

---

**From:** Celey Keene [mailto:celey.keene@cardinallabsnm.com]  
**Sent:** Friday, May 22, 2009 12:01 PM  
**To:** Daniel Dominguez; Bradley Blevins  
**Subject:** LOTOS C #901

THANK YOU,

**Celey Keene**  
**Lab Director**  
**Cardinal Laboratories**  
**101 East Marland**  
**Hobbs, NM 88240**  
**T: (575) 393-2326**  
**F: (575) 393-2476**  
**e-mail: [celey.keene@cardinallabsnm.com](mailto:celey.keene@cardinallabsnm.com)**

---

This email (and attachments if any) is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this email is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return email and destroy all copies of the email (and attachments if any).

---

This inbound email has been scanned by the MessageLabs Email Security System.

---



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

ANALYTICAL RESULTS FOR  
ENVIRONMENTAL PLUS, INC.  
ATTN: DANIEL DOMINGUEZ  
P.O. BOX 1558  
EUNICE, NM 88231  
FAX TO: (575) 394-2601

Receiving Date: 05/21/09  
Reporting Date: 05/22/09  
Project Owner: CHESAPEAKE ENERGY (160933)  
Project Name: LOTOS C #901  
Project Location: UL-A SECT 9, T 24 S, R 31 E

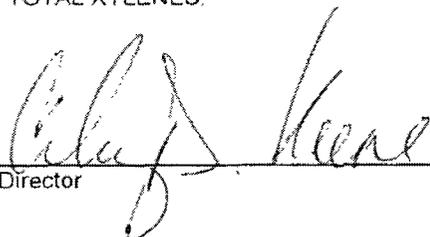
Sampling Date: 05/21/09  
Sample Type: SOIL  
Sample Condition: INTACT  
Sample Received By: AB  
Analyzed By: AB/ZL/HM

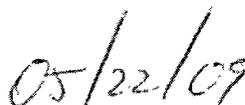
LAB NO	SAMPLE ID	GRO (C <sub>6</sub> -C <sub>10</sub> ) (mg/kg)	DRO (>C <sub>10</sub> -C <sub>28</sub> ) (mg/kg)	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)	CI* (mg/kg)
--------	-----------	--	--	--------------------	--------------------	-----------------------------	-----------------------------	----------------

ANALYSIS DATE:	05/22/09	05/22/09	05/21/09	05/21/09	05/21/09	05/21/09	05/21/09	05/21/09
H17472-1 NT1	<10.0	12.2	<0.050	<0.050	<0.050	<0.300	<0.300	1,460
H17472-2 NT2	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	<0.300	624
H17472-3 NT3	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	<0.300	336
H17472-4 NT4	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	<0.300	176
H17472-5 ST1	<10.0	25.5	<0.050	<0.050	<0.050	<0.300	<0.300	6,160
H17472-6 ST2	<10.0	<10.0	<0.050	<0.050	0.052	<0.300	<0.300	2,200
H17472-7 ST3	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	<0.300	608
H17472-8 ST4	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	<0.300	448
Quality Control	525	510	0.060	0.051	0.045	0.133	0.133	500
True Value QC	500	500	0.050	0.050	0.050	0.150	0.150	500
% Recovery	105	102	120	102	90.0	88.7	88.7	100
Relative Percent Difference	0.2	0.5	2.2	1.9	2.2	1.5	1.5	2.0

METHODS: TPH GRO & DRO - EPA SW-846 8015 M, BTEX - SW-846 8021B; CI: Std. Methods 4500-CI-B

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

  
\_\_\_\_\_  
Lab Director

  
\_\_\_\_\_  
Date

H17472 TBCL EPI

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.

