

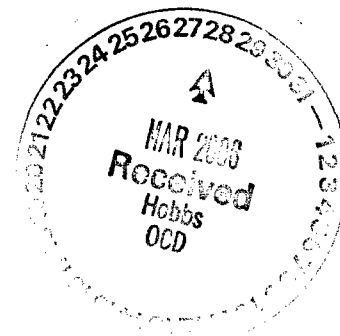


ALLSTATE ENVIRONMENTAL SERVICES, LLC



P.O BOX 11322
MIDLAND, TEXAS 79702
OFFICE: (432) 682-3547
FAX: (432) 682-4182

March 13, 2006



Mr. Larry Johnson
New Mexico Oil Conservation Division
1625 N. French
Hobbs, New Mexico 88240

SUBJECT: Final (Closure) Report of Cleanup of Flare Stack Spill on Saber
Resources C.E. Brooks #2 Lease. U/L E Sec. 18 T17S R39E
Knowles Field, Lea County, New Mexico

Dear Mr. Johnson,

On February 19, 2006 Saber Resources experienced a release of production fluids consisting of approximately 50 bbl of water and 3 bbl of oil. Eleven bbl of water were recovered. The released fluid ran from the flare stack north into the adjacent plowed field about 500 ft. The impacted soil amounted to 792 cubic yards.

Cleanup Activities

Allstate Environmental Services was contracted by Saber Resources to clean up the impacted soil as an emergency response activity. The soil was excavated to a depth that met NMOCD chlorides levels of 250 ppm and 1,000 ppm TPH by volume. Ground water depth in the area is between 50 and 100 ft. The soil was hauled to Sundance Services, Inc. for disposal. Clean native soil provided by the landowner was hauled in as backfill. Copies of manifests from Sundance are available upon request. Drawings (numbered 1,2 and 3), photos, and the initial/final form C-141 are attached. The cleanup was begun on 2-21-06 and completed on 3-3-06.

Any concerns with this event may be addressed to Rob Elam at 432-682-3547 or by email at allstateenviro@sbcglobal.net.

