

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 <i>Chesapeake Operating, Inc.</i>	Contact <i>Bradley Blevins</i>
Address <i>P.O. Box 190, Hobbs, NM 88241</i>	Telephone No. <i>505-391-1462, ext. 6224</i>
Facility Name <i>Smith & Federal #001</i>	Facility Type <i>oil well</i>

Surface Owner	Mineral Owner	Lease No.
---------------	---------------	-----------

LOCATION OF RELEASE *API # 30-025-36411*

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<i>H</i>	<i>4</i>	<i>20S</i>	<i>33E</i>	<i>2310</i>	<i>North</i>	<i>660</i>	<i>East</i>	<i>Lea</i>

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release <i>Produced water</i>	Volume of Release <i>25 bbls</i>	Volume Recovered <i>10 bbls</i>
Source of Release <i>TANK overflow</i>	Date and Hour of Occurrence <i>5/17/07</i>	Date and Hour of Discovery <i>5/17/07</i>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <i>Pat Caperton</i>	<i>5/17/07</i> <i>10:00 AM</i>
By Whom? <i>Bradley Blevins</i>	Date and Hour <i>5/17/07</i>	
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.*
Equalizing line on tank plugged causing tank to overflow. All fluids stayed inside firewall. Vacuum trucks recovered fluid. Line repaired.

Describe Area Affected and Cleanup Action Taken.*
Fluid stayed inside firewall. 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.

Signature: <i>Cliff P. Brunson</i>	OIL CONSERVATION DIVISION	
Printed Name: <i>Cliff P. Brunson for Chesapeake</i>	Approved by District Supervisor <i>[Signature]</i>	
Title: <i>President</i>	Approval Date: <i>8.15.07</i>	Expiration Date: <i>10.15.07</i>
E-mail Address: <i>cbrunson@hacinternational.com</i>	Conditions of Approval: <i>SUBMIT FINAL C-141</i>	Attached <input type="checkbox"/>
Date: <i>5/23/07</i> Phone: <i>505-397-6388</i>	<i>w/ VERTICAL DELINEATION BY</i>	

* Attach Additional Sheets If Necessary

RP# 1359