



ENVIRONMENTAL PLUS, INC.  
CONSULTING AND REMEDIAL CONSTRUCTION

20 June 2006

Mr. Larry Johnson, Environmental Engineer  
New Mexico Oil Conservation Division  
1625 North French Drive  
Hobbs, New Mexico 88240

7.11.06 - DISCUSS CLOSURE  
w/ EPI - ALL CONTAIN REMOVED  
TO DISPOSAL. THEY TO MEET w/  
DAN FIELD TO  
CLOSE.



**Re: Resubmittal of Initial C-141  
Chesapeake Energy N. H. 35 #1 – Reference #160056  
UL-O, Section 35, Township 15 South, Range 33 East  
Latitude N 32° 58' 2.28" and Longitude W 103° 34' 55.20"**

Dear Mr. Johnson:

Environmental Plus, Inc. (EPI), on behalf of Mr. Bradley Blevins, Chesapeake Energy Corporation (Chesapeake), submits the attached New Mexico Oil Conservation Division (NMOCD) form C-141 for the above-referenced leak site, located on land owned by Dan Field.

The site is located approximately 14 miles west of Lovington, New Mexico (reference *Figure 1*). Information obtained from the New Mexico Office of the State Engineer's website and a United States Geological Survey (USGS) database indicates there are no water supply wells within a 1,000-foot radius of the release site. In addition, there are no water supply wells located within a 1.0-mile radius of the release site (reference *Figure 2*). However, in light of recent information regarding the initial C-141, a water supply well was discovered within 200-feet of the release site. Groundwater level data indicates an average depth to water of approximately 88 feet below ground surface (reference *Table 1*). The attached site information and metrics form ranks the site in accordance with the NMOCD Guidelines for Remediation of Leaks, Spills and Releases (August 13, 1993).

Approximately 135 barrels of oil was released due to a cow kicking a valve open on the tank battery.

incident - NPAC0614434084  
application - NPAC0614434362

IRP # 894

ENVIRONMENTAL PLUS, INC.

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Should you have any questions or concerns please feel free to contact me at (505) 394-3481 or via e-mail at [iolness@envplus.net](mailto:iolness@envplus.net) or Mr. Bradley Blevins at (505) 391-1462 ext. 6224 or via e-mail at [bblevins@chkenergy.com](mailto:bblevins@chkenergy.com). All official communication should be addressed to:

