Submit 3 Copies To Appropriate District Office State of New	
<u>District I</u> Energy, Minerals and N 1625 N. French Dr., Hobbs, NM 88240	WELL API NO. 30-015-32987
District II 1301 W. Grand Ave., Artesia, NM 88210 OIL CONSERVATIO	ON DIVISION 5 Indicate Type of Lease
District III 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM	rancis Dr. STATE FEE X
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	6. State Oil & Gas Lease No.
SUNDRY NOTICES AND REPORTS ON WE (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OF DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-10	PLUG BACK TO A Teledyne 20
PROPOSALS.) 1. Type of Well: Oil Well X Gas Well Other	8. Well Number 002
2. Name of Operator Chesapeake Operating Inc.	9. OGRID Number 147179
2 Address of Operator	10. Pool name or Wildcat Undes Harroun Ranch; Delaware, NE
4. Well Location	
Unit Letter F: 1650 feet from the Nort Section 20 Township 23S	
11. Elevation (Show whether	
2958 GR Pit or Below-grade Tank Application □ or Closure 🎗	
	sh water well Distance from nearest surface water
Pit Liner Thickness: mil Below-Grade Tank: Volume	bbls; Construction Material
12. Check Appropriate Box to Indicat	e Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK PLUG AND ABANDON TEMPORARILY ABANDON CHANGE PLANS	REMEDIAL WORK ALTERING CASING COMMENCE DRILLING OPNS PAND A
PULL OR ALTER CASING MULTIPLE COMPL	CASING/CEMENT JOB
OTHER:Close Pit	
13. Describe proposed or completed operations. (Clearly state	OTHER: all pertinent details, and give pertinent dates, including estimated date
of starting any proposed work). SEE RULE 1103. For Mi or recompletion.	httiple Completions: Attach wellbore diagram of proposed completion
Chesapeake, respectfully, request to close the drilling pit for this w	
using 20 mil plastic in pit and 20 mil on top. We will then top with	3' of clean dirt off of site.
USGS information	
shows this area to be	
water sensitive.	
water scristive.	
I hereby certify that the information above is true and complete to t grade tank has been/will be constructed or closed according to NMOCD guideli	ne best of my knowledge and belief. I further certify that any pit or belownes X, a general permit _ or an (attached) alternative OCD-approved plan
SIGNATURE SUCCESSION TITLE	Production/Regulatory Asst. DATE 02/13/2006
Type or print name S For State Use Only Please submit a plan that can be	l address:sstricklin@chkenergy.com Telephone No. (432)687-2992
For State Use Only Please submit a plan that can be approved for a sensitive area or	
APPROVED BY: schedule a meeting where other Conditions of Approve water data can be reviewed.	DATE

1-proved

10 april, 2006



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

ANALYTICAL RESULTS FOR BBC INTERNATIONAL, INC. ATTN: CLIFF BRUNSON

P.O. BOX 805 HOBBS, NM 88241 FAX TO: (505) 397-0397

Receiving Date: 01/14/05 Reporting Date: 01/18/05

Project Owner: BIRD CREEK LLC
Project Name: LOVING SWD

Project Location: LOVING, NM

Analysis Date: 01/17/05 Sampling Date: 01/14/05 Sample Type: SOIL

Sample Condition: COOL & INTACT

Sample Received By: AH

Analyzed By: AH

LAB NUMBER SAMPLE ID CIT (mg/L)

H9473-1	REID 1/10	3899
H9473-2	REID 9/10	2499
Quality Control		970
True Value QC		1000
% Recovery		97.0
Relative Percent D	Difference	4.0

METHOD: Standard Methods 4500-CI'B

Chemist

Date

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

	•	X	P
(04 E) 673 7004 E~ (04 E) 673	2111 Beechwood, Abilene, TX	ARDINAL LABORATOR	

ARDIN.	ARDINAL LABORATORIES, INC. 2111 Beechwood, Abilene, TX 79603 101 E	1 NC	Fast	X ar	lanc	<u>=</u>	ğ	" ~	₹	INC. 101 East Marland, Hobbs, NM 88240												_				
(915) ((915) 673-7001 Fax (915) 673-7020	(505	(505) 393-2326 Fax (505) 393-2476	-232	6 F	×	05	39	3.2	476	18888888					[5	7	Page		١	Ĭ				
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roject Location: L	oving N.M.					ס	Phone #:	#																		
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PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR BBC INTERNATIONAL, INC. ATTN: CLIFF BRUNSON P.O. BOX 805 HOBBS, NM 88241 FAX TO: (505) 397-0397

