

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

RECEIVED

OCT 09 2009

HOBBSOCD

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	PO Box 190 Hobbs, NM 88241	Telephone No.	575-391-1462 ext. 6224
Facility Name	Overland No. 001	Facility Type	Tank Battery
Surface Owner	Slick Duncan	Mineral Owner	
		Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
V	2	16S	37E	1276	South	1724	West	Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	70 bbls	Volume Recovered	40 bbls
Source of Release	Lightning strike and fire	Date and Hour of Occurrence		Date and Hour of Discovery	07/20/09
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	07/20/09 11:45 pm 11:45 pm		
By Whom?	Bradley Blevins	Geoff Leking			
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Date and Hour	07/21/09 9:04am		
		If YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Lightning struck the battery and caused a fire. A fiberglass water tank burned releasing produced water. All fluids stayed inside the retaining wall. Vacuum trucks were used to recover the fluids.

Describe Area Affected and Cleanup Action Taken.*

Area affected approximately 50'X 95' inside retaining wall. Impacted soil will be removed and disposed of at NMOCD -Approved facility. Soil was removed and backfilled and confirmation samples were submitted to the NMOCD and approved.

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	ENV ENGINEER : Approved by District Supervisor: <i>Geoffrey Leking</i>	
Title: EHS Specialist	Approval Date: 02/23/10	Expiration Date: -
E-mail Address: bradley.blevins@chk.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 09-22-09	Phone: 575-391-1462	IRP-09-8-2266

* Attach Additional Sheets If Necessary



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

Company Name: BBC INTERNATIONAL		BILL TO		ANALYSIS REQUEST											
Project Manager: Cliff Brunson		P.O. #:		CHLORIDE											
Address: 1324 W. Marland		Company:													
City: Hobbs State: NM Zip: 88240		Attn: JANE													
Phone #: (575) 3976388 Fax #:		Address:													
Project #: Project Owner:		City:													
Project Name: Overland #1		State: Zip:													
Project Location: Lovington NM		Phone #:													
Sampler Name: 73 H		Fax #:													
FOR LAB USE ONLY		(GRAB OR (C)OMP.	# CONTAINERS	MATRIX							PRESERV.	SAMPLING		DATE	TIME
Lab I.D.	Sample I.D.			GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE		IDE / COOL	OTHER:		
H18247-1	SP1 @ 4'	6	1			✓				✓		9/15/09	9:00	✓	
-2	SP2 @ 4'	6	1			✓				✓		9/15/09	9:05	✓	
-3	SP3 @ 3.5'	6	1			✓				✓		9/15/09	9:15	✓	

PLEASE NOTE: Claims and Damages. Cardinal Liability and checks exclude remedy for any claim arising whether based in contract or tort, that is limited to the amount paid by the client for the analysis. An entire industry time for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 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 profit incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hazardous by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Relinquished By:	Date: 9/15/09	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:	
	Time: 10:05		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:	
Relinquished By:	Date:	Received By:	REMARKS: RUSH		
	Time:				
Delivered By: (Circle One) Sampler - UPS - Bus - Other:		Sample Condition Cool Intact <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	CHECKED BY: (Initial) NRB		

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

#26



ARDINAL LABORATORIES

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

September 15, 2009

Cliff Brunson
BBC International, Inc.
P.O. Box 805
Hobbs, NM 88241

Re: Overland #1

Enclosed are the results of analyses for sample number H18247, received by the laboratory on 09/15/09 at 10:05 am.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021.	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,

Celey D. Keene
Laboratory Director