Mr. Bradley Blevins  
Chesapeake Energy  
P.O. Box 190  
Hobbs, New Mexico 88240

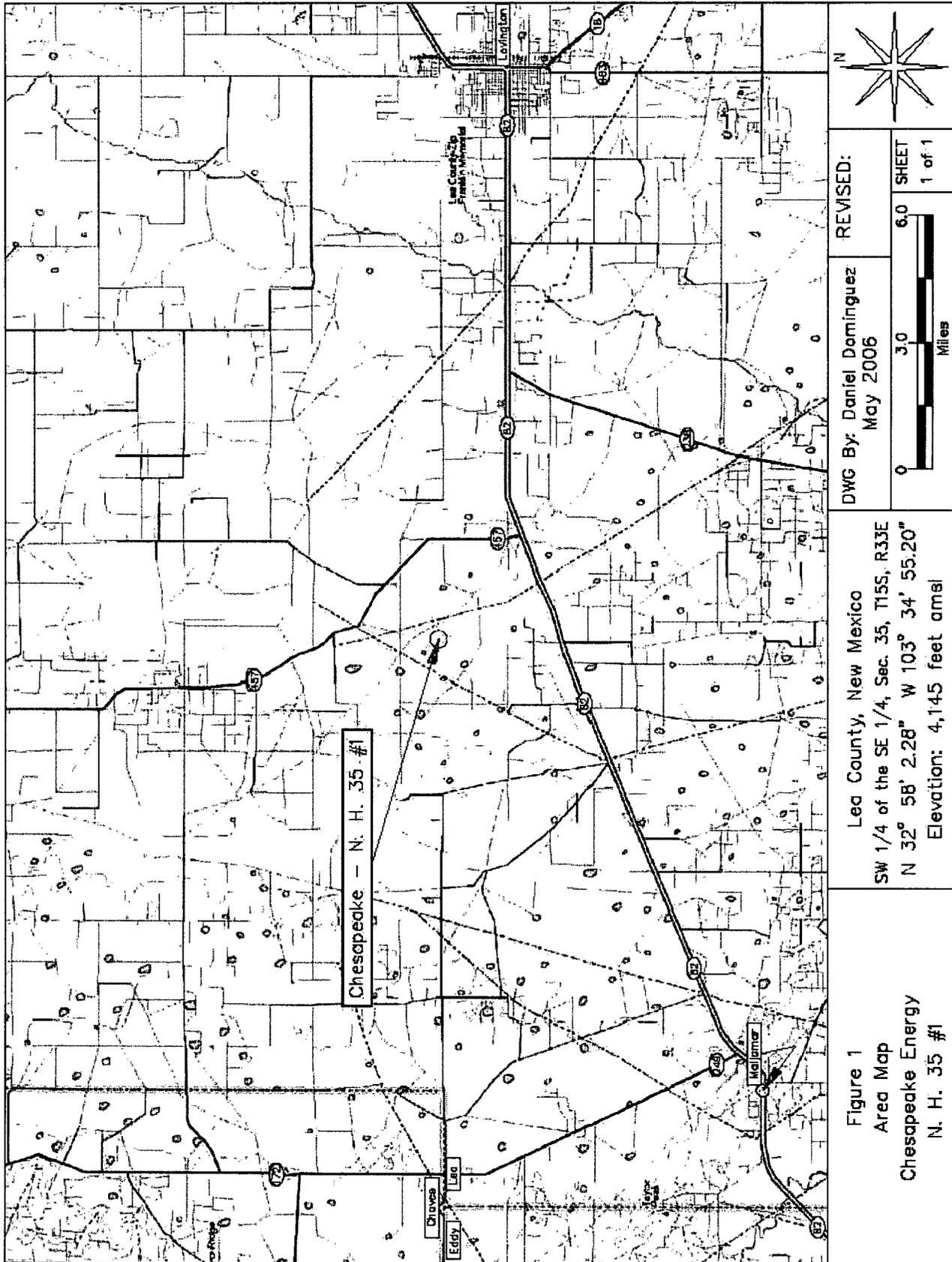
Sincerely,

ENVIRONMENTAL PLUS, INC.

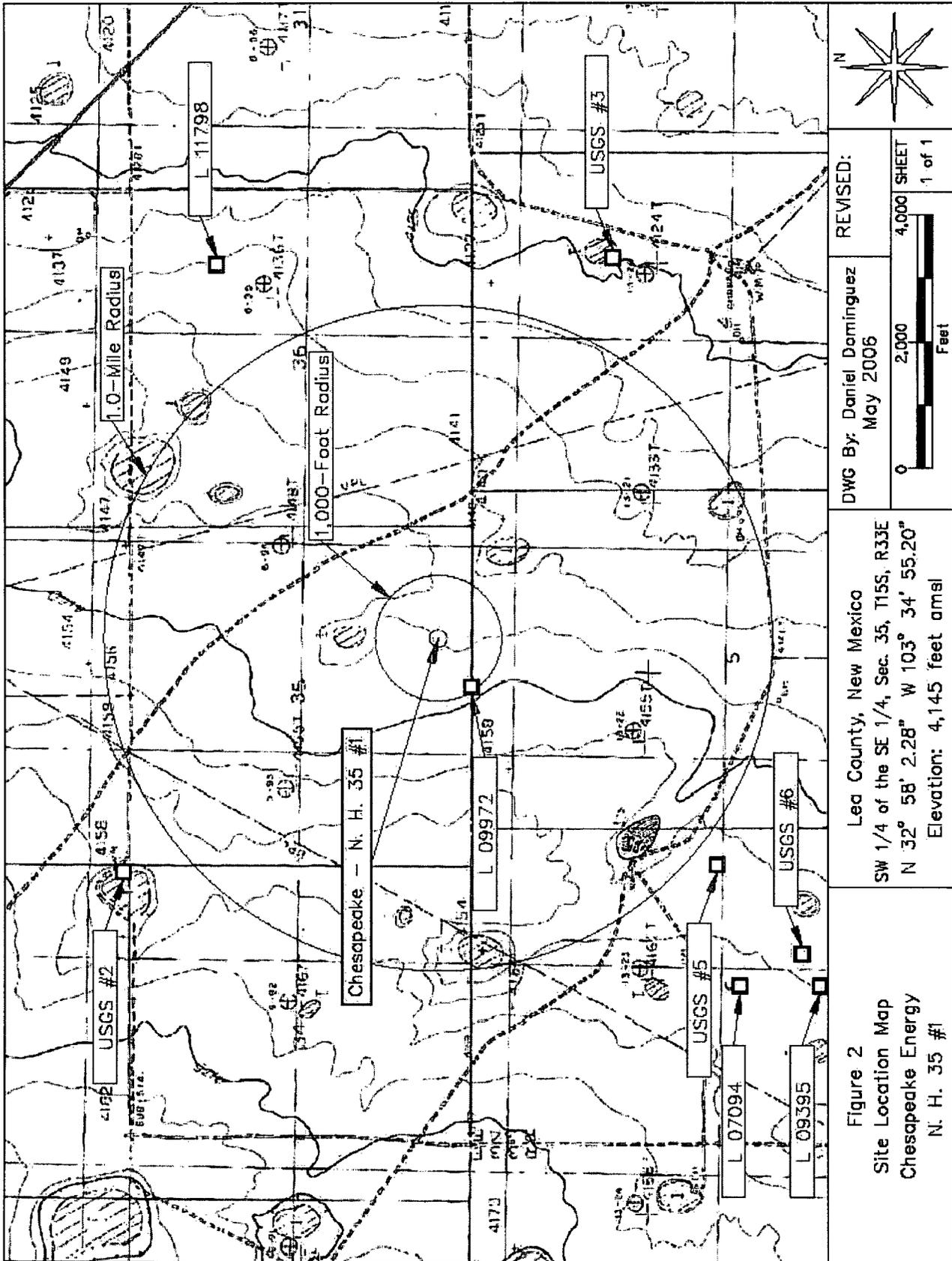
A handwritten signature in black ink, appearing to read "Iain Olness for". The signature is written in a cursive style and is positioned below the printed name of the sender.

