

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

Name of Company <u>Chesapeake Operating, Inc.</u>	Contact <u>Bradley Blewett</u>
Address <u>P.O. Box 190, Hobbs, NM 88241</u>	Telephone No. <u>505-391-1462, ext. 6224</u>
Facility Name <u>WTY SRV # 443</u>	Facility Type <u>oil well</u>

Surface Owner	Mineral Owner	Lease No.
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LOCATION OF RELEASE API # 30-025-35976

Unit Letter <u>I</u>	Section <u>4</u>	Township <u>20S</u>	Range <u>33E</u>	Feet from the <u>660</u> <u>3770/855</u>	North/South Line <u>South</u>	Feet from the <u>660</u> <u>550/660</u>	East/West Line <u>EAST</u> <u>1000</u>	County <u>Lea</u>
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Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

Type of Release <u>Produced water</u>	Volume of Release <u>80 bbls</u>	Volume Recovered <u>60 bbls</u>
Source of Release	Date and Hour of Occurrence	Date and Hour of Discovery <u>5/17/07</u>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <u>Pat Caperton</u>	
By Whom? <u>Bradley Blewett</u>	Date and Hour <u>5/17/07</u>	
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.\*

2" connection broke due to corrosion releasing water. Vacuum trucks were used to recover fluids. Line was repaired.

Describe Area Affected and Cleanup Action Taken.\*

Fluid ran across location and into field. Impacted soil will be excavated and disposed of. Samples will be collected for confirmation.

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

Signature: <u>Cliff P. Brunson</u>	Approved by District Supervisor: <u>Chris Williams</u>	
Printed Name: <u>Cliff P. Brunson for Chesapeake</u>	Approval Date: <u>7/11/07</u>	Expiration Date: <u>7/11/07</u>
Title: <u>President</u>	Conditions of Approval:	Attached <input type="checkbox"/>
E-mail Address: <u>cbrunson@hycinternational.com</u>		
Date: <u>5/23/07</u>	Phone: <u>505-397-6388</u>	

\* Attach Additional Sheets If Necessary

RP#1358

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Address <i>P.O. Box 190, Hobbs, NM 88241</i>	Telephone No. <i>505-391-1462, ext. 6224</i>
Facility Name <i>WTYSRU #443</i>	Facility Type <i>Oil well</i>

Surface Owner	Mineral Owner	Lease No.
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LOCATION OF RELEASE *API # 30-025-35976*

Unit Letter <i>I</i>	Section <i>4</i>	Township <i>20S</i>	Range <i>33E</i>	Feet from the <i>1855</i>	North/South Line <i>South</i>	Feet from the <i>660</i>	East/West Line <i>East</i>	County <i>Lea</i>
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Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

Type of Release <i>Produced water</i>	Volume of Release <i>80 bbls</i>	Volume Recovered <i>60 bbls</i>
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If a Watercourse was Impacted, Describe Fully.\*

Describe Cause of Problem and Remedial Action Taken.\*

*2" connection broke due to corrosion ~~releasing~~ releasing water. Vacuum trucks were used to recover fluids. Line was repaired.*

Describe Area Affected and Cleanup Action Taken.\* *Fluid ran across location and into field. Impacted soil will be excavated and disposed of. Samples will be collected for confirmation. Impacted soil was excavated and disposed of at Lea Land's facility. Soil samples were collected for confirmation and data is attached. Chris Williams approved closure on 7/5/07. Site was backfilled.*

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.

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Signature: <i>Cliff Brunson</i>	Approved by District Supervisor: <i>Chris Williams</i>	
Printed Name: <i>Cliff Brunson for Chesapeake</i>	Approval Date: <i>7/11/07</i>	Expiration Date: <i>7/11/07</i>
Title: <i>President</i>	Conditions of Approval:	Attached <input type="checkbox"/>
E-mail Address: <i>cbrunson@bbsinternational.com</i>		
Date: <i>7/7/07</i> Phone: <i>505-397-6398</i>		

\* Attach Additional Sheets If Necessary

*RP# 1358*



PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603  
PHONE (505) 383-2326 • 101 L MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
BBC INTERNATIONAL, INC.  
ATTN: CLIFF BRUNSON  
P.O. BOX 805  
HOBBS, NM 88241  
FAX TO: (505) 397-0397

Receiving Date: 07/03/07  
Reporting Date: 07/03/07  
Project Owner: CHESAPEAKE  
Project Name: WTU 443  
Project Location: HALFWAY, NM

Analysis Date: 07/03/07  
Sampling Date: 07/02/07  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: LB  
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl <sup>-</sup> (mg/Kg)
H12850-1	SP1 @ 6'	16
H12850-2	SP2 @ 6'	16
H12850-3	SP3 @ 7'	64
H12850-4	SP4 @ 6.5'	48
H12850-5	SP5 @ 11'	96
H12850-6	SP6 @ 11'	48
Quality Control		490
True Value QC		500
% Recovery		98
Relative Percent Difference		1.0

METHOD: Standard Methods	4500-CIB
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Note: Analyses performed on 1:4 w/v aqueous extracts.

