

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

RECEIVED

JAN 16 2009

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form
HOBBSOCD

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company – EverQuest Energy Corporation	Contact – Terry Duffey	
Address – 10 Desta Drive, Suite 300-E, Midland, TX 79705	Telephone No. – 432-686-9790	
Facility Name – Schooner B # 3	Facility Type – Producing Well	
Surface Owner – State of New Mexico	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter F	Section 17	Township 16S	Range 32E	Feet from the	North/South Line	Feet from the	East/West Line	County Lea
------------------	---------------	-----------------	--------------	---------------	------------------	---------------	----------------	---------------

Latitude - 32.922506 N Longitude - 103.789272 W

NATURE OF RELEASE

Type of Release - Drilling Fluids	Volume of Release	Volume Recovered
Source of Release – Compromised Pit Liner	Date and Hour of Occurrence unknown	Date and Hour of Discovery 6/11/08 7:30 AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
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.*		
6/12/08 – Initial delineation was conducted with a backhoe, samples were taken and sent to Cardinal Laboratories for analysis		
Describe Area Affected and Cleanup Action Taken.*		
RP# 1883- All impacted material was extracted to below acceptable MCL's; approximately 1540 cubic yards of impacted material was disposed of at CRI disposal ; A 12 ml liner was installed and original drilling pit material was buried in place, capped with a 20 ml liner, and covered with 3' of backfill material to grade. 7/29/08 – Remedial action was completed in accordance with NMOCD protocol		
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: <i>T. Brinn - Acting Agent on behalf of Ever Quest Energy</i>	OIL CONSERVATION DIVISION	
Printed Name: <i>Terry Brinn</i>	Approved by District Supervisor: <i>ENDRE ENGE</i>	
Title: <i>Authorized Agent</i>	Approval Date: <i>1-16-09</i>	Expiration Date: <i>—</i>
E-mail Address: <i>jbrinn@everquest.net</i>	Conditions of Approval: <i>—</i>	Attached <input checked="" type="checkbox"/> IRP#1883 API #30-025-37942
Date: <i>1/16/09</i> Phone: <i>390-6149</i>		

EVERQUEST ENERGY CORPORATION

SITE INVESTIGATION AND CLOSURE PLAN

Schooner #3

UL-F, SECTION 17, T16S - R32E

LATITUDE: N 32.92251° LONGITUDE: W 103.789272°

LEA COUNTY, NEW MEXICO

January 16, 2009

PREPARED FOR EVERQUEST ENERGY BY:

BRIAN ENVIRONMENTAL SERVICES, LLC

622 W. STILES RD.

HOBBS, NM 88242

PHONE: 575-390-6149; FAX: 575-392-0183

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JAN 16 2009 

HOBBSOCD

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ATTACHMENTS

Pages

Site Vicinity Map	
Site Photos	
Site Delineation Map	
Analyticals	
Final C-141	

1.0 Introduction and Background

Brian Environmental Services, LLC was engaged on the 6/5/08 to evaluate prior work that had already been performed by Tatum Backhoe Service, and to develop a Site Investigation and Closure Plan at a drilling pit on the Schooner #3 located at UL-F, Sec. 17, T16S-R32E, Lea County, NM.

On the 6/13/08, initial delineation was conducted with a backhoe to determine the vertical and horizontal extent of chloride/hydrocarbon impacts at the site.

This plan evaluates, identifies, and addresses the results of the information obtained from the initial and subsequent sub-surface delineation conducted at the proposed site.

A site vicinity map, groundwater contour map, initial and final site delineation map are included as Attachments.

CONTACT INFORMATION

Everquest Energy Corporation:

Terry Duffey - President

Phone: 432.686.9790 email: EverQuest@nts-online.net

Mailing Address: 10 Desta Drive, Suite 300-E, Midland TX

Brian Environmental Services, LLC:

Jerry Brian, General Manager/Registered Environmental Manager

Phone: 575-390-6149 email: Jerry.R.Brian@gmail.com

Mailing Address: 622 W. Stiles Rd, Hobbs, NM 88242

2.0 Site Description

2.1 Geological Description

The proposed site area located Northeast of Maljamar, NM is located in the Llano Estacado part of the High Plains section area in the western part of Lea County. The Llano Estacado is an isolated mesa. It is a depositional surface of low relief that slopes almost uniformly southeastward.