Receiving Date: 01/14/05 Reporting Date: 01/18/05

1.54 515 2

Project Owner: BIRD CREEK LLC Project Name: LOVING SWD

Project Location: LOVING, NM

Analysis Date: 01/17/05 Sampling Date: 01/14/05 Sample Type: SOIL

Sample Condition: COOL & INTACT

Sample Received By: AH

Analyzed By: AH

LAB NUMBER SAMPLE ID (mg/L)

H9472-1 F	REID 1/10	10136
H9472-2 F	REID 9/10	5792
		et et a
Quality Control		NR
True Value QC		NR
% Recovery		NR
Relative Percent Diffe	erence	1.4

METHOD: EPA 600/4-79-020 160.1

Chemist Hill

1/18/05 Date

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

ARDINAL LABORATORIES, INC. 2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240

	Trager Jerra role 2 REMARKS:	
□Yes □No		Sampler Relinquished:
h: □Yes □No Add'l Phone #:	such daim is based upon any of the above stated resears or otherwise.	affiliated or successors assist out of or related to the performance of services have ander by Cardinal, required so of whether such claim is based upon any of the above stated research or otherwise.
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	O Attn:	City: 1/631 State: 10 M Zip: 88240
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ANALYSIS REQUEST		
Pageotot	(505) 393-2326 Fax (505) 393-2476	(915) 673-7001 Fax (915) 673-7020 (505) 393-2

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Sampler - UPS - Bus - Other: Deliyered By: (Circle One)



PHONE (505) 397-6388 • FAX (505) 397- 0397 • 1324 W. MARLAND • P.O. BOX 805 • HOBBS, NM 88241-0805 E-MAIL: cbrunson@bbcinternational.com

April 3, 2006

Van Barton New Mexico Oil Conservation Division 1301 W. Grande Ave. Artesia, New Mexico 88210 RECEIVED

APR 0.7 2006

OSUMANTESIA

RE: Chesapeake Teledyne 20 Well #002, API No.: 30-015-32987

Unit Letter F, Section 20, Township 23S, Range 29E

Eddy County, NM

Dear Mr. Barton:

On behalf of Chesapeake Operating, Inc, (Chesapeake), BBC International, Inc. (BBC) submits this letter for the purpose to request another review of the enclosed C-103 for the closure of the drilling reserve pit at the above referenced well site.

The initial C-103 submitted on February 13, 2006 that requested the pit to be closed using Rule 50 Guidelines IV.B.3.b for deep burial utilizing a 20 mil plastic liner in the deep burial trench, a 20 mil liner cap, then 3 feet of clean soil on top was denied by the NMOCD using information from the USGS showing this area to be water sensitive.

Chesapeake would like to point out that this well location is located right at the edge of the vast salt lake that exists in this area. This location is located just east of Fisherman's Lane road and south of Highway 31 in Eddy County.

Chesapeake respectfully requests the approval for deep burial of the pit contents at this well location due to the fact that the surrounding area is highly impacted by salt and chloride and the pit contents in a lined burial trench will not adversely impact the environment.

In addition, BBC obtained ground water samples from two water wells on January 14, 2005 during a remediation project for Chesapeake at the East Loving SWD facility that is just west of the Teledyne 20 Well #002 location that showed groundwater to be highly impacted by Chloride and TDS. I have enclosed this laboratory data for your review. The groundwater is approximately at a depth of 50 feet and has a range of TDS from 5,792 to 10,136 ppm and chloride concentrations that range from 2,499 to 3,899 ppm. In addition, Mike Bratcher of the NMOCD reported sampling the Pecos River and receiving chloride levels in excess of 1,100 ppm. This groundwater data is from wells that have been in existence long before the SWD facility was built and the owner of the wells reported that the water has been bad for a long time and even his livestock will not drink it.

The condition of the water in this area is why the City of Loving does not obtain its water from this area, but instead receives it further north toward the City of Carlsbad.

When considering all of the information submitted, Chesapeake believes that this information warrants the approval of utilizing deep burial for the pit contents at this well.

I appreciate your help in reviewing this matter. I look forward to the NMOCD's approval granting the use of deep burial at this site.

If you have any questions, please do not hesitate to contact either myself at: (505) 397-6388 or cbrunson@bbcinternational.com or Bradley Blevins with Chesapeake at: 505-391-1462, ext. 6224 or bblevins@chkenergy.com.

Sincerely,

BBC International, Inc.

Cliff P. Tuman

Cliff P. Brunson, CEI, CRS

President

CPB:jg

enclosures

cc: Bradley Blevins-Chesapeake Operating, Inc., Hobbs