

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	Shell 26 State #3	Facility Type	Tank Battery
Surface Owner	Slick Duncan	Mineral Owner	
		Lease No.	

LOCATION OF RELEASE API #: 30-025-38171

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	26	10S	32E	2130	North	1980	East	Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	170 bbls	Volume Recovered	100 bbls
Source of Release	Lightning strike and fire	Date and Hour of Occurrence		Date and Hour of Discovery	09/22/09
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	09/21/09 10: pm		7:00 am
By Whom?	Bradley Blevins	Date and Hour	09/22/09 4:00 pm		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.*

WATER @ 44'

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 plastic lined retaining wall. Vacuum trucks were used to recover the fluids.

Describe Area Affected and Cleanup Action Taken.*

All fluids remained inside lined retaining wall. Impacted soil will be removed and disposed of at NMOCD -Approved facility. Soil was removed and backfilled with Geoff Leking of NMOCD approving the backfill and completion.

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>Bradley Blevins</i>	Approved by ^{ENV. ENGINEER} District Supervisor: <i>Geoffrey Leking</i>
Printed Name: Bradley Blevins	Approval Date: 10/13/09 Expiration Date: 12/14/09
Title: EHS Specialist	Conditions of Approval: DELINEATE TO CLEAN + 1. SUBMIT FINAL C-141 BY
E-mail Address: bradley.blevins@chk.com	Attached <input type="checkbox"/>
Date: 09-22-09 Phone: 575-391-1462	IRP-09.11.2323

* Attach Additional Sheets If Necessary

FWRL 0930848969