The Llano Estacado is underlain by the Ogallala formation, which is Tertiary in age and overlies older rocks of Cretaceous, Jurassic, Triassic, and Permian ages.

The Ogallala on the Llano Estacado is capped by a layer of dense caliche, which ranges in thickness from a few feet to as much as 60 feet. At the surface the caliche is well indurated and is almost completely calcium carbonate. Below the surface it is less well indurated and with increasing depth it is softer and more porous, and grades into the underlying sands.

The Ogallala formation ranges in thickness from a few inches to about 300 feet. It contains both coarse fluvial conglomerate and sandstone and fine grained eolian siltstone and clay. The grain size of the Ogallala Formation clastics is controlled by the topography of the underlying mid-Tertiary erosional surface. Coarse fluvial clastics were deposited in paleo-valleys, whereas finer eolian sediments covered upland areas. Eolian clastics also overlie the fluvial sediments in the

paleo-valleys as sand and loess sheets. The change from fluvial to eolian sedimentation probably resulted from the diversion of Ogallala streams.

During Ogallala time, depositional conditions varied rapidly: the sorting power of the streams which deposited the formation fluctuated, and well-sorted sediments are inter-bedded with poorly sorted sediments. It is chiefly calcareous, unconsolidated sand, but it contains clay, silt, and gravel. Some beds of well-consolidated, silica-cemented conglomeritic sandstone 1 to 3 feet thick also occur within the Ogallala.

2.2 Soils Description

The soils in this area are of the Kimbrough-Lea complex. This complex is about 50% Kimbrough gravelly loam and 25 % Lea loam, and in a few places about 40% Kimbrough and 40% Lea soils. It is 20 to 25% inclusions of Stegall, Arvana, Slaughter, and Sharvana soils. The Kimbrough soil is gently sloping and is on the tops and sides of low ridges. It is very shallow over a thick bed of indurated caliche. The Lea soil is nearly level and is in swales between the ridges. The Lea soil has a dark grayish-brown to brown surface layer and a grayish-brown to brown loam subsoil. Indurated caliche is at a depth of 20 to 40 inches. Slopes are 0 to 3 percent. The vegetation consists of mid and tall grasses and shrubs.

The soils in this complex are used as a range, wildlife habitat, and recreational areas. They are also a source of caliche for use in construction.

2.3 Area Ground Water

Based on the Chevron-Texaco ground water elevation contour map, depth to ground water is projected to be >150-feet below ground surface (bgs) (see Groundwater Contour Map)..

2.4 Area Water Wells

No water wells lie within 1000' of the site.

2.5 Area Surface Water Features

No surface water or drainage areas lie within 1000' of the site.

3.0 Work Performed

On the 6/13/08, initial delineation began with the utilization of a backhoe to determine the vertical and horizontal extent of the suspected contaminants of concern (COC's), namely chloride and hydrocarbon concentration. These possible presence of these COC's are the results of a compromised liner which released the drilling fluids.

The pit area had only been partially excavated and this material had to be removed before the delineation could progress (see site photos). Once this material was removed and stockpiled, a 5- Point sampling event was conducted (see Initial Site Sampling Map).

Soil samples were extracted at SP #1, SP #2, SP #3, SP #4, SP #5, NSW, SSW, ESW, and WSW (see Site Sampling Map).

The soil samples were transported under Chain-of-Custody to Cardinal Laboratories for analysis. Analytical results for SP #1-6' bgs, SP #2-6' bgs, SP #3-6' bgs, SP #4-6' bgs, and SP #5-6' bgs were 25,000 ppm, 8,400 ppm, 2,120 ppm, 3,920 ppm, and 672 ppm respectively. Analytical results for the sidewalls (NSW, SSW, ESW, WSW) at 3' bgs were 9,600 ppm, 17,600 ppm, 736 ppm, and 8,200 ppm respectively (see analyticals).

The impacted material in the areas exceeding the acceptable chloride MCL of 5000 ppm in the bottom of the pit and the sidewalls was excavated and hauled off to CRI disposal facility. Approximately 1540 cubic yards of impacted material was transported to CRI.

The site was re-sampled and tested for chlorides, TPH, and BTEX after the excavation was conducted. The soil samples were transported under Chain-of-Custody to Cardinal Laboratories for analysis. Analytical results indicated that all sampling points were below the acceptable MCL's for chloride, TPH, and BTEX (see analyticals).

