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JUL 13 2010

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

HOBBSOCD

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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: Appleseed Federal No. 1	Facility Type: Tank Battery

Surface Owner: Patrick Sims	Mineral Owner:	Lease No.: 30-025-20377
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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	17	20S	35E					Lea

Latitude: Longitude:

NATURE OF RELEASE

Type of Release: Petroleum and/or Production fluids	Volume of Release: 20 barrels	Volume Recovered: 5 barrels
Source of Release: Flowline leak at tank battery	Date and Hour of Occurrence: 7/2/2010 @ 7:00 am	Date and Hour of Discovery: 7/2/2010 @ 10:00 am
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: 7/2/2010 @ 2:00 pm	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse: WATER @ 49'	

Depth to water: >50-ft bgs.**If a Watercourse was Impacted, Describe Fully:**

Describe Cause of Problem and Remedial Action Taken: A circulating pump was activated by the pumper causing release of petroleum. Wet/rainy conditions caused fluid to spread over a large area on West side of location. Contaminated Soil was removed and hauled to Lazy Ace landfarm.

Describe Area Affected and Cleanup Action Taken: As majority of release was petroleum products and with ensuing rain, the area is being excavated to a depth and width necessary for removal of contaminated soil. Ensuing precipitation and weather conditions warranted immediate removal of contaminated soil to prevent horizontal coverage and vertical penetration. Field analysis for TPH will determine limits of parameters. A backhoe and front-end loader are being used for delineation and excavation. Impacted material is being transported to Lazy Ace landfarm for remediation.

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	ENV ENGINEER: Approved by District Supervisor: <i>Geoffrey Leking</i>	
Title: Field Supervisor	Approval Date: 07/13/10	Expiration Date: 09/13/10
E-mail Address: Bradley.blevins@chk.com	Conditions of Approval: SUBMIT FINAL	Attached <input type="checkbox"/>
Date: 7-12-2010 Phone: (505) 391-1462 ext. 6224	C-141 BY 09/13/10.	IRP-VI-10-2646

* Attach Additional Sheets If Necessary