SITE INFORMATION

Type of Report: Work Plan

Report Date: January 26, 2006

Site:	**William 14 Federal #1**
Company:	**Chesapeake Energy Corporation**
Section, Township and Range	**Section 14, T15S, R35E**
Unit Letter:	**E**
Lease Number - API #:	**30-025-36514**
County:	**Lea**
GPS:	**33° 01' 10.5", 103° 23' 04.3"**
Surface Owner:	Private
Mineral Owner:	Federal
Directions:	From intersection of 82 and Ave D (loop road), west of Lovington NM., go 1.5 miles north
	on loop road to T, turn right (east) and go 0.9 miles on Gum Street, turn left (north) on
	3rd street and go 2.9 miles, turn left (west) on Stansell road and go 4.9 miles, turn right
	(north) into lease road, go through gate and go 0.6 miles to tank battery

Date Released:	New Drill Well
Type Release:	produce water
Source of Contamination:	reserve pit
Fluid Released:	unknown
Fluids Recovered:	-

Name:	**Brad Blevins**	**Jace Marshall**	Ike Tavarez
Company:	**Chesapeake Energy Corporation**	**Chesapeake Energy Corporation**	Highlander Environmental Corp.
Address:	**5014 Carlsbad Hwy. Hobbs, NM 88240**	**6100 N. Western Ave.**	1910 N. Big Spring
P.O. Box			
City:	**Midland Texas, 79701**	**Oklahoma City, OK 73118**	Midland, Texas
Phone number:	**(505) 391-1462**	**(405) 767-4530**	(432) 682- 4559
Fax:	**(505) 391-6679**	**(405) 879-9583**	
Email:	**bblevins@chkenergy.com**	**jmarshall2@chkenergy.com**	itavarez@hec-enviro.com

Depth to Groundwater:	***Ranking Score***	***Site Data***
<50 ft	**20**	<50'
50-99 ft	10	
>100 ft.	0	

WellHead Protection:	***Ranking Score***	***Site Data***
Water Source <1,000 ft., Private <200 ft.	*20*	*None*
Water Source >1,000 ft., Private >200 ft.	***0***	*None*

Surface Body of Water:	***Ranking Score***	***Site Data***
<200 ft.	*20*	*None*
200 ft - 1,000 ft.	10	*None*
>1,000 ft.	**0**	*None*

Total Ranking Score:	**20**

Benzene	*Total BTEX*	*TPH*
10	50	100

Highlander Environmental Corp.

Midland, Texas

January 26, 2006

Mr. Larry Johnson
Environmental Engineer Specialist
Oil Conservation Division- District I
1625 N. French Drive
Hobbs, New Mexico 88240

Re: Revised Work Plan for the Installation of Monitor Wells for Chesapeake Energy Corporation, William 14 Federal #1 (Reserve Pit), Located in Unit Letter E, Section 14, Township 15 South, Range 35 East, Lea County New Mexico.

Dear Mr. Johnson:

A Work Plan for the installation of monitor wells at this site was previously submitted to the New Mexico Oil Conservation Division (NMOCD) dated January 3, 2006. This revised work plan is submitted to address the NMOCD response to the original work plan.

Highlander Environmental Corp. (Highlander) was contacted by Chesapeake Energy Corporation (Chesapeake) to investigate an open reserve pit at the William 14 Federal #1 well in Lea County, New Mexico (Site), located in Unit Letter E, Section 14, Township 15 South, Range 35 East. The Site is shown on Figure 1.

Previous Reporting and Correspondence

An assessment report titled, "Subsurface Investigation for the Chesapeake Energy Corporation, William 14 Federal #1 (Reserve Pit), Located in Unit Letter E, Section 14, Township 15 South, Range 35 East, Lea County New Mexico, dated October 28, 2005, was submitted to the NMOCD. After review, the NMOCD responded in a letter, dated November 16, 2005, requiring that Chesapeake demonstrate the groundwater is or is not impacted. To assess the groundwater, a minimum of three (3) monitor wells were requested by the NMOCD. The response letter is enclosed in Appendix A.

Regulatory and Groundwater

According to New Mexico Office of the State Engineer well reports, one well is located in Section 