On the 7/8/08, a 12 ml liner was installed. All stockpiled material (including the impacted material below the unlined stockpiled area) was transferred into the burial pit.

A 5-Point sampling event was conducted in the stockpiled area after the material had been removed (see Site Sampling Map). Field chloride tests were conducted utilizing HACH Quantabs test strips to ensure that the chloride impacted material had been removed to below the acceptable MCL for chlorides (see attachment).

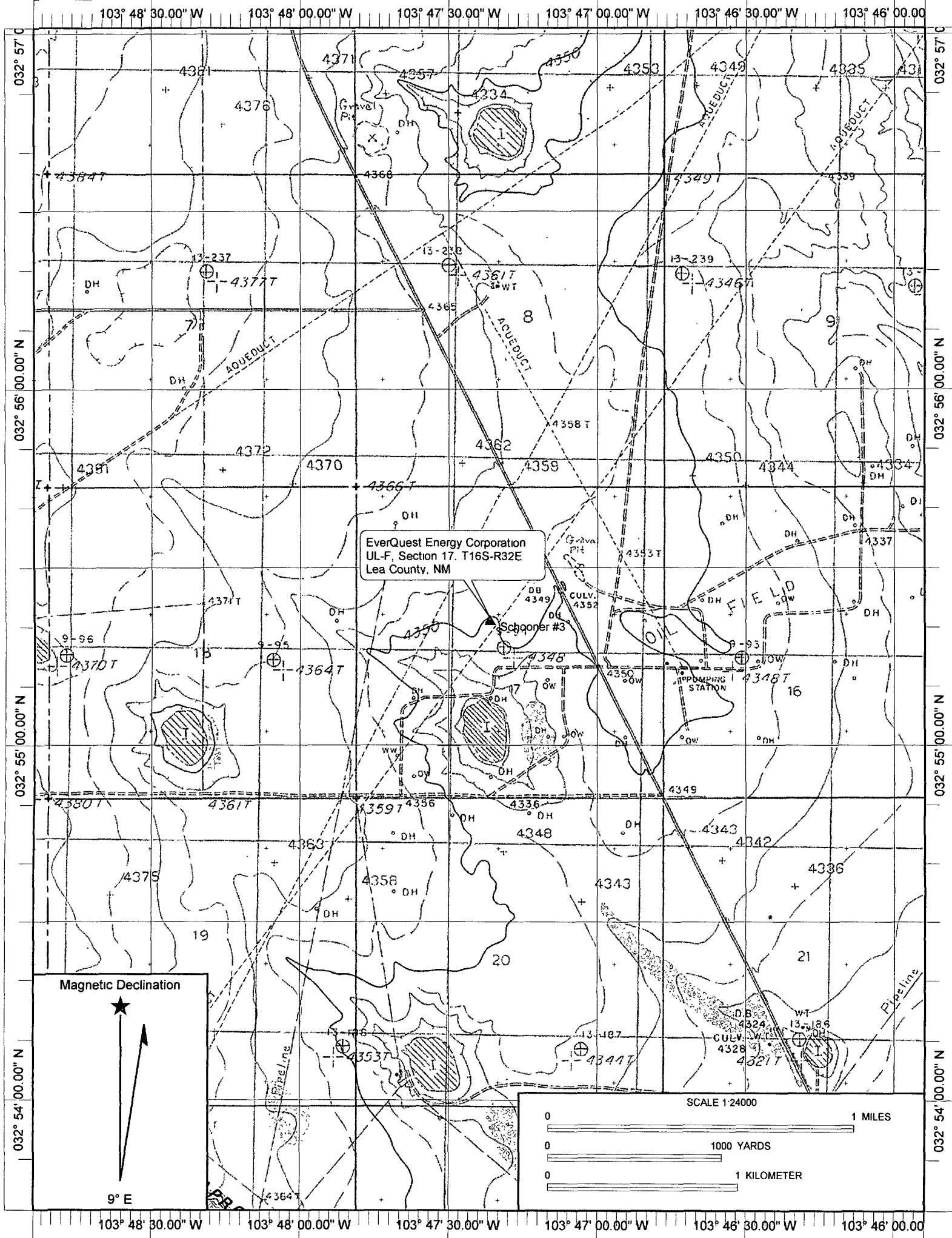
On the 7/9/08 a 20 ml cap was installed and 3' of clean backfill material was utilized to bring to grade (see site photos).

