



RECEIVED

JUN 20 2006

WU-ANTECOM

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

June 18, 2006

Mr. Van Barton
NMOCD
1301 W. Grand Ave.
Artesia, NM 88210

RE: Chesapeake Operating, Inc. – Teledyne 20 Well #002 – Final C-144

Dear Mr. Barton:

Please find attached a copy of the final C-144 for the Chesapeake Operating, Inc. Teledyne 20 Well #002 along with analytical results.

As described on the C-144, the reserve pit contents were buried utilizing a shallow lined burial trench per our previous discussion. Please note this well is located in the salt lake northeast of Loving, NM and south of Hwy. 31.

Please let me know if you have any questions.

Sincerely,

Cliff P. Brunson, CEI, CRS
President

CPB/jg

cc: Brad Blevins – Chesapeake, Hobbs, NM
Shay Stricklin – Chesapeake, Midland, TX

Approval granted by Van

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

Form C-144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

Operator: <u>CHESAPEAKE OPERATING, INC.</u> Telephone: <u>432-687-2992</u> e-mail address: <u>SSTRICKLAN@CHKENERGY.CO</u>		
Address: <u>P. O. BOX 11050 MIDLAND, TEXAS 79702-8050</u>		
Facility or well name: <u>TELEDYNE 20 WELL#002</u>	API #: <u>30-015-32987</u>	U/L or Qtr/Qtr <u>F</u> Sec <u>20</u> T <u>23S</u> R <u>29E</u>
County: <u>EDDY</u>	Latitude _____	Longitude _____ NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/>
Surface Owner: Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input checked="" type="checkbox"/> Indian <input type="checkbox"/>		
Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>12,139</u> bbl	Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____ <div style="text-align: right;">RECEIVED JUN 20 2006 UDD-ART-1001</div>	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) <u>100' TO FRESH WATER</u>	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (0 points) 0
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes No	(20 points) (0 points) 0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points) 0
Ranking Score (Total Points)		0

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☒ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☒ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: <u>A SHALLOW DEEP BURIAL TRENCH WAS EXCAVATED TO A DEPTH OF 4 FEET NEXT TO THE PIT. THE TRENCH WAS LINED WITH A 20 MIL SYNTHETIC LINER. THE PIT CONTENTS WERE THEN PLACED INTO THE LINED TRENCH. THE SIDES OF THE TRENCH WERE FOLDED OVER THE CONTENTS AND A TOP COVER OF 20 MIL SYNTHETIC LINER WAS SEWED IN PLACE. THREE FEET OF TOP SOIL WAS PLACED ON TOP OF THE LINED TRENCH AND COMPACTED. THE ORIGINAL PIT WAS BACKFILLED WITH CLEAN SOIL, COMPACTED, AND LEVELLED TO GRADE. CONFIRMATION SAMPLES WERE TAKEN FROM THE EXCAVATED PIT PRIOR TO BACKFILLING AND ARE ATTACHED. THE PIT CLOSURE WAS STARTED ON MAY 30, 2006 AND COMPLETED ON JUNE 2, 2006.</u>
--

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 6/18/06

CLIFF BRUNSON, PRESIDENT, BBC INTL.

Printed Name/Title _____ Signature Cliff P. Brunson FOR CHESAPEAKE OPERATING, INC. _____

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or

Approval: Gerry Guye
Printed Name/Title Deputy Field Inspector
District II - Artesia Signature Gerry Guye Date: JUN 28 2006



PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

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: 05/31/06
Reporting Date: 06/01/06
Project Owner: NOT GIVEN
Project Name: TELEDYNE 20 WELL #2
Project Location: LOVING, NM

Analysis Date: 06/01/06
Sampling Date: 05/30/06
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AB
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H11174-1	PIT BOTTOM	< 16
Quality Control		990
True Value QC		1000
% Recovery		99
Relative Percent Difference		0.0

METHOD: Standard Methods

4500-CI-B

NOTE: Analysis performed on a 1:4 w:v aqueous extract.

~~Chemist~~

Date _____

H11174

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.