

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	CHESAPEAKE OPERATING, INC.	Contact	BRADLEY BLEVINS
Address	P O. BOX 190 HOBBS, NM 88241	Telephone No.	505-391-1462
Facility Name	LAGOS 22 STATE #1	Facility Type	Producing Well

Surface Owner	STATE OF NM	Mineral Owner		Lease No.	
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LOCATION OF RELEASE

API # 3002 337541 00 00

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	22	14S	34E	660	SOUTH	1980	WEST	LEA

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	PRODUCED WATER	Volume of Release	23 BBLS	Volume Recovered	10 BBLS
Source of Release	1/4" VALVE FAILURE	Date and Hour of Occurrence	1/18/07 P.M.	Date and Hour of Discovery	1/19/07 9:00 A.M.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	PAT CAPERTON		
By Whom?	BRADLEY BLEVINS	Date and Hour	1/19/07 10:00 A.M.		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse			

RECEIVED

JAN 11 2008

HOBBS OCD

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

1/4" VALVE FROM WELLHEAD BROKE RELEASING 23 BBLS OF PRODUCED WATER TO LOCATION SURFACE. VACCUM TRUCKS DISPATCHED TO RECOVER AS MUCH FLUID AS POSSIBLE.

Describe Area Affected and Cleanup Action Taken.*

10 BBLS OF PRODUCED WATER WAS RECOVERED. SOIL REMEDIATION ACTIVITIES COMMENCED. SOIL WAS EXCAVATED, DISPOSED OF AT NMOCDD-APPROVED DISPOSAL FACILITY, SAMPLED, AND BACKFILLED AFTER APPROVAL FROM CHRIS WILLIAMS OF THE NMOCDD ON MARCH 6, 2007. LAB DATA ATTACHED.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCDD 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 NMOCDD 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, NMOCDD 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: *Cliff P. Brunson* for Chesapeake Operating, Inc.

Printed Name: CLIFF P. BRUNSON

Title: PRESIDENT

E-mail Address: CBRUNSON@BBCINTERNATIONAL.COM

Date: 1/9/08

Phone: 505-397-6388

Approved by District Supervisor:

Chris Williams

Approval Date:

3/6/07

Expiration Date:

3/6/07

Conditions of Approval:

Attached ☐

* Attach Additional Sheets If Necessary

#1218



PHONE (505) 393-2326 • 101 E MARLAND • HOBBS, NM 88240

Receiving Date: 03/02/07
Reporting Date: 03/02/07
Project Owner: CHESAPEAKE
Project Name: LAGOS 22 STATE #1
Project Location: NORTH LOVINGTON, NM

Analysis Date: 03/02/07
Sampling Date: 02/28/07
Sample Type: SOIL
Sample Condition: COOL&INTACT
Sample Received By: NF
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H12291-1	SP-1	368
H12291-2	SP-2	640
H12291-3	SP-3	544
H12291-4	SP-4	592
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		1.0

4500-CIB

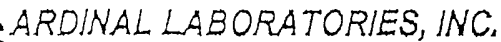
NOTE: Analyses performed on 1:4 w:v aqueous extracts.

Date _____

H12291

PLEASE NOTE: **Liability and Damages** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. 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.

3/6/07
verbally approved by
Chris Williams to close
CPIB/



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

[illegible]

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