4.0 Closure Justification

This report documents successful remediation of the EverQuest Schooner #3 release site. Impacted soils within the affected areas were excavated to below acceptable MCL levels.

All stockpiled pit contents were buried in a totally encapsulated burial trench as per NMOCD protocol. The pit was covered with 3' of clean topsoil to grade as per NMOCD requirements.

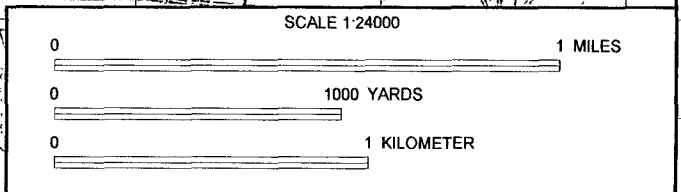
Based on the information and data presented in this report, Brian Environmental Services LLC, on behalf of EverQuest Corporation, requests that the New Mexico Oil Conservation Division require "NO FURTHER ACTION" at this site.



EverQuest Energy Corporation
UL-F, Section 17, T16S-R32E
Lea County, NM

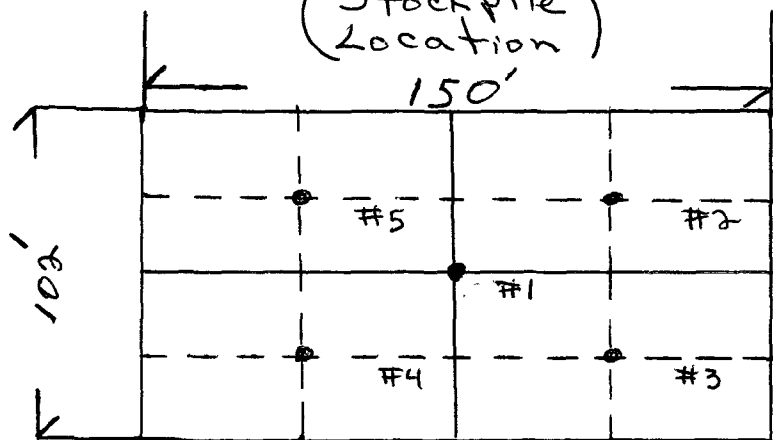
Magnetic Declination

9° E



Everquest - Schooner #3 - Site Sampling Map

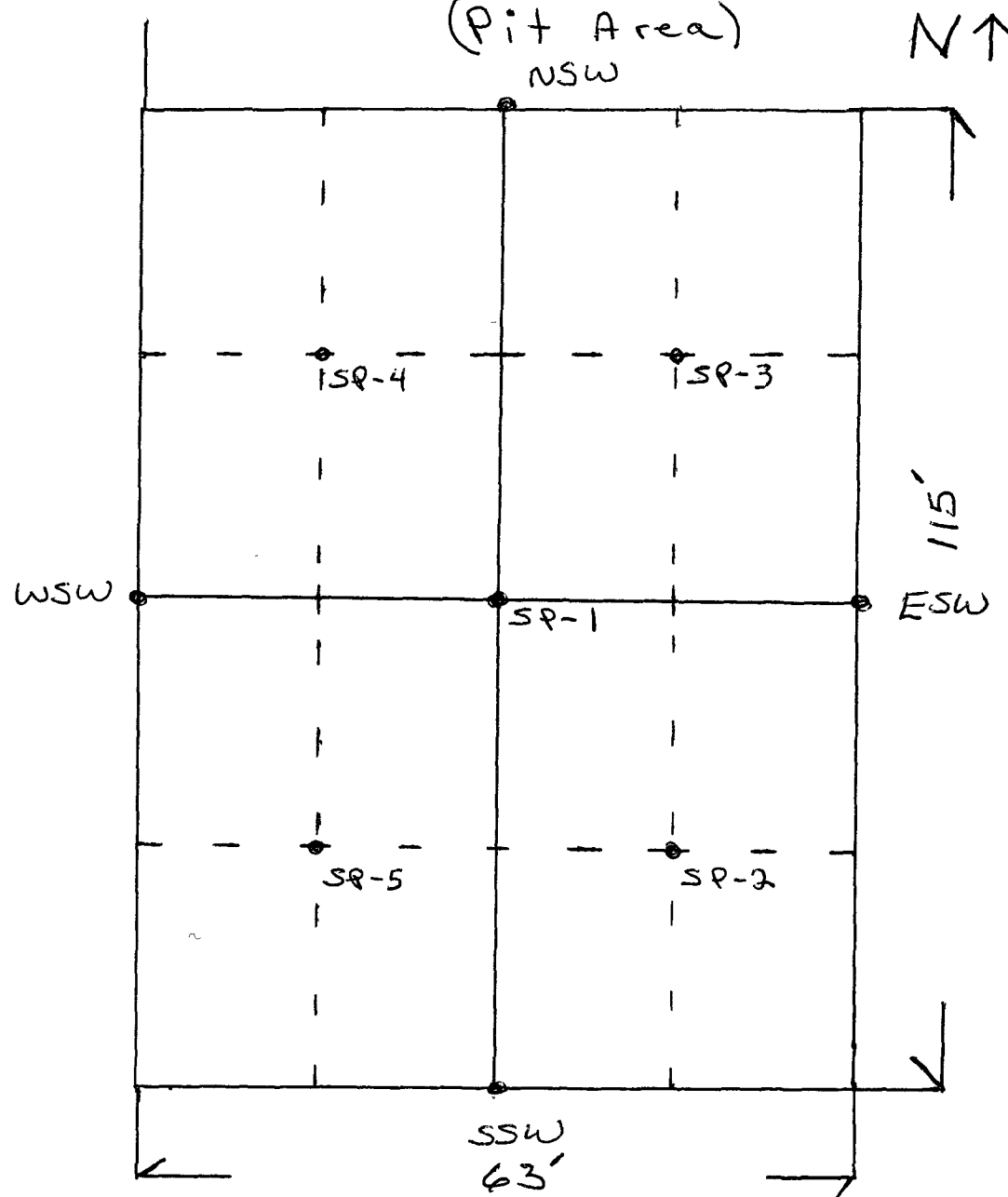
(Stockpile Location)
150'

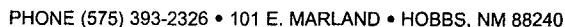


(Wellhead) ⊗

(Not to Scale)

(Pit Area)
NSW





Analysis Date: 06/13/08
Sampling Date: 06/12/08
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: KS

