

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

30-015-27593

Release Notification and Corrective Action

1MLB0913942016

147179

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	Chesapeake Energy	Contact	Bradley Blevins
Address	1616 West Boulder	Telephone No.	505-441-0341
Facility Name	Lotus Federal 4	Facility Type	Production
Surface Owner		Mineral Owner	
		Lease No.	3001527593

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	9	24S	31E	2310	FSL	2310	FEL	EDDY

Latitude 32.230730 Longitude 103.781220

NATURE OF RELEASE

Type of Release	Oil	Volume of Release	50	Volume Recovered	20
Source of Release	Equipment Failure	Date and Hour of Occurrence		Date and Hour of Discovery	
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Mike Bratcher O&D Jim Harris BLM		
By Whom?		Date and Hour			
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.\*

Equipment Failed - Tanks Ran over inside firewell

Describe Area Affected and Cleanup Action Taken.\*

Tanks will be removed. Excavation of soil which will be placed back in place.

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: <u>Bradley Blevins</u>		OIL CONSERVATION DIVISION	
Printed Name: <u>Bradley Blevins</u>		Approved by District Supervisor <u>Mike Bratcher</u>	
Title: <u>EH+S</u>		Approval Date: <u>MAY 19 2009</u> Expiration Date:	
E-mail Address: <u>bradley.blevins@che.com</u>		Conditions of Approval: <u>Remediation</u>	
Date: <u>5-19-09</u> Phone: <u>505-441-0341</u>		Attached <input checked="" type="checkbox"/>	

\* Attach Additional Sheets If Necessary

1MLB 0913942574

2 RP-311



# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
**Reese Fullerton**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



Chesapeake Operating, Inc.  
PO Box 190  
Hobbs, NM 88241  
ATTN: Bradley Blevins

May 19, 2009

Reference: LOTOS Fed 004 30-015-27593 J-9-24s-31e Eddy County, New Mexico **2RP-311**

Dear Mr. Blevins,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of an Initial Report Form C-141 reporting a release of produced fluids that occurred on or about May 18, 2009 at the above referenced well site. Chesapeake Operating, Inc. (Chesapeake) proposes on the C-141, to remove tanks in the impacted area to facilitate excavation of impacted materials. Chesapeake then proposes to install a liner prior to reinstallation of tanks.

The proposed method of remediation is approved for this site with the following stipulations:

- Notify OCD 48 hours prior to commencement of remedial activities. (The email notification provided with the C-141 will be adequate for start up of this project)
- Notify OCD 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to OCD.
- Provide OCD with a site ranking score and target remediation action levels for contaminants.
- Confirmation samples are to be obtained from excavated area and analyses submitted to OCD prior to installation of liner.
- Submit a Final Report C-141 upon satisfactory completion of project.
- Project to be completed by July 19, 2009
- Like approval by BLM if applicable.

Please be advised that OCD approval does not relieve Chesapeake of liability should their operations have failed to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve Chesapeake of responsibility for compliance with any other federal, state, local laws and/or regulations.

Sincerely,

Mike Bratcher  
NMOCD District 2  
1301 W. Grand Ave.  
Artesia, NM 88210  
575-748-1283 Ext.108  
[mike.bratcher@state.nm.us](mailto:mike.bratcher@state.nm.us)

