

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

Posted

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: Brad Blevins, EH&S Representative	
Address: 5014 W. Carlsbad Highway, Hobbs, NM	Telephone No.: (505) 391-1462	
Facility Name: Ollie J. Boyd Tank Battery	Facility Type: 2" crude oil line	
Surface Owner: Irvin Boyd	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: Lea
C	23	22S	37E					

Latitude: North 32° 22' 51.1" Longitude: West 103° 08' 16.9"

IRP 747

NATURE OF RELEASE

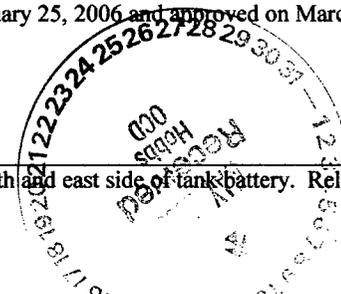
Type of Release: Crude Oil	Volume of Release: 5 - 10 bbl	Volume Recovered: 0 bbl
Source of Release: Hole in 2" line from separator to tank	Date and Hour of Occurrence: 05/02/2006, 13:00 hrs	Date and Hour of Discovery: 05/02/2006, 13:00
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Leak reported to operator by Mark Larson and to OCD by operator representative (Brad Blevins)	
By Whom? Brad Blevins	Date and Hour 05/03/06 (hour unknown)	
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.* Hole developed in 2" line from separator to tanks. Leak was isolated and line was replaced on 05/02/06. Spill will be investigated concurrent with a work plan that was submitted to OCD for the site on February 25, 2006 and approved on March 24, 2006 (see attached pages). A remediation plan will be submitted following leak assessment.

Describe Area Affected and Cleanup Action Taken.*: Release affected area approximately 10' x 125' on the north and east side of tank battery. Release was isolated and line was replaced.

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:	OIL CONSERVATION DIVISION	
Printed Name: Mark J. Larson, Larson and Associates, Inc.	Approved by District Supervisor:	
Title: Agent/Consultant	Approval Date:	Expiration Date:
E-mail Address: mark@laenvironmental.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: May 10, 2006 Phone: (432) 687-0901		

* Attach Additional Sheets If Necessary

incident - NPAC0613127378
application - NPAC0606152807

Mark Larson

From: Price, Wayne, EMNRD [wayne.price@state.nm.us]
Sent: Friday, March 24, 2006 1:38 PM
To: Mark Larson
Cc: Jace A. Marshall; Williams, Chris, EMNRD; Paul Hagemeyer
Subject: RE: Work Plan to Investigate Historic Hydrocarbons, Chesapeake Energy Corporation, Unit Letter C (NE/4, NW/4), Section 23, Township 22 South, Range 37 East, Lea County, New Mexico, February 25, 2006

Approved with the following conditions.

1. Include this approval in the final closure submittal.
2. Notify the local district office.

Please be advised that NMOCD approval of this plan does not relieve the owner/operator of Responsibility should their operations fail to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve the owner/operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

-----Original Message-----

From: Mark Larson [mailto:mark@laenvironmental.com]
Sent: Friday, March 24, 2006 10:52 AM
To: Price, Wayne, EMNRD
Cc: Jace A. Marshall; Williams, Chris, EMNRD; Paul Hagemeyer
Subject: Re: Work Plan to Investigate Historic Hydrocarbons, Chesapeake Energy Corporation, Unit Letter C (NE/4, NW/4), Section 23, Township 22 South, Range 37 East, Lea County, New Mexico, February 25, 2006

Dear Mr. Price: This request is submitted to the New Mexico Oil Conservation Division ("OCD"), on behalf of Chesapeake Energy Corporation, by Larson and Associates, Inc., its consultant, to confirm our meeting from March 17, 2006, and your verbal approval of the above-referenced work plan.

Your confirmed approval of the above-referenced work plan is requested. You may contact Mr. Jace Marshall with Chesapeake Energy Corporation at (405) 767-4530 or email jmarshall2@chkenergy.com, if you have questions. I also may be reached with questions using the contact information listed below.

Sincerely,
Mark J. Larson
Sr. Project Manager/President
Larson and Associates, Inc.
507 N. Marienfeld Street, Suite 202
Midland, Texas 79701
(432) 687-0901 (office)
(432) 687-0456 (Fax)
(432) 556-8656 (Cell)
mark@laenvironmental.com

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