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/kg)
H14984-1	SP #1 - 6' BGS	25,200
H14984-2	SP #2 - 6' BGS	8,400
H14984-3	SP #3 - 6' BGS	2,120
H14984-4	SP #4 - 6' BGS	3,920
H14984-5	SP #5 - 6' BGS	672
H14984-6	NSW - 3' BGS	9,600
H14984-7	SSW - 3' BGS	17,600
H14984-8	ESW - 3' BGS	736
H14984-9	WSW - 3' BGS	8,200
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods

4500-CIB

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

Kristen Suprobo
Chemist

06/16/08
Date

H14984 BRIAN ENV.

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(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ____ of ____

Company Name: <u>Brim Env. Services, LLC</u>		BILL TO PO #:	
Project Manager: <u>J. Brim</u>		Company: <u>EverQuest Energy</u>	
Address: <u>622 W. Stiles RD</u>		Attn: <u>Terry Duffey</u>	
City: <u>Hobbs</u>	State: <u>NM</u> Zip: <u>88242</u>	Address: <u>P.O. Box 10079</u>	
Phone #: <u>575-370-6149</u>		City: <u>Midland</u>	
Fax #:		State: <u>TX</u> Zip: <u>79702</u>	
Project #: _____		Phone #: <u>432-686-9790</u>	
Project Name: <u>Schooner B State # 3</u>		Fax #: <u>432-682-3821</u>	
Project Location: <u>Lea County</u>			

