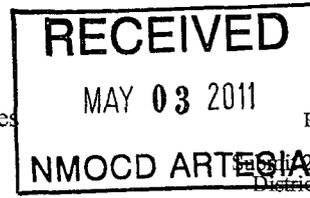


1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Avenue, Artesia, NM 88210
 District III
 1000 Rio Brazos Road, Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

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
 Copies to appropriate District Office in accordance with Rule 116 on back side of form

30-015-33005

Release Notification and Corrective Action

nKMW1105551643

OPERATOR

Initial Report Final Report

Name of Company	CHESAPEAKE OPERATING, INC.	Contact	BRADLEY BLEVINS
Address	P. O. BOX 190 HOBBS, NM 88241	Telephone No.	575-391-1462
Facility Name	Ponderosa 20 State No. 001	Facility Type	Tank Battery

Surface Owner	Mineral Owner	Lease No.
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LOCATION OF RELEASE API #30-015-33005

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	20	18S	28E	1650	SOUTH	1550	EAST	EDDY

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Condensate	Volume of Release	176 BBLS	Volume Recovered	0 BBLS
Source of Release	Tank valve corroded and broke	Unknown		Date and Hour of Occurrence	2/18/11 11:00 A.M.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Mike Bratcher		
By Whom?	Bradley Blevins	Date and Hour	2/18/11 1:10 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.*
 Describe Cause of Problem and Remedial Action Taken.*
 Valve to condensate tank corroded and broke releasing 176 BBLS of condensate into the containment area. No condensate was released outside of the containment.

Describe Area Affected and Cleanup Action Taken.*
 176 BBLS of condensate was lost. As agreed upon with M. Bratcher of the NMOCD, remediation and removal of the impacted soil was completed on 4/13/11 and the site was backfilled with clean soil. The site has been closed.

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 <i>Signed By Mike Bratcher</i>	
Title: HSE Specialist	Approval Date: <i>5/9/2011</i>	Expiration Date: <i>N/A</i>
E-mail Address: Bradley.blevins@chk.com	Conditions of Approval: <i>N/A Final</i>	Attached <input type="checkbox"/>
Date: 5/2/11	Phone: 575-391-1462	

* Attach Additional Sheets If Necessary

2RP-612