Iain Olness, P.G.  
Hydrogeologist

cc: Bradley Blevins, Chesapeake Energy – Hobbs, NM  
Curtis Blake, Chesapeake Energy – Hobbs, NM  
Harlan Brown, Chesapeake Energy – Oklahoma City, OK  
Dan Field, Landowner  
File



<p>Figure 1 Area Map Chesapeake Energy N. H. 35 #1</p>	<p>Lea County, New Mexico SW 1/4 of the SE 1/4, Sec. 35, T15S, R33E N 32° 58' 2.28" W 103° 34' 55.20" Elevation: 4,145 feet amsl</p>	<p>DWG By: Daniel Dominguez May 2006</p>	<p>REVISED: 6.0 SHEET 1 of 1</p>
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**Figure 2**  
**Site Location Map**  
**Chesapeake Energy**  
**N. H. 35 #1**

Lea County, New Mexico  
 SW 1/4 of the SE 1/4, Sec. 35, T15S, R33E  
 N 32° 58' 2.28" W 103° 34' 55.20"  
 Elevation: 4,145 feet amsl

DWG By: Daniel Dominguez  
 May 2006

REVISED:  
 4,000 SHEET  
 1 of 1

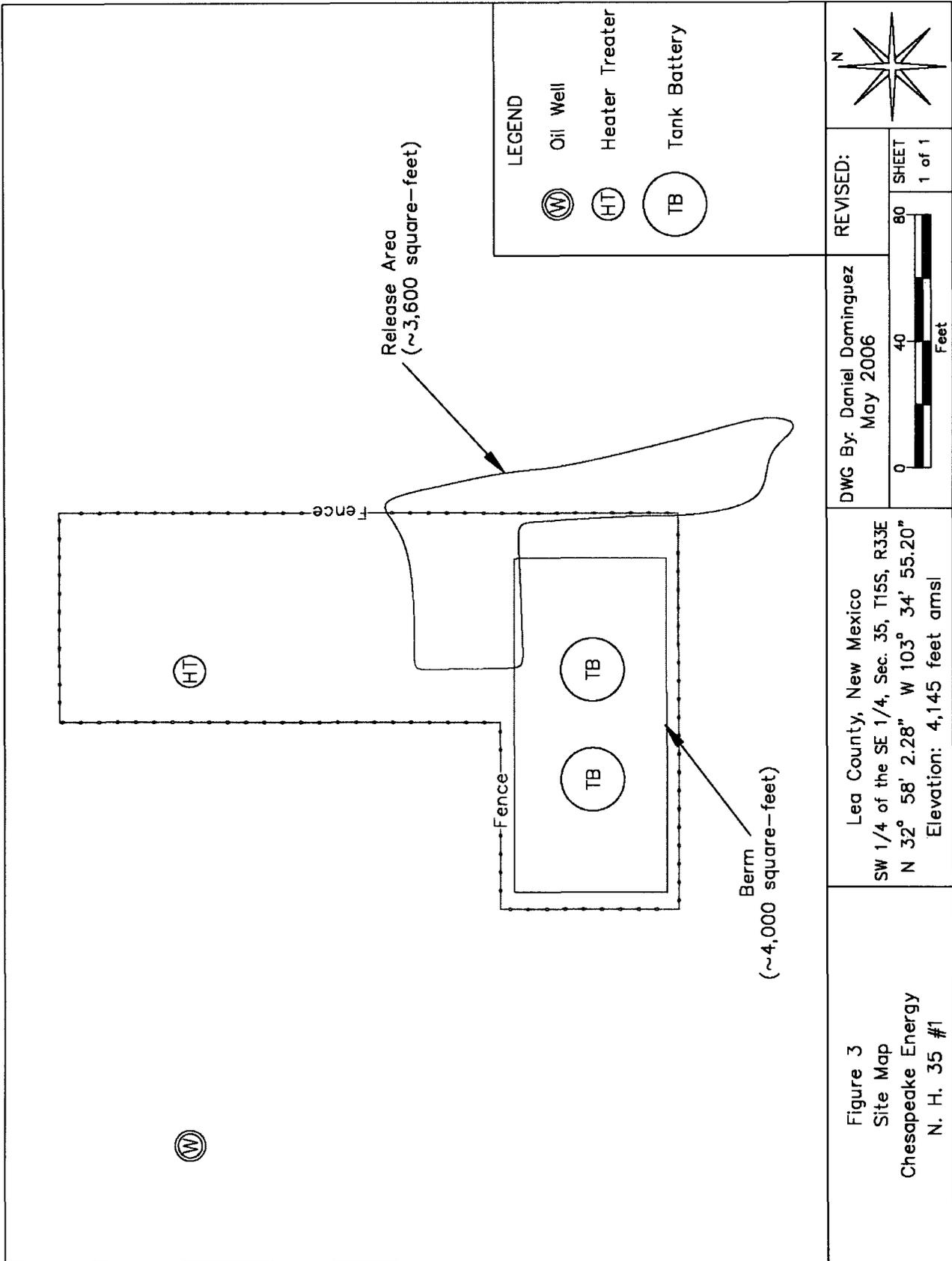


TABLE 1  
Well Data  
Chesapeake Energy - N. H. 35 #1 (Ref. # 160056)

Well Number	Diversion <sup>A</sup>	Owner	Use	Twp	Rng	Sec	q	q	q	Latitude	Longitude	Date Measured	Surface Elevation <sup>B</sup>	Depth to Water (ft bgs)
L 09972	0	SANTA FE ENERGY OPERATING	PRO	15S	33E	35	4	3	3	N32° 57' 57.21"	W103° 35' 41.7"	18-Dec-87	4,154	88
L 11798	3	BRANCH RANCH	STK	15S	33E	36	2	2	2	N32° 58' 36.40"	W103° 35' 46.39"		4,140	
L 07094	0	CONCHO RESOURCES	PRO	16S	34E	6	2	1	3	N32° 57' 16.10"	W103° 35' 59.36"		4,167	
L 09395	3	DAISY C. CLAYTON	STK	16S	34E	6	2			N32° 57' 3.05"	W103° 35' 59.37"	15-Feb-84	4,163	115
USGS #2				15S	33E	27	4	4	4			23-Jan-81	4,163	99.07
USGS #3				16S	34E	4	2	3	2			20-Feb-96	4,129	88.56
USGS #5				16S	34E	6	2	4	4			01-Apr-81	4,160	105.62
USGS #6				16S	34E	6	4	1	3			01-Apr-81	4,163	112.23
L 09919 EXP	0	WEK	PRO	15S	33E	26	1			N32° 59' 15.51"	W103° 35' 35.26"		4,177	
L 04566	0	CITY OF CARLSBAD	COM	16S	34E	5				N32° 56' 37.07"	W103° 35' 28.32"		4,150	
L 09973	0	SANTA FE ENERGY	PRO	16S	34E	5	4	3		N32° 56' 37.23"	W103° 34' 57.32"	21-Jan-88	4,140	135
L 05534	1372	CITY OF CARLSBAD	IND	16S	34E	6				N32° 56' 36.83"	W103° 36' 27.34"		4,167	
L 07094 (E)	0	MORANCO	PRO	16S	34E	6				N32° 56' 36.83"	W103° 36' 27.34"	15-Jul-73	4,167	148
L 07519	0	MARK PRODUCTION CO.	PRO	16S	34E	6	3	3		N32° 56' 36.83"	W103° 36' 27.34"	03-Feb-77	4,167	128
L 08444 EXP	0	DAISY-TCH RANCH, INC/CLAYTON	STK	16S	34E	6	4	1		N32° 56' 50.00"	W103° 35' 59.38"		4,163	
L 10190 EXP	0	KAISER-FRANCIS OIL	PRO	16S	34E	6	4	4		N32° 56' 37.01"	W103° 35' 43.85"	31-May-91	4,157	80
USGS #1				15S	33E	25	2	3	2			02-Jan-96	4,140	82.56
USGS #4				16S	34E	4	4	3	4			09-Apr-91	4,121	89.86