ANALYSIS REQUEST

FOR LAB USE ONLY		LAB I.D.	Sample I.D.	(G)RAB OR (C)OMP. # CONTAINERS	MATRIX						PRES.		SAMPLING		DATE	TIME	
GROUNDWATER	WASTEWATER				SOIL	OIL	SLUDGE	OTHER:	ACID:	ICE / COOL	OTHER:						
H14984-1	SP#1-6' bgs													6/12/08	9:00 AM	X	
-2	SP#2-6' bgs														9:15 AM		
-3	SP#3-6' bgs														9:30 AM		
-4	SP#4-6' bgs														10:00 AM		
-5	SP#5-6' bgs														10:30		
-6	NSW-3' bgs														10:45 AM		
-7	SSW-3' bgs														11:00		
-8	ESW-3' bgs														11:30		
-9	USW-3' bgs																

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Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Relinquished By: <u>J. Brim</u>		Date: <u>6/12/08</u>	Received By: <u>U. Stiles</u>	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Additional Fax #: _____
Relinquished By:		Date:	Received By: (Lab Staff)	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Delivered By: (Circle One)		Sample Condition		CHECKED BY:	
<input checked="" type="checkbox"/> Sampler <input type="checkbox"/> UPS <input type="checkbox"/> Bus <input type="checkbox"/> Other:		Cool: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Intact: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		(Initials) <u>UCSB</u>	
REMARKS: <u>Call QB when done</u>					



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
BRIAN ENVIRONMENTAL SERVICES, LLC
ATTN: JERRY BRIAN/TERRY DUFFEY
622 W. STILES RD.
HOBBS, NM 88242
FAX TO : (432) 682-3821

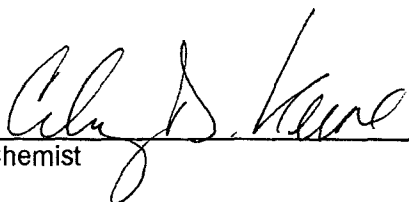
Receiving Date: 07/17/08
Reporting Date: 07/21/08
Project Owner: EVER QUEST
Project Name: SCHOONER B #3
Project Location: LEA COUNTY, NM

Sampling Date: 07/09/08
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: AB
Analyzed By: AB/KS

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (>C ₁₀ -C ₂₈) (mg/kg)	CI* (mg/kg)
ANALYSIS DATE		07/19/08	07/19/08	07/18/08
H15187-1	SP #1 - 10' BGS	<10.0	41.6	208
H15187-2	SP #2 - 13' BGS	<10.0	<10.0	2,560
H15187-3	SP #3 - 10' BGS	<10.0	<10.0	3,040
H15187-4	SP #4 - 10' BGS	<10.0	<10.0	3,200
H15187-5	SP #5 - 10' BGS	<10.0	<10.0	2,880
H15187-6	BACKFILL	<10.0	<10.0	400
H15187-7	WSW - 3' BGS	<10.0	<10.0	<16
H15187-8	ESW - 3' BGS	<10.0	<10.0	400
H15187-9	NSW - 3' BGS	<10.0	<10.0	768
H15187-10	SSW - 3' BGS	<10.0	<10.0	688
Quality Control		543	576	500
True Value QC		500	500	500
% Recovery		115	115	100
Relative Percent Difference		8.7	16.6	2.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Std. Methods 4500-C1B

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


Chemist

07/22/08
Date

H15187TCL BE

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ANALYTICAL RESULTS FOR
BRIAN ENVIRONMENTAL SERVICES, LLC
ATTN: JERRY BRIAN/TERRY DUFFEY
622 W. STILES RD.
HOBBS, NM 88242
FAX TO: (432) 682-3821

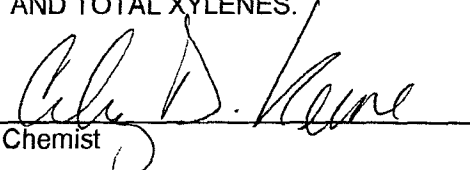
Receiving Date: 07/17/08
Reporting Date: 07/21/08
Project Owner: EVER QUEST
Project Name: SCHOONER B #3
Project Location: LEA COUNTY, NM

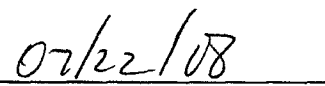
Sampling Date: 07/09/08
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: AB
Analyzed By: AB/KS

