

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.	505-391-1462
Facility Name	Gilmore #24-1	Facility Type	Producing Well

Surface Owner	Mineral Owner	Lease No.
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	24	16S	36E	2130	NORTH	607	EAST	LEA

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	60 BBLS	Volume Recovered	52 BBLS
Source of Release	A valve froze and popped the ball valve	Date and Hour of Occurrence	1/4/08 7:00 A.M.	Date and Hour of Discovery	1/04/08 9:00 A.M.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Pat Richards		
By Whom?	Cliff Brunson	Date and Hour	1/4/08 2:30 P.M.		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse			

RECEIVED

FEB 12 2008

HOBBS OCD

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

A valve freeze and popped the ball valve releasing produced water inside the tank battery containment. Vacuum trucks dispatched to recover as much of the produced water as possible

Describe Area Affected and Cleanup Action Taken.*

52 BBLS of produced water was recovered. Soil remediation activities commenced. Soil was excavated, sampled, and backfilled upon approval from NMOCD. Approval to backfill received from Chris Williams of NMOCD via e-mail on 1/16/08. Site was completed on 1/22/08. Sampling data attached.

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.

OIL CONSERVATION DIVISION

Signature: <i>Cliff P Brunson</i> for Chesapeake Operating, Inc.	Approved by District Supervisor: <i>Chris Williams</i>	
Printed Name: CLIFF P. BRUNSON	Approval Date: <i>2/12/08</i>	Expiration Date: <i>2/12/08</i>
Title: PRESIDENT	Conditions of Approval:	
E-mail Address: CBRUNSON@BBCINTERNATIONAL.COM	Attached <input type="checkbox"/>	
Date: 2/10/08	Phone: 505-397-6388	

* Attach Additional Sheets If Necessary

RP-1713
PAC0801737243



CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

Company Name: BBC International		BILL TO		ANALYSIS REQUEST											
Project Manager: CLIFF BRUNSON		P.O. #:													
Address: 1324 W. Marland		Company:													
City: Hobbs, NM State: NM Zip: 88240		Attn:													
Phone #: (505) 393-6388 Fax #:		Address:													
Project #:		City:													
Project Name: Gilmore 24-1		State: Zip:													
Project Location: Lawrence, NM		Phone #:													
Sampler Name: Vette Ornelas		Fax #:													
FOR LAB USE ONLY															
Lab I.D.	Sample I.D.	REF OR (COMP. #)	CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:	DATE	TIME	
H14071-1	SP1 @ 9-11 in	6-10-01				X					X		1-12-08	9:30	✓
-2	SP2 @ 9-11 in	6-10-01				X					X		1-12-08	9:50	✓
-3	SP3 @ 2ft	6-10-01				X					X		1-12-08	10:01	✓
-4	SP4 @ 2ft	6-10-01				X					X		1-12-08	10:12	✓

Chlorides

PLEASE NOTE: Liability and Detection, Ordinance, Safety and other additional services for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the services. All claims, including those 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. Any contract entered into by the client for emergency or consequential damages, including without limitation, business interruption, 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 services or otherwise.

Tar and Benzene: A charge will be charged on all samples more than 30 days past due at the rate of \$250 per sample from the original date of service, and all costs of collection, including laboratory's fees.

Sampler Relinquished By: Vette Ornelas	Date: 1-14-08	Received By: Natly LeBut	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
	Time: 10:22	Received By: (Lab Staff)	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
	Date:		REMARKS:	
	Time:			
Delivered By: (Circle One) ampler - UPS - Bus - Other:	Sample Condition Cool Intact <input type="checkbox"/> Yes <input type="checkbox"/> No	CHECKED BY: (Initials) MCAB		

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

BBC INTERNATIONAL

RECEIVED 01/15/2008 03:23 5053970397

Chesapeake/Egilys # 24-1

1-2-08