<sup>A</sup> = In acre feet per annum

<sup>B</sup> = Elevation interpolated from USGS topographical map based on referenced location.

PRO = 72-12-1 Prospecting or development of natural resource

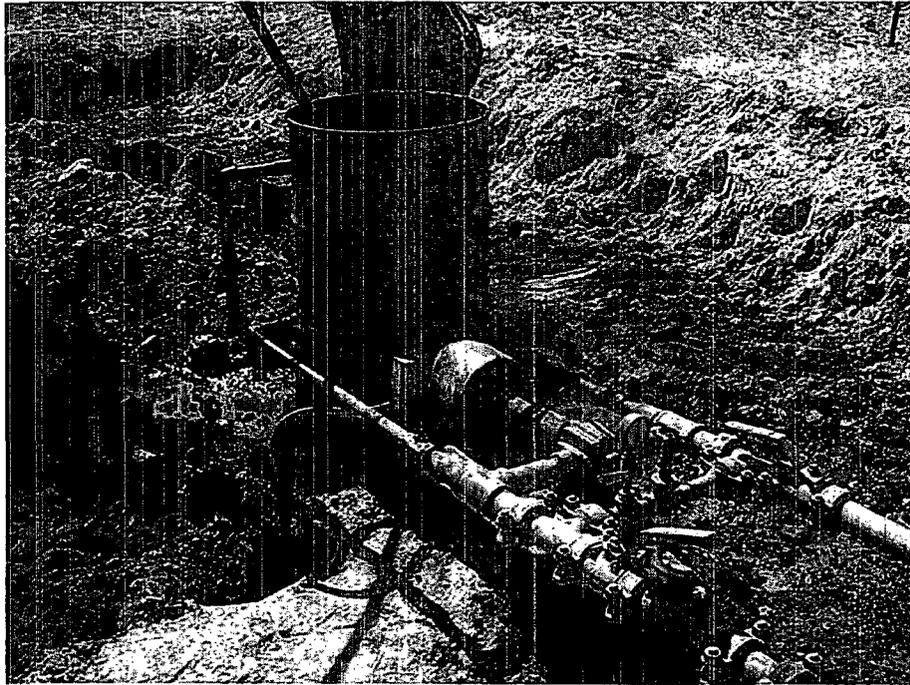
COM = Commercial

STK = 72-12-1 Livestock watering

IND = Industrial

quarters are 1=NW, 2=NE, 3=SW, 4=SE; quarters are biggest to smallest

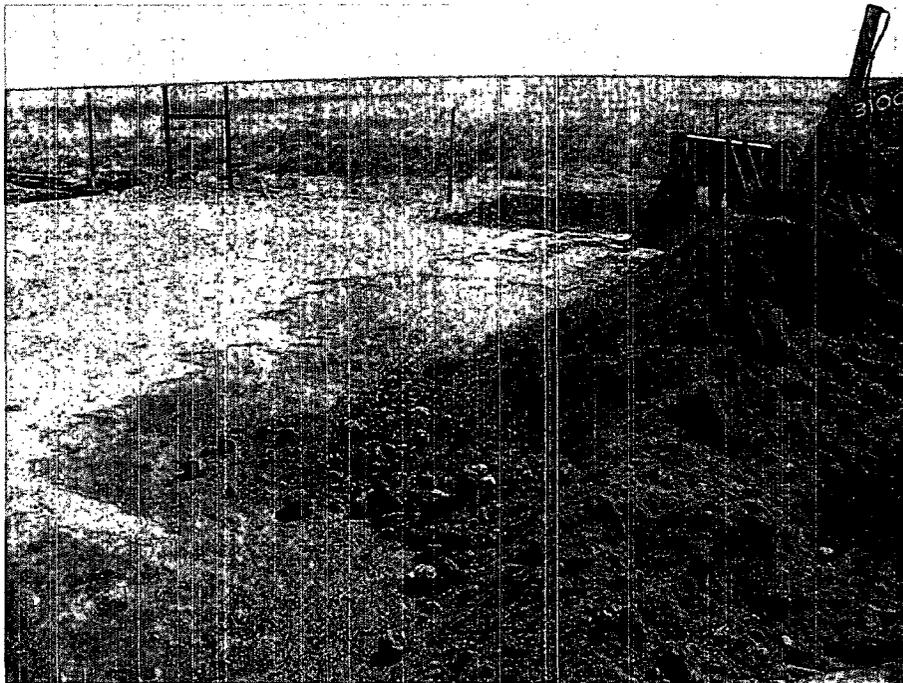
Shaded area indicates wells not shown in Figure 2