LAB NUMBER	SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE		07/20/08	07/20/08	07/20/08	07/20/08
H15187-1	SP #1 - 10' BGS	<0.005	<0.005	<0.005	<0.015
H15187-2	SP #2 - 13' BGS	<0.005	<0.005	<0.005	<0.015
H15187-3	SP #3 - 10' BGS	<0.005	<0.005	<0.005	<0.015
H15187-4	SP #4 - 10' BGS	<0.005	<0.005	<0.005	<0.015
H15187-5	SP #5 - 10' BGS	<0.005	<0.005	<0.005	<0.015
H15187-6	BACKFILL	<0.005	<0.005	<0.005	<0.015
H15187-7	WSW - 3' BGS	<0.005	<0.005	<0.005	<0.015
H15187-8	ESW - 3' BGS	<0.005	<0.005	<0.005	<0.015
H15187-9	NSW - 3' BGS	<0.005	<0.005	<0.005	<0.015
H15187-10	SSW - 3' BGS	<0.005	<0.005	<0.005	<0.015
Quality Control		0.086	0.103	0.105	0.312
True Value QC		0.100	0.100	0.100	0.300
% Recovery		86.3	103	105	104
Relative Percent Difference		8.2	0.2	0.9	0.7

METHOD: EPA SW-846 8021B

TEXAS NELAP CERTIFICATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE,
AND TOTAL XYLENES.


Chemist


Date

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(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ____ of ____

Company Name: <u>Brian Env. Services, LLC</u>		Project Manager: <u>J. Brian</u>		Address: <u>622 W Stiles Rd</u>		City: <u>Hobbs, NM</u> State: <u>NM</u> Zip: <u>88242</u>		Phone #: <u>390-6149</u>		Fax #: _____		Project #: <u>SchoonB #3</u> Project Owner: <u>Ever Quest</u>		Project Name: _____		Project Location: <u>Lea County</u>		BILL TO PO #:		Company: <u>Ever Quest</u>		Attn: <u>Terry Duffey</u>		Address: <u>PO Box 320 E</u>		City: <u>Midland</u>		State: <u>TX</u> Zip: <u>79705</u>		Phone #: <u>432-978-1126</u>		Fax #: <u>432-682-3821</u>	
FOR LAB USE ONLY		LAB I.D.		Sample I.D.		(GRAB OR COMPOUND)		# CONTAINERS		GROUNDWATER		WASTEWATER		SOIL		OIL		SLUDGE		OTHER:		ACID:		ICE / COOL		OTHER:		DATE		TIME			
H15187-1		SP#1 - 10 bgs		15		1		1																				7/9/08		7:00 AM			
-2		SP#2 - 13 bgs		15		1		1																				7/9/08		7:15 AM			
-3		SP#3 - 10 bgs		15		1		1																				7:30 AM					
-4		SP#4 - 10 bgs		15		1		1																				7:45 AM					
-5		SP#5 - 10 bgs		15		1		1																				8:00 AM					
-6		Backfill		15		1		1																				8:15 AM					
-7		WSW - 3 bgs		15		1		1																				8:20 AM					
-8		ESW - 3 bgs		15		1		1																				8:25 AM					
-9		NSW - 3 bgs		15		1		1																				8:30 AM					
-10		SSW - 3 bgs		15		1		1																				8:35 AM					

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 the client for the 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 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.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Relinquished: <u>J. Brian</u>		Date: <u>7/17/08</u>		Received By: <u>J.B.</u>		Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No		Additional Fax #: _____	
Relinquished By: _____		Time: <u>5:10 PM</u>		Received By: (Lab Staff) <u>J.B.</u>		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No		REMARKS:	
Delivered By: (Circle One)		Date: _____		Time: _____		Fax to Terry Duffey 432-682-3821		Call J.B. 390-6149	
Sampler - UPS - Bus - Other: _____		Sample Condition		CHECKED BY: (Initials)		u/Results <u>J.B.</u> 07/17/08			
		Cool Intact							
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							

† Cardinal cannot accept verbal changes. Please fax written changes to 915-673-7020.



Jerry Brian <jerry.r.brian@gmail.com>

EverQuest Schooner #3 Field Chloride Tests

3 messages

Jerry Brian <jerry.r.brian@gmail.com>

Thu, Aug 28, 2008 at 8:50 AM

To: Larry Johnson <larry.johnson@state.nm.us>

Cc: Larry Johnson <LWJ2177@hotmail.com>

Bcc: everquest <EverQuest@nts-online.net>

Mr. Johnson,

I conducted a 5 point sampling event in the stockpiled area of the original pit contents after all of the pit contents and the underlying caliche pad were transferred into the burial pit, as requested by you.

