

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

HOBBSDOCD

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           |                     | 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:                                 |                    |
| Date: 09-22-09                          | Phone: 575-391-1462 | Attached <input type="checkbox"/><br>IRP-09-8-2266      |                    |

\* Attach Additional Sheets If Necessary





ARDINAL 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

[illegible]

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

#24



## ARDINAL LABORATORIES

PHONE (575) 383-2326 • 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

This report conforms with NELAP requirements.