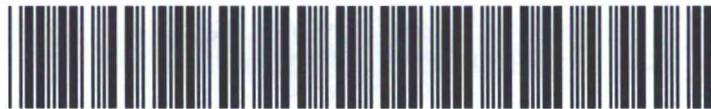




AE Order Number Banner

Report Description

This report shows an AE Order Number in Barcode format for purposes of scanning. The Barcode format is Code 39.



App Number: pJXK1604136316

1RP - 2740

CHESAPEAKE ENERGY CORP.

AUG 29 2011

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

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 Energy	Contact: Bradley Blevins
Address: P.O. Box 190, Hobbs, NM 88240	Telephone No.: (505) 391-1462 ext. 6224
Facility Name: Quail Queen #1 water transfer line	Facility Type: pipe line

Surface Owner: BLM	Mineral Owner: Chesapeake Energy	Lease No.:
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LOCATION OF RELEASE API # 30-025-25536-00-00

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	25	19S	34E					Lea

Latitude: Longitude:

NATURE OF RELEASE GW @ 90'

Type of Release: Produced water	Volume of Release: 60 barrels	Volume Recovered: 50 barrels
Source of Release: Poly line	Date and Hour of Occurrence: 8/26/2011	Date and Hour of Discovery: 8/26/2011 11:00
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Geoffrey Leking	
By Whom? Bradley Blevins	Date and Hour: 8/26/2011 2:30 PM via e-mail	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse:	

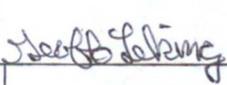
Depth to water: 100 ft.

If a Watercourse was Impacted, Describe Fully:

Describe Cause of Problem and Remedial Action Taken: Pipeline ruptured causing release of produced water onto surface. Water collected in pit and majority was removed by vacuum truck.

Describe Area Affected and Cleanup Action Taken: Contaminated soil to be removed and transported to State approved land farm for remediation. Site to be backfilled upon approval.

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: Bradley Blevins	Approved by:  District Supervisor	
Title: Field Supervisor	Approval Date: 09/16/11	Expiration Date: 11/16/11
E-mail Address: Bradley.blevins@chk.com	Conditions of Approval: SUBMIT FINAL C-141 BY 11/16/11	Attached <input type="checkbox"/> IRP-09-11-2740
Date: 8-29-2011 Phone: (505) 391-1462 ext. 6224		

* Attach Additional Sheets If Necessary