Samples were taken at 1', 3' and 5' bgs at each sampling points 1, 2, 3, 4, and 5.

Field chloride tests were conducted utilizing HACH Quantabs test strips.

The results are as follows:

SP1 1' bgs - 180 ppm
3' bgs - < 50 ppm
5' bgs - < 100 ppm

SP2 1' bgs - <50 ppm
3' bgs - <50 ppm
5' bgs - 372 ppm

SP3 1' bgs - 1572 ppm
3' bgs - 1180 ppm
5' bgs - 120 ppm

SP4 1' bgs - 372 ppm
3' bgs - <50 ppm
5' bgs - <50 ppm

SP5 1' bgs - 372 ppm
3' bgs - <50 ppm
5' bgs - <50 ppm

Since the depth to ground water is >150 feet and our NMOCD approved chloride risk based closure MCL was 5000 ppm, is no further action acceptable to you at this area?

Please advise.

Thanks,
JB

Brian Environmental Services, LLC
622 W. Stiles Rd
Hobbs, NM 88242
575-390-6149

L W Johnson <lwj2177@hotmail.com>

Thu, Aug 28, 2008 at 9:02 AM

To: Jerry Brian <jerry.r.brian@gmail.com>

Closure approved LJ

Date: Thu, 28 Aug 2008 09:50:11 -0600
From: jerry.r.brian@gmail.com
To: larry.johnson@state.nm.us
Subject: EverQuest Schooner #3 Field Chloride Tests
CC: LWJ2177@hotmail.com

[Quoted text hidden]

See what people are saying about Windows Live. Check out featured posts. [Check It Out!](#)

Jerry Brian <jerry.r.brian@gmail.com>
To: everquest <EverQuest@nts-online.net>

Tue, Sep 2, 2008 at 5:28 AM

Hi Terry,

I met with Larry Johnson on the 8/27/08 and discussed the Schooner #3 in depth.

I was able to obtain approval for closure without doing any additional work.

I am currently in the process of doing a closure document to be submitted to NMOCD.

I mailed my invoices to you a few days ago. You should be receiving them soon.

I will be sending you some pictures of the Schooner #3.

Thanks,
JB

[Quoted text hidden]

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 – EverQuest Energy Corporation	Contact – Terry Duffey	
Address – 10 Desta Drive, Suite 300-E, Midland, TX 79705	Telephone No. – 432-686-9790	
Facility Name – Schooner B # 3	Facility Type – Producing Well	
Surface Owner – State of New Mexico	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter F	Section 17	Township 16S	Range 32E	Feet from the	North/South Line	Feet from the	East/West Line	County Lea
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Latitude - 32.922506 N Longitude - 103.789272 W

NATURE OF RELEASE

Type of Release - Drilling Fluids	Volume of Release	Volume Recovered
Source of Release – Compromised Pit Liner	Date and Hour of Occurrence unknown	Date and Hour of Discovery 6/11/08 7:30 AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
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.*

6/10/08 - Equipment moved on location to finish removing pit contents from the pit area. Surface field chloride tests run in excavated pit area on bottom and sidewalls

Describe Area Affected and Cleanup Action Taken.*

RP# 1883-
6/12/08 - Excavated area beneath the liner was initially delineated with a backhoe, and samples taken to Cardinal Labs. A trackhoe will be utilized to finish vertical delineation. Impacted material will be removed to an agreed upon MCL for a risk based closure. Excavated impacted material will be hauled off to an NMOCD approved disposal facility.
A 12 ml liner will be installed and original drilling pit material will be buried in place, capped with a 20 ml liner, and covered with 3' of backfill material to grade.

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: *J. Brian* - Acting Agent on behalf of EverQuest Energy

Printed Name: Jerry Brian

Title: Authorized Agent

E-mail Address: jrbrian@everquest.net

Date: 6/24/08 Phone: 390-6149

OIL CONSERVATION DIVISION

Approved by District Supervisor: *J. Johnson*
ENVIRONMENTAL ENGINEER

Approval Date: 6.24.08 Expiration Date: 8.24.08

Conditions of Approval:

CLEAN TO C5K - SUBMIT

Attached ☐

1 RP# 1883

FINAL w/DOCUMENTATION BY