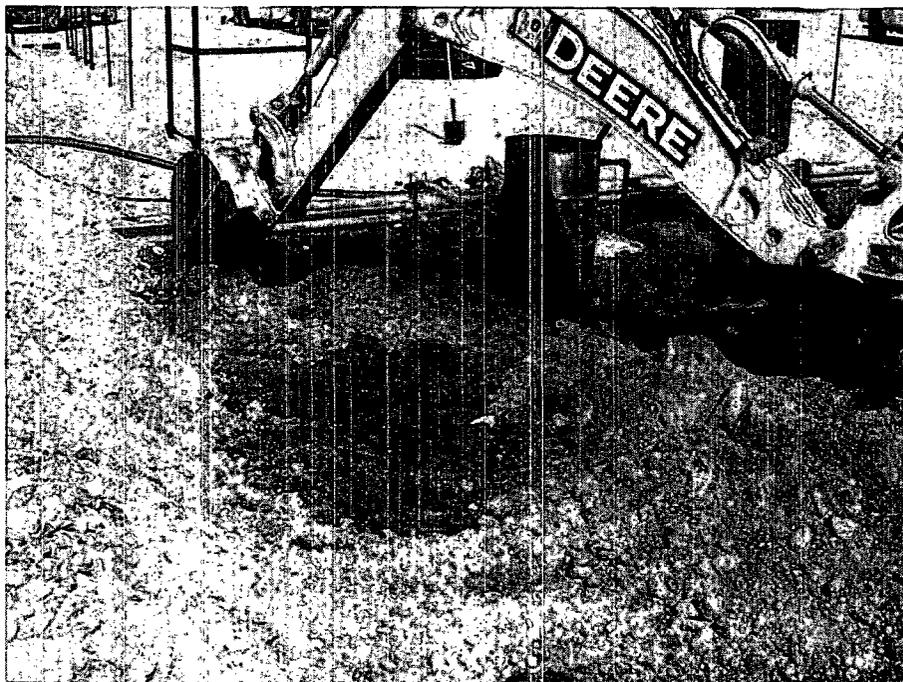
Photograph #1 – Release site.



