WORLD-WIDE ENVIRONMENTAL SPECIALISTS



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March 24, 2005

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Mike Bratcher NM Oil Conservation Division 1301 W. Grand Ave. Artesia, NM 88210

RE: Remediation Plan - Bird Creek LLC - East Loving SWD Project

SW NE SEC. 15, 23S, 28E, Eddy Co. 30-015-26764

Dear Mr. Bratcher:

On behalf of Chesapeake, BBC International, Inc. would like to submit this letter to follow up on the remediation plan submitted to you in a letter dated January 18, 2005. As you are most likely aware, Chesapeake purchased Bird Creek, LLC on February 1, 2005, therefore, Chesapeake is now the owner and operator of the East Loving SWD facility and the responsible party for the remediation of the facility.

Chesapeake has made the decision to completely rebuild this SWD facility. Their plans include moving the facility to the other end of the fenced area and construct a new facility with new tankage and an impermeable liner (plastic) underneath the tanks and new berms to protect the environment from the potential of leaks and spills.

In addition, Chesapeake would like to change and enhance the remediation plan that was approved by you in a letter dated January 28, 2005. The previous plan called for the facility to stay intact and soil to be excavated up to the tanks and then a clay liner to be placed in the bottom and then covered with clean soil. The new plan will enhance the previous plan since the current facility will be dismantled and removed from the area of concern.

Chesapeake proposes to follow the previous plan submitted, but add to the amount of impacted soil to be excavated. Since there will not be any tanks, pumps, lines, or any equipment at the old SWD site, the entire area that is 138 feet by 68 feet will be excavated to a depth of 1.5 feet below the existing level from the previous excavation. In essence, there will be approximately 3 feet of soil removed and disposed of with a clay liner laid in the bottom and compacted. The excavation will then be backfilled to grade with clean soil. This process will remove the soil beneath the existing tanks and allow for an impermeable barrier across the entire area of concern and maximize the protection of the State's resources from downward migration.

The plans call for the new facility to be constructed in April 2005 and the removal of the old facility and impacted soil to occur in May 2005.

Chesapeake therefore requests the NMOCD's immediate approval to this change of the approved plan previously submitted.

If you have any questions, please do not hesitate to contact either myself at (505) 397-6388 or via e-mail: cbrunson@bbcinternational.com or Curtis Blake with Chesapeake at (505) 391-1462, extension 12 or via e-mail: cblake@chkenergy.com

Sincerely,

BBC International, Inc.

Cliff P. Brunson, CEI, CRS

President

CPB:jg

cc: Curtis Blake - Chesapeake

Paul Hagemeier - Chesapeake

Ken Swinney – BBC International, Inc.

Approved 3/30/05 M. Brother