Sincerely,

Rob Elam – Project Coordinator
Allstate Environmental Services

Cc: Saber Resources
Allstate Environmental Services file

RP# 1436

An Environmental Company

SOLIDIFICATION, BIOREMEDIATION, LAND FARMING, SOIL SHREDDING

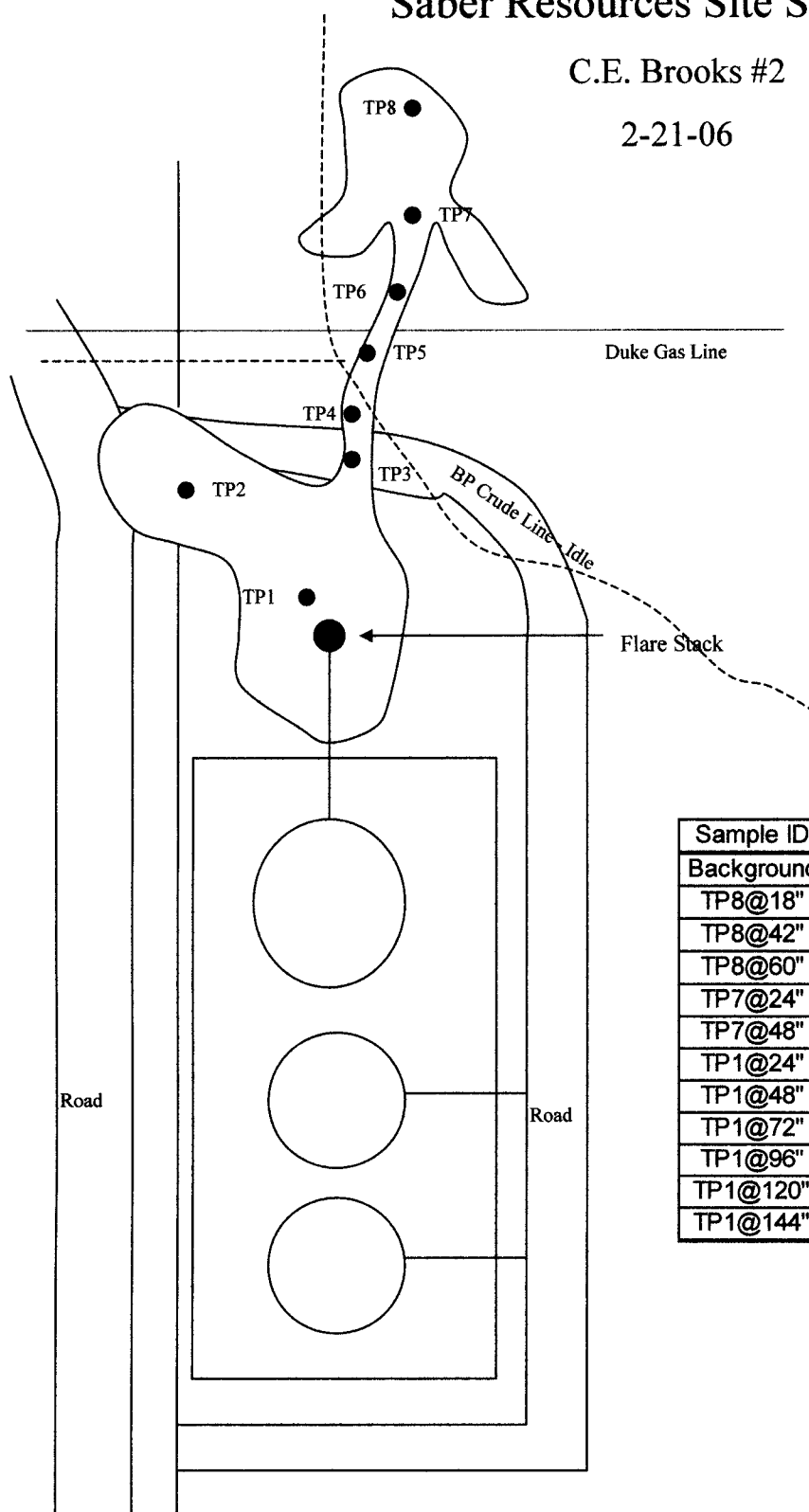
Attachment I

Drawings Sample Tables

Saber Resources Site Sketch #1

C.E. Brooks #2

2-21-06



Sample ID	Date	Depth	Cl(ppm)
Background	2-21-06	surface	240
TP8@18"	2-21-06	18"	1599
TP8@42"	2-21-06	42"	2057
TP8@60"	2-21-06	60"	221
TP7@24"	2-21-06	24"	2043
TP7@48"	2-21-06	48"	237
TP1@24"	2-22-06	24"	2418
TP1@48"	2-22-06	48"	2151
TP1@72"	2-22-06	72"	2254
TP1@96"	2-22-06	96"	1875
TP1@120"	2-22-06	120"	1306
TP1@144"	2-22-06	144"	293

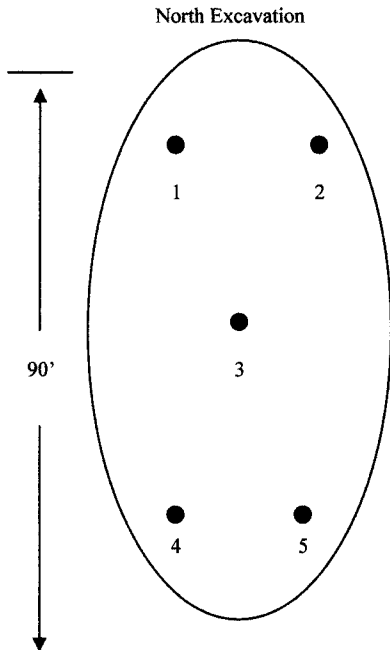
AES	Date: 2-28-06	
	Company: Saber Resources	
	Lease Name: C. E. Brooks #2	
	Location (GPS/qtrs.): Lea County, N.M. N32°50'18.6" W103°05'35.2"	

Saber Resources Site Sketch #2

C.E. Brooks #2

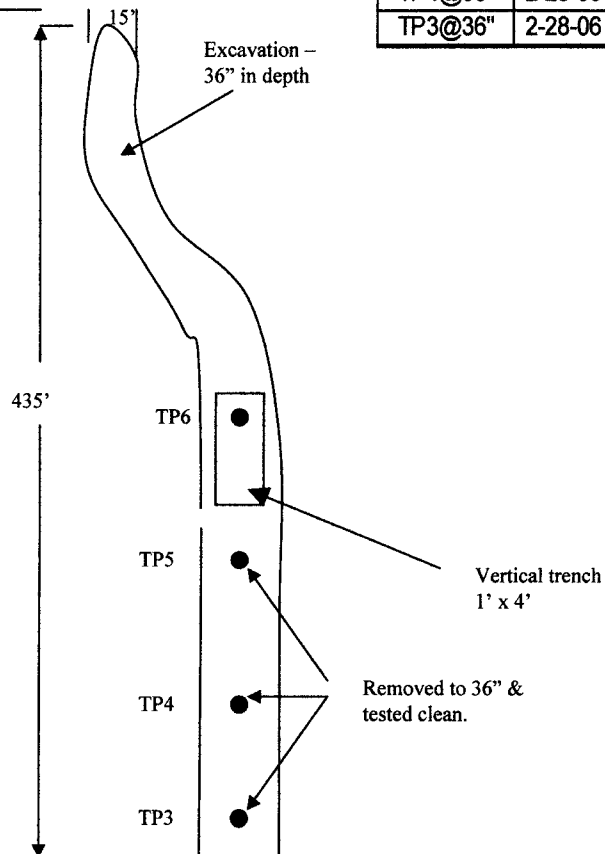
North End

2-28-06



Pt.#1 N32°50'20.7" W103°05'34.6"
 Pt #2 N32°50'21.2" W103°05'35.2"
 Pt #3 N32°50'21.3" W103°05'35.0"
 Pt #4 N32°50'21.2" W103°05'34.6"
 Pt #5 N32°50'21.1" W103°05'34.5"

Sample ID	Date	Depth	Cl (ppm)	GPS
TP6@12"	2-28-06	12"	1436	32°50'20.2"N 103°05'34.6"W
TP6@24"	2-28-06	24"	523	
TP6@36"	2-28-06	36"	189	
TP6@48"	2-28-06	48"	209	
TP5@36"	2-28-06	36"	236	32°50'18.6"N 103°05'35.2"W
TP4@36"	2-28-06	36"	245	32°50'17.8"N 103°05'34.9"W
TP3@36"	2-28-06	36"	265	32°50'16.6"N 103°05'34.9"W



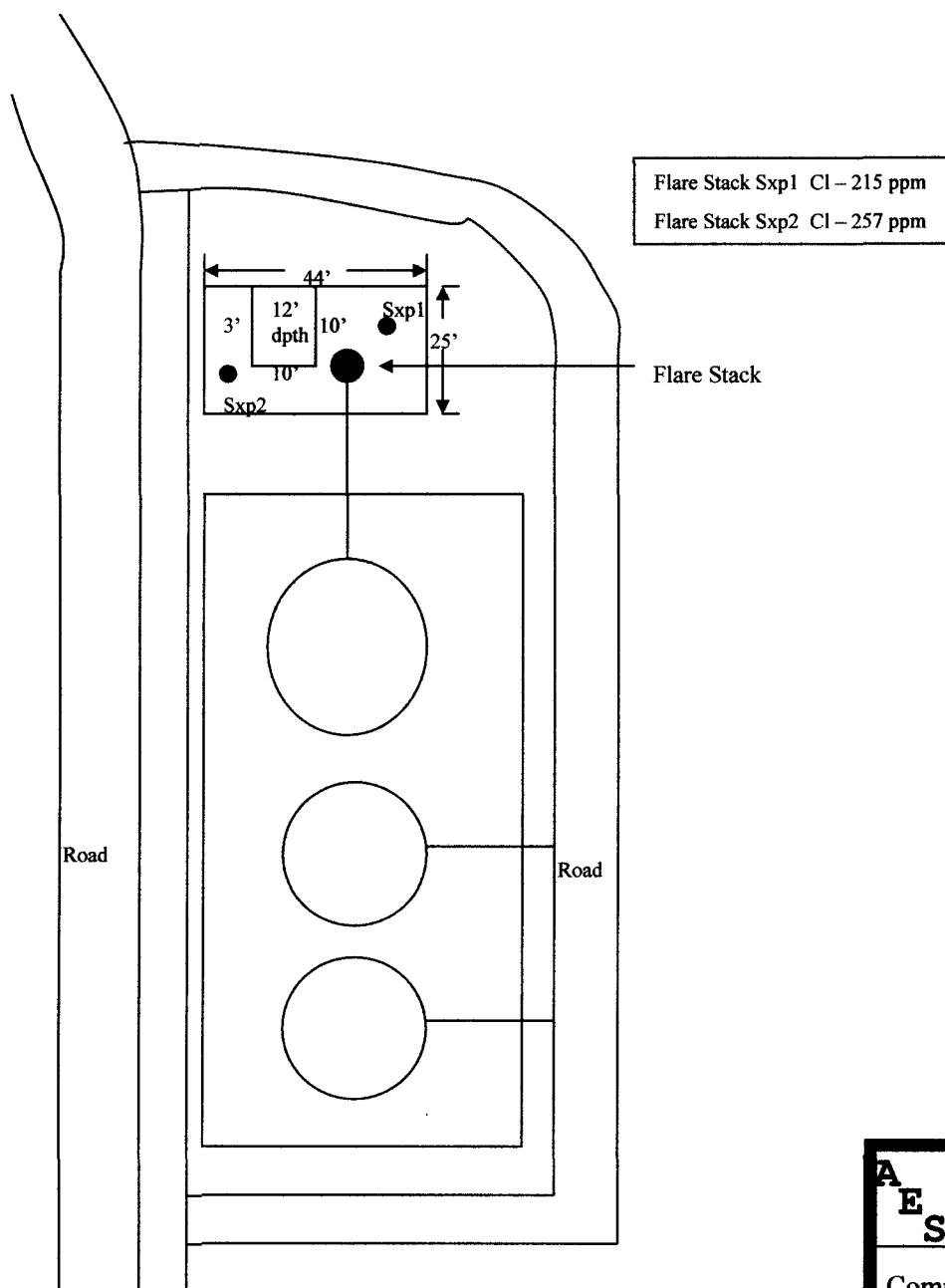
AES	Date: 2-28-06	
	Company: Saber Resources	
	Lease Name: C. E. Brooks #2	
	Location (GPS/qtrs.): Lea County, N.M. N32°50'18.6" W103°05'35.2"	

Saber Resources Site Sketch #3

C.E. Brooks #2

Flare Stack Area

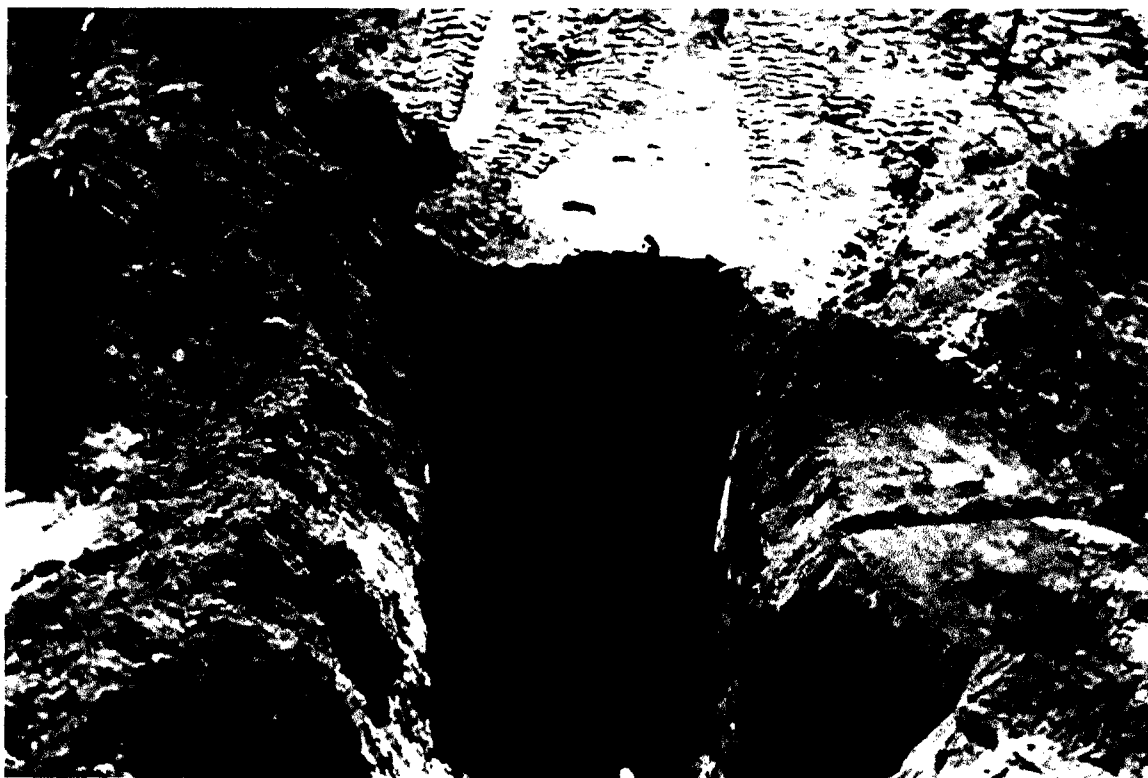
3-1-06

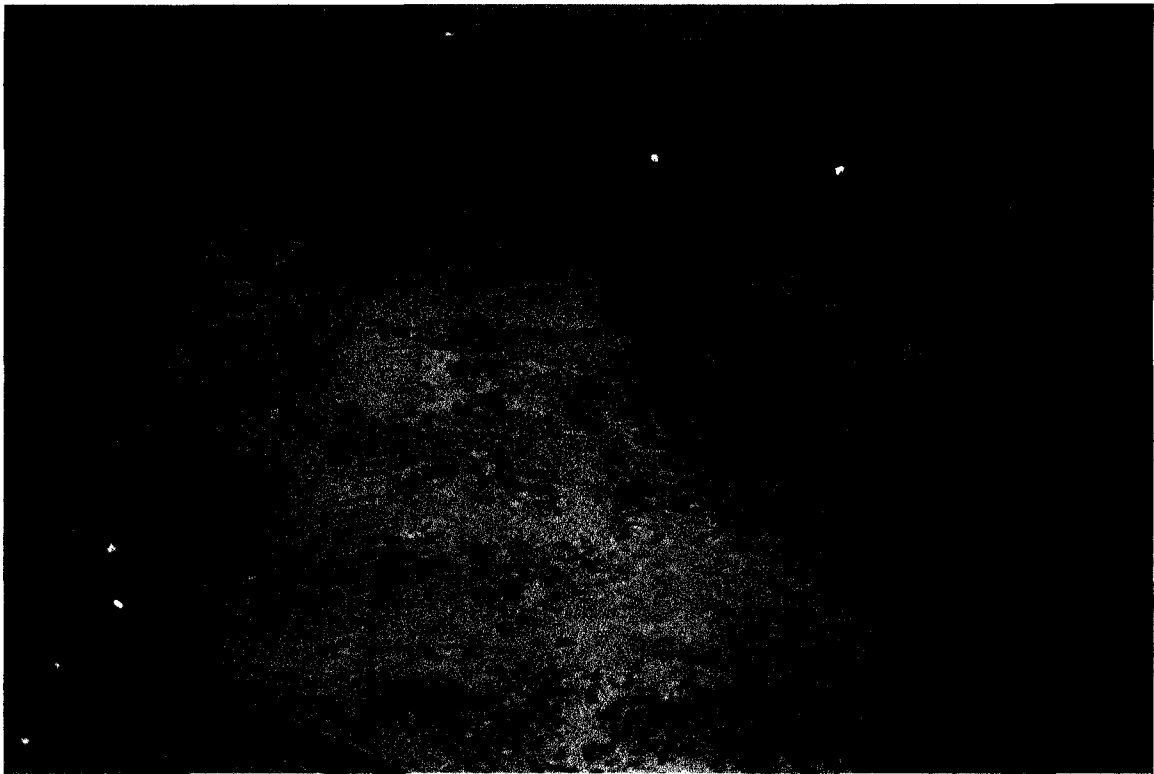


A E S	Date: 2-28-06		
	Company: Saber Resources		
	Lease Name: C. E. Brooks #2		
	Location (GPS/qtrs.): Lea County, N.M. N32°50'18.6" W103°05'35.2"		

Attachment II
Photos

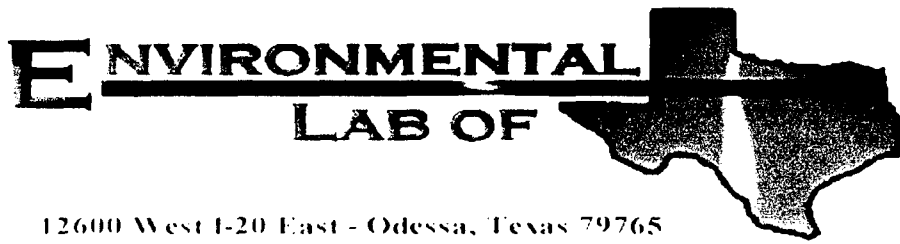








Attachment III
Laboratory Results



12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

Rob Elam

Allstate Environmental Services, LLC

P.O. Box 11322

Midland, TX 79702

Project: C.E. Brooks Flare Stack

Project Number: None Given

Location: Saber Resources

Lab Order Number: 6C07010

Report Date: 03/13/06

Allstate Environmental Services, LLC
P.O. Box 11322
Midland TX, 79702

Project: C.E. Brooks Flare Stack
Project Number: None Given
Project Manager: Rob Elam

Fax: (432) 682-4182
Reported:
03/13/06 10:24

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
North Excavation 5'pt Bottom Comp.@ 5'	6C07010-01	Soil	02/28/06 13:30	03/07/06 16:01
Flare Stack@ 12' bgs	6C07010-02	Soil	03/01/06 11:30	03/07/06 16:01

Allstate Environmental Services, LLC
P.O. Box 11322
Midland TX, 79702

Project: C.E. Brooks Flare Stack
Project Number: None Given
Project Manager: Rob Elam

Fax: (432) 682-4182

Reported:
03/13/06 10:24

Organics by GC
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
North Excavation 5'pt Bottom Comp.@ 5' (6C07010-01) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EC60919	03/09/06	03/10/06	EPA 8015M	
Carbon Ranges C12-C28	95.7	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	95.7	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		140 %		70-130	"	"	"	"	S-04
Surrogate: 1-Chlorooctadecane		151 %		70-130	"	"	"	"	S-04
Flare Stack@ 12' bgs (6C07010-02) Soil									
Carbon Ranges C6-C12	J [8.34]	10.0	mg/kg dry	1	EC60919	03/09/06	03/10/06	EPA 8015M	J
Carbon Ranges C12-C28	99.6	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	J [6.32]	10.0	"	"	"	"	"	"	J
Total Hydrocarbon C6-C35	99.6	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		96.2 %		70-130	"	"	"	"	
Surrogate: 1-Chlorooctadecane		106 %		70-130	"	"	"	"	

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Project: C.E. Brooks Flare Stack
Project Number: None Given
Project Manager: Rob Elam

Fax: (432) 682-4182

Reported:
03/13/06 10:24

General Chemistry Parameters by EPA / Standard Methods
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
North Excavation 5'pt Bottom Comp.@ 5' (6C07010-01) Soil									
Chloride	105	5.00	mg/kg	10	EC60910	03/09/06	03/09/06	EPA 300.0	
% Moisture	1.0	0.1	%	1	EC60901	03/08/06	03/09/06	% calculation	
Flare Stack@ 12' bgs (6C07010-02) Soil									
Chloride	141	5.00	mg/kg	10	EC60910	03/09/06	03/09/06	EPA 300.0	
% Moisture	0.7	0.1	%	1	EC60901	03/08/06	03/09/06	% calculation	

Allstate Environmental Services, LLC
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Midland TX, 79702

Project: C.E. Brooks Flare Stack
Project Number: None Given
Project Manager: Rob Elam

Fax: (432) 682-4182

Reported:
03/13/06 10:24

Organics by GC - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EC60919 - Solvent Extraction (GC)

Blank (EC60919-BLK1)

Prepared: 03/09/06 Analyzed: 03/10/06

Carbon Ranges C6-C12	ND	10.0	mg/kg wet							
Carbon Ranges C12-C28	ND	10.0	"							
Carbon Ranges C28-C35	ND	10.0	"							
Total Hydrocarbon C6-C35	ND	10.0	"							
Surrogate: 1-Chlorooctane	47.5		mg/kg	50.0		95.0	70-130			
Surrogate: 1-Chlorooctadecane	49.6		"	50.0		99.2	70-130			

LCS (EC60919-BS1)

Prepared: 03/09/06 Analyzed: 03/10/06

Carbon Ranges C6-C12	421	10.0	mg/kg wet	500		84.2	75-125			
Carbon Ranges C12-C28	486	10.0	"	500		97.2	75-125			
Total Hydrocarbon C6-C35	907	10.0	"	1000		90.7	75-125			
Surrogate: 1-Chlorooctane	57.0		mg/kg	50.0		114	70-130			
Surrogate: 1-Chlorooctadecane	46.6		"	50.0		93.2	70-130			