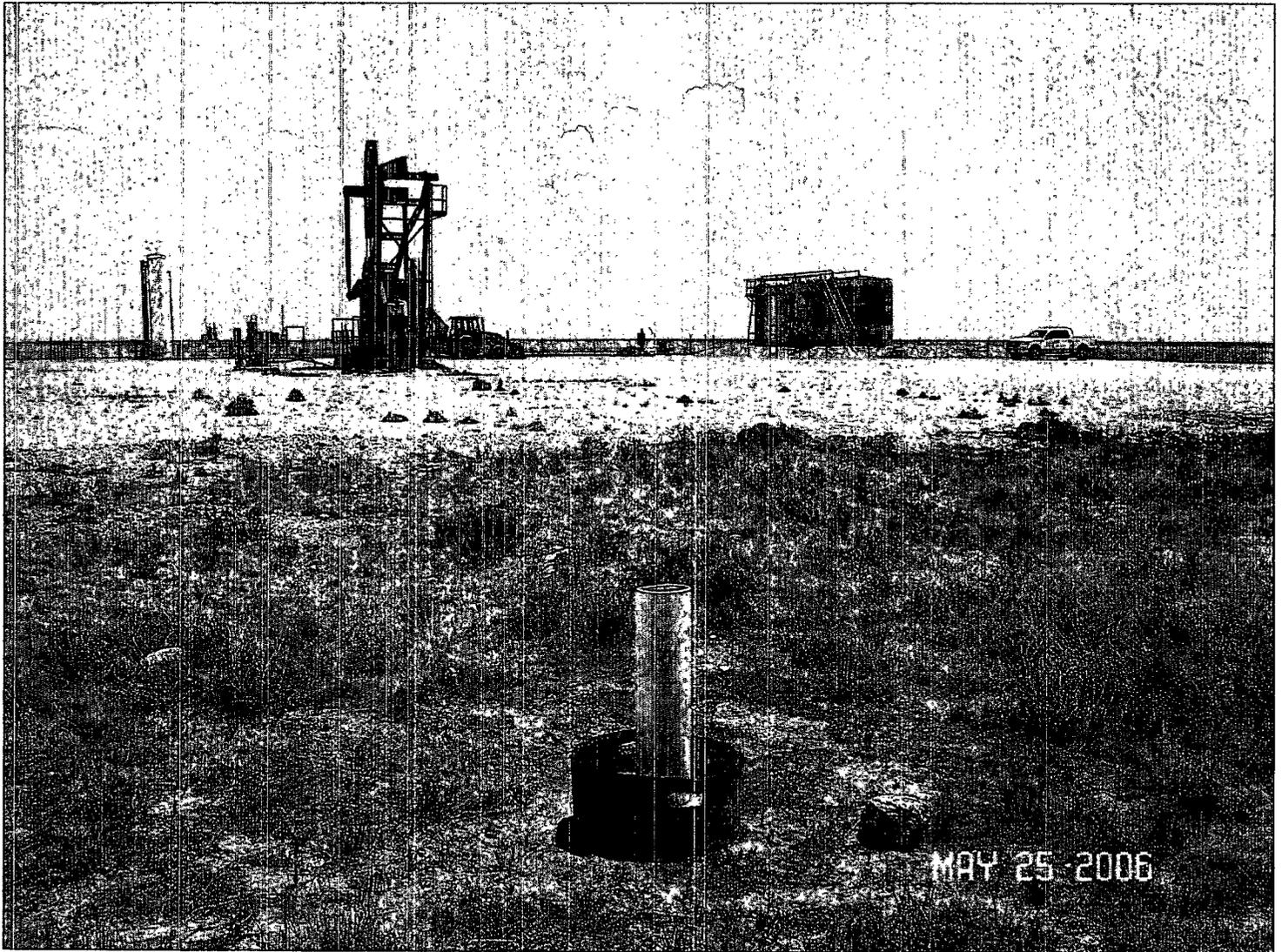
Photograph #2 - Looking north.



Photograph #3 - Looking east.



Photograph #4 - Looking west.



Photograph #5 - Looking east at water well.



Information and Metrics

<b>Incident Date:</b> 16 May 2006	<b>NMOCD Notified:</b> 17 May 2006
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<b>Site:</b> N. H. 35 #1		<b>Assigned Site Reference :</b> #160056	
<b>Company:</b> Chesapeake Energy			
<b>Street Address:</b> 1616 West Bender			
<b>Mailing Address:</b> P.O. Box 190			
<b>City, State, Zip:</b> Hobbs, New Mexico 88240			
<b>Representative:</b> Bradley Blevins			
<b>Representative Telephone:</b> (505) 391-1462 ext. 6224			
<b>Telephone:</b>			
<b>Fluid volume released (bbls):</b> 135		<b>Recovered (bbls):</b> none	
>25 bbls: Notify NMOCD verbally within 24 hrs and submit form C-141 within 15 days. (Also applies to unauthorized releases >500 mcf Natural Gas)			
5-25 bbls: Submit form C-141 within 15 days (Also applies to unauthorized releases of 50-500 mcf Natural Gas)			
<b>Leak, Spill, or Pit (LSP) Name:</b> N. H. 35 #1			
<b>Source of contamination:</b> Tank Battery			
<b>Land Owner, i.e., BLM, ST, Fee, Other:</b> Dan Field			
<b>LSP Dimensions:</b> 30 feet by 120 feet			
<b>LSP Area:</b> ~3,600 ft <sup>2</sup>			
<b>Location of Reference Point (RP):</b>			
<b>Location distance and direction from RP:</b>			
<b>Latitude:</b> N 32° 58' 2.28"			
<b>Longitude:</b> W 103° 34' 55.20"			
<b>Elevation above mean sea level:</b> 4,145 feet			
<b>Feet from South Section Line:</b> 510			
<b>Feet from East Section Line:</b> 1,980			
<b>Location- Unit or ¼¼:</b> SW¼ of the SE¼		<b>Unit Letter:</b> O	
<b>Location- Section:</b> 35			
<b>Location- Township:</b> 15 South			
<b>Location- Range:</b> 33 East			
<b>Surface water body within 1000 ' radius of site:</b> none			
<b>Domestic water wells within 1000' radius of site:</b> none			
<b>Agricultural water wells within 1000' radius of site:</b> one			
<b>Public water supply wells within 1000' radius of site:</b> none			
<b>Depth from land surface to groundwater (DG):</b> ~88 feet			
<b>Depth of contamination (DC):</b> unknown			
<b>Depth to groundwater (DG - DC = DtGW):</b> ~88 feet			
<b>1. Groundwater</b>		<b>2. Wellhead Protection Area</b>	
If Depth to GW <50 feet: <i>20 points</i>		If <1000' from water source, or; <200' from private domestic water source: <i>20 points</i>	
If Depth to GW 50 to 99 feet: <i>10 points</i>		If >1000' from water source, or; >200' from private domestic water source: <i>0 points</i>	
If Depth to GW >100 feet: <i>0 points</i>			
<b>3. Distance to Surface Water Body</b>			
<200 horizontal feet: <i>20 points</i>			
200-1000 horizontal feet: <i>10 points</i>			
>1000 horizontal feet: <i>0 points</i>			
<b>Site Rank (1+2+3) =</b> 0			
<b>Total Site Ranking Score and Acceptable Concentrations</b>			
<b>Parameter</b>	<b>&gt;19</b>	<b>10-19</b>	<b>0-9</b>
Benzene <sup>1</sup>	10 ppm	10 ppm	10 ppm
BTEX <sup>1</sup>	50 ppm	50 ppm	50 ppm
TPH	100 ppm	1,000 ppm	5,000 ppm
<sup>1</sup> 100 ppm field VOC headspace measurement may be substituted for lab analysis			

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

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

<b>Name of Company:</b> Chesapeake Energy	<b>Contact:</b> Bradley Blevins
<b>Address:</b> P.O. Box 190	<b>Telephone No.:</b> (505) 391-1462 ext. 6224
<b>Facility Name:</b> N. H. 35 #1	<b>Facility Type:</b> Battery

<b>Surface Owner:</b> Dan Field	<b>Mineral Owner:</b>	<b>API No.:</b> 3002530122
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#### LOCATION OF RELEASE

WTR 80'

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
O	35	15S	33E	510	South	1,980	East	Lea

**Latitude:** N 32° 58' 2.28" **Longitude:** W 103° 34' 55.20"

IRP# 894

#### NATURE OF RELEASE

<b>Type of Release:</b> Crude oil	<b>Volume of Release:</b> 135 bbls	<b>Volume Recovered:</b> none
<b>Source of Release:</b> Battery	<b>Date and Hour of Occurrence:</b> 16 May 2006 @ 23:30 p.m.	<b>Date and Hour of Discovery:</b> 17 May 2006
<b>Was Immediate Notice Given?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	<b>If YES, To Whom?</b> Larry Johnson, NMOCD	
<b>By Whom?</b> Bradley Blevins	<b>Date and Hour:</b> May 17, 2006	
<b>Was a Watercourse Reached?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>If YES, Volume Impacting the Watercourse:</b> Not Applicable	

**If a Watercourse was Impacted, Describe Fully.\*** Not Applicable

**Describe Cause of Problem and Remedial Action Taken.\*** Approximately 135 bbls was released due to a cow kicking open a valve on the tank battery. The valve was shut off and saturated soil excavated and stockpiled.

**Describe Area Affected and Cleanup Action Taken.\*** Approximately 3,600 square-feet of surface area was impacted by the release. The valve was shut off and saturated soil excavated and stockpiled.

1500 YRDS IMPACTED

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

<b>Signature:</b> 	<b>Approved by District Supervisor:</b>	
<b>Printed Name:</b> Bradley Blevins	<b>Approval Date:</b>	<b>Expiration Date:</b>
<b>Title:</b> Field Supervisor	<b>Conditions of Approval:</b>	
<b>E-mail Address:</b> bblevins@chkenegy.com	<b>Attached</b> <input type="checkbox"/>	
<b>Date:</b> 6-26-06 <b>Phone:</b> (505) 391-1462 ext. 6224		

\* Attach Additional Sheets If Necessary