

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	Federal 24 #2	Facility Type	Tank Battery

Surface Owner	Mineral Owner	Lease No.
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LOCATION OF RELEASE API #30-025-33779

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	24	20S	38E	660	SOUTH	1980	WEST	LEA

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	PRODUCED WATER	Volume of Release	25 BBLS	Volume Recovered	20 BBLS
Source of Release	A valve was left open on heater	3/11/08 8:30 A.M		3/11/08 9:30 A.M	
		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?	BRADLEY BLEVINS	CHRIS WILLIAMS			
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Date and Hour	3/11/08 10:36 AM		
		If YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

A valve was left open on the heater. Vacuum trucks were used to recover free fluid. All fluids stayed inside the fire wall.

Describe Area Affected and Cleanup Action Taken.*

20 BBLS of water was recovered. Immediate remedial operations were commenced by soil removal. Remedial actions and test results will be furnished with the final C-141.

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>3/11/08</i>	Expiration Date: <i>3/20/08</i>
Title: PRESIDENT	Conditions of Approval:	
E-mail Address: CBRUNSON@BBCINTERNATIONAL.COM	Attached <input type="checkbox"/>	
Date: 3/19/08 Phone: 505-397-6388	<i>1RP-1840</i>	

* Attach Additional Sheets If Necessary

PCOH08 10834380



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

ANALYTICAL RESULTS FOR
BBC INTERNATIONAL
ATTN: CLIFF BRUNSON
1324 W. MARLAND
HOBBS, NM 88240
FAX TO: (575) 397-0397

Receiving Date: 03/13/08
Reporting Date: 03/17/08
Project Owner: CHESAPEAKE
Project Name: FEDERAL #24-2
Project Location: EUNICE, NM

Sampling Date: 03/13/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: AB

LAB NUMBER	SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE		03/14/08	03/14/08	03/14/08	03/14/08
H14443-1	SP1 @ 2	<0.001	<0.001	<0.001	<0.003
H14443-2	SP2 @ 2	<0.001	<0.001	<0.001	<0.003
Quality Control		0.096	0.089	0.084	0.258
True Value QC		0.100	0.100	0.100	0.300
% Recovery		95.9	88.9	84.2	86.0
Relative Percent Difference		2.1	0.5	2.1	2.3

METHOD: EPA SW-846 8021B

Cliff S. Keene
Chemist

03/17/08
Date

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. H144435-BBC 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.


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LABORATORIES

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ANALYTICAL RESULTS FOR
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Project Owner: CHESAPEAKE
Project Name: FEDERAL #24-2
Project Location: EUNICE, NM
Sampling Date: 03/13/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: AB/CK/KS

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (>C ₁₀ -C ₂₈) (mg/kg)	CI* (mg/kg)
ANALYSIS DATE		03/14/08	03/14/08	03/14/08
H14443-1	SP1 @ 2	<10.0	<10.0	128
H14443-2	SP2 @ 2	<10.0	<10.0	112
Quality Control		485	552	500
True Value QC		500	500	500
% Recovery		97.1	110	100
Relative Percent Difference		16.4	19.6	<0.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; CI: Std. Methods 4500-CIB
***Analyses performed on 1:4 w.v aqueous extracts.**

 Chemist


 Date

H14443TPHCL2 BBC

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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

BBC INTERNATIONAL

5053970397

03/17/2008 02:43

RECEIVED

[illegible]

† Cardinal cannot accept verbal changes. Please fax written changes to 506-393-1476