Calibration Check (EC60919-CCV1)

Prepared: 03/09/06 Analyzed: 03/10/06

Carbon Ranges C6-C12	234		mg/kg	250		93.6	80-120			
Carbon Ranges C12-C28	296		"	250		118	80-120			
Total Hydrocarbon C6-C35	530		"	500		106	80-120			
Surrogate: 1-Chlorooctane	58.8		"	50.0		118	70-130			
Surrogate: 1-Chlorooctadecane	59.6		"	50.0		119	70-130			

Matrix Spike (EC60919-MS1)

Source: 6C07010-01

Prepared: 03/09/06 Analyzed: 03/10/06

Carbon Ranges C6-C12	446	10.0	mg/kg dry	505	ND	88.3	75-125			
Carbon Ranges C12-C28	572	10.0	"	505	95.7	94.3	75-125			
Total Hydrocarbon C6-C35	1020	10.0	"	1010	95.7	91.5	75-125			
Surrogate: 1-Chlorooctane	52.0		mg/kg	50.0		104	70-130			
Surrogate: 1-Chlorooctadecane	55.6		"	50.0		111	70-130			

Allstate Environmental Services, LLC
P.O. Box 11322
Midland TX, 79702

Project: C.E. Brooks Flare Stack
Project Number: None Given
Project Manager: Rob Elam

Fax: (432) 682-4182
Reported:
03/13/06 10:24

Organics by GC - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EC60919 - Solvent Extraction (GC)

Matrix Spike Dup (EC60919-MSD1)		Source: 6C07010-01		Prepared: 03/09/06		Analyzed: 03/10/06				
Carbon Ranges C6-C12	444	10.0	mg/kg dry	505	ND	87.9	75-125	0.449	20	
Carbon Ranges C12-C28	579	10.0	"	505	95.7	95.7	75-125	1.22	20	
Total Hydrocarbon C6-C35	1020	10.0	"	1010	95.7	91.5	75-125	0.00	20	
Surrogate: 1-Chlorooctane	52.5		mg/kg	50.0		105	70-130			
Surrogate: 1-Chlorooctadecane	54.2		"	50.0		108	70-130			

Allstate Environmental Services, LLC
P.O. Box 11322
Midland TX, 79702

Project: C.E. Brooks Flare Stack
Project Number: None Given
Project Manager: Rob Elam

Fax: (432) 682-4182

Reported:
03/13/06 10:24

General Chemistry Parameters by EPA / Standard Methods - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EC60901 - General Preparation (Prep)										
Blank (EC60901-BLK1)										
				Prepared: 03/08/06 Analyzed: 03/09/06						
% Solids	100		%							
Duplicate (EC60901-DUP1)										
				Source: 6C07010-01 Prepared: 03/08/06 Analyzed: 03/09/06						
% Solids	98.9		%		99.0			0.101	20	
Batch EC60910 - Water Extraction										
Blank (EC60910-BLK1)										
				Prepared & Analyzed: 03/09/06						
Chloride	ND	0.500	mg/kg							
LCS (EC60910-BS1)										
				Prepared & Analyzed: 03/09/06						
Chloride	9.17		mg/L	10.0		91.7	80-120			
Calibration Check (EC60910-CCV1)										
				Prepared & Analyzed: 03/09/06						
Chloride	9.39		mg/L	10.0		93.9	80-120			
Duplicate (EC60910-DUP1)										
				Source: 6C08016-01 Prepared & Analyzed: 03/09/06						
Chloride	1770	50.0	mg/kg		1760			0.567	20	

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Midland TX, 79702

Project: C.E. Brooks Flare Stack
Project Number: None Given
Project Manager: Rob Elam

Fax: (432) 682-4182

Reported:
03/13/06 10:24

Notes and Definitions

S-04 The surrogate recovery for this sample is outside of established control limits due to a sample matrix effect.

J Detected but below the Reporting Limit; therefore, result is an estimated concentration (CLP J-Flag).

DET Analyte DETECTED

ND Analyte NOT DETECTED at or above the reporting limit

NR Not Reported

dry Sample results reported on a dry weight basis

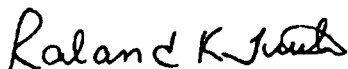
RPD Relative Percent Difference

LCS Laboratory Control Spike

MS Matrix Spike

Dup Duplicate

Report Approved By:



Date:

3/13/2006

Raland K. Tuttle, Lab Manager
Celey D. Keene, Lab Director, Org. Tech Director
Peggy Allen, QA Officer

Jeanne Mc Murrey, Inorg. Tech Director
LaTasha Cornish, Chemist
Sandra Sanchez, Lab Tech.

This material is intended only for the use of the individual (s) or entity to whom it is addressed, and may contain information that is privileged and confidential.

If you have received this material in error, please notify us immediately at 432-563-1800.

12600 West 1-20 East
Odessa, Texas 79765

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

C.E. Brooks Flare Stack

Project Loc: SABER Resources

三〇

Fax No:

[illegible]

Environmental Lab of Texas

Variance / Corrective Action Report – Sample Log-In

Client: Allstate Env.

Date/Time: 3/7/00 16:01

Order #: 6007010

Initials: ck

Sample Receipt Checklist

Temperature of container/cooler?	Yes	No	2.5	C
Shipping container/cooler in good condition?	<u>Yes</u>	No		
Custody Seals intact on shipping container/cooler?	Yes	No	<u>Not present</u>	
Custody Seals intact on sample bottles?	<u>Yes</u>	No	Not present	
Chain of custody present?	<u>Yes</u>	No		
Sample Instructions complete on Chain of Custody?	<u>Yes</u>	No		
Chain of Custody signed when relinquished and received?	<u>Yes</u>	No		
Chain of custody agrees with sample label(s)	<u>Yes</u>	No		
Container labels legible and intact?	<u>Yes</u>	No		
Sample Matrix and properties same as on chain of custody?	<u>Yes</u>	No		
Samples in proper container/bottle?	<u>Yes</u>	No		
Samples properly preserved?	<u>Yes</u>	No		
Sample bottles intact?	<u>Yes</u>	No		
Preservations documented on Chain of Custody?	<u>Yes</u>	No		
Containers documented on Chain of Custody?	<u>Yes</u>	No		
Sufficient sample amount for indicated test?	<u>Yes</u>	No		
All samples received within sufficient hold time?	<u>Yes</u>	No		
VOC samples have zero headspace?	<u>Yes</u>	No	Not Applicable	

Other observations:

Variance Documentation:

Contact Person: - _____ Date/Time: _____ Contacted by: _____
Regarding: _____

Corrective Action Taken:

Attachment IV
Form C-141

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

☐ X Initial Report ☒ X Final Report

Name of Company	Saber Resources	Contact	Doug Keathly
Address	400 W. Illinois, Ste 950 Midland, Tx. 79701	Telephone No.	432-685-0169
Facility Name	C. E. Brooks #2	Facility Type	Tank Battery Flare Stack
Surface Owner	Joe Torbet	Mineral Owner	Private
		Lease No.	30-025-29334

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
E	18	17S	39E					Lea

Latitude 32°50'15.7"N Longitude 103°05'35.3"W

NATURE OF RELEASE

Type of Release	Produced Water & Oil	Volume of Release	50 W 3 Oil	Volume Recovered	11W
Source of Release	Flare Stack	Date and Hour of Occurrence	2-19-06 Noon	Date and Hour of Discovery	2-19-06 4:00 pm
Was Immediate Notice Given?	<input checked="" type="checkbox"/> X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Gary Wink NMOCD Hobbs Office		
By Whom?	Doug Keathly	Date and Hour	2-19-06 6:00 p.m.		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No	If YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* Dump valve stuck forcing fluid out flare stack.

Describe Area Affected and Cleanup Action Taken.* Fluid ran north into plowed field approximately 500 ft. Allstate Environmental Services was called for immediate cleanup. Cleanup activity described in attached documentation.

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:	Approved by District Supervisor: <i>Enviro Engr</i>		
Printed Name: C. H. Kerby	Approval Date: <u>6-22-07</u> Expiration Date: <u> </u>		
Title: Agent	Conditions of Approval:		Attached <input type="checkbox"/>
E-mail Address: <u>allstateenviro@sbcglobal.net</u> - Allstate Env. Svcs. <u>doug@saberresources.com</u> - Saber Resources	AES Phone : 432-682-3547 Saber Phone: 432-685-0169		
Date: 3-9-06			

* Attach Additional Sheets If Necessary