OK  
Chris  
Williams  
7/5/07

Chemist

07-03-07  
Date

H12850 BBC

PLEASE NOTE: Liability and Damages: Cardinal's liability and client's exclusive remedy for any claim arising, whether defined in contract or tort, shall be limited to the amount paid by client for analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



# **CARDINAL LABORATORIES**

101 East Mariand, 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

<b>Company Name:</b> <u>BBC International, Inc.</u> <b>Project Manager:</b> <u>Cliff Borden</u> <b>Address:</b> <u>P.O. Box 805</u> <b>City:</b> <u>Hobbs</u> <b>State:</b> <u>NM</u> <b>Zip:</b> <u>88240</u> <b>Phone #:</b> <u>(505) 397-6388</u> <b>Fax #:</b> <u>(505) 397-0397</u> <b>Project #:</b> <u>---</u> <b>Project Owner:</b> <u>Chesapeake</u> <b>Project Name:</b> <u>WTU 443</u> <b>Project Location:</b> <u>Haltway NM.</u> <b>Sampler Name:</b> <u>Oscar Foyce</u>				<b>BILL TO</b> <b>P.O. #:</b> <b>Company:</b> <b>Attn:</b> <b>Address:</b> <b>City:</b> <b>State:</b> <b>Zip:</b> <b>Phone #:</b> <b>Fax #:</b>				<b>ANALYSIS REQUEST</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 40%;"> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Lab I.D.</th> <th rowspan="2">Sample I.D.</th> <th rowspan="2"># CONTAINERS</th> <th colspan="6">MATRIX</th> <th colspan="2">PRESERV.</th> <th colspan="2">SAMPLING</th> <th rowspan="2">DATE</th> <th rowspan="2">TIME</th> <th rowspan="2"></th> </tr> <tr> <th>GROUNDWATER</th> <th>WASTEWATER</th> <th>SOIL</th> <th>OIL</th> <th>SLUDGE</th> <th>OTHER</th> <th>ACID/BASE</th> <th>ICE/COOL</th> <th>OTHER</th> </tr> </thead> <tbody> <tr> <td>H12850-1</td> <td>SP1 @ 6'</td> <td>6</td> <td></td> <td></td> <td>✓</td> <td></td> <td></td> <td></td> <td></td> <td>✓</td> <td></td> <td>7-2-07</td> <td>10:35</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>-2</td> <td>SP2 @ 6'</td> <td>6</td> <td></td> <td></td> <td>✓</td> <td></td> <td></td> <td></td> <td></td> <td>✓</td> <td></td> <td>7-2-07</td> <td>10:40</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>-3</td> <td>SP3 @ 7'</td> <td>6</td> <td></td> <td></td> <td>✓</td> <td></td> <td></td> <td></td> <td></td> <td>✓</td> <td></td> <td>7-2-07</td> <td>10:55</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>-4</td> <td>SP4 @ 6.5'</td> <td>6</td> <td></td> <td></td> <td>✓</td> <td></td> <td></td> <td></td> <td></td> <td>✓</td> <td></td> <td>7-2-07</td> <td>11:03</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>-5</td> <td>SP5 @ 11'</td> <td>6</td> <td></td> <td></td> <td>✓</td> <td></td> <td></td> <td></td> <td></td> <td>✓</td> <td></td> <td>7-2-07</td> <td>11:21</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>-6</td> <td>SP6 @ 11'</td> <td>6</td> <td></td> <td></td> <td>✓</td> <td></td> <td></td> <td></td> <td></td> <td>✓</td> <td></td> <td>7-2-07</td> <td>11:30</td> <td>✓</td> <td></td> <td></td> </tr> </tbody> </table> </div> <div style="width: 50%; text-align: center;"> <p style="font-size: 2em; transform: rotate(-90deg);">Chloride</p> </div> </div>												Lab I.D.	Sample I.D.	# CONTAINERS	MATRIX						PRESERV.		SAMPLING		DATE	TIME		GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACID/BASE	ICE/COOL	OTHER	H12850-1	SP1 @ 6'	6			✓					✓		7-2-07	10:35	✓			-2	SP2 @ 6'	6			✓					✓		7-2-07	10:40	✓			-3	SP3 @ 7'	6			✓					✓		7-2-07	10:55	✓			-4	SP4 @ 6.5'	6			✓					✓		7-2-07	11:03	✓			-5	SP5 @ 11'	6			✓					✓		7-2-07	11:21	✓			-6	SP6 @ 11'	6			✓					✓		7-2-07	11:30	✓		
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<b>Relinquished By:</b> <u>Oscar Foyce</u> <b>Date:</b> <u>7-2-07</u> <b>Time:</b> <u>17:30</u>				<b>Received By:</b> <u>Kern Swainey</u> <b>Date:</b> <u>7-3-07</u> <b>Time:</b> <u>10:43</u>				<b>Phone Result:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <b>Add'l Phone #:</b> <b>Fax Result:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <b>Add'l Fax #:</b> <b>REMARKS:</b>																																																																																																																																										
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<b>Delivered By: (Circle One)</b> <b>Sampler - UPS - Bus - Other:</b>				<b>Sample Condition</b> Cool Intact <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No				<b>CHECKED BY:</b> (Initials) <u>[Signature]</u>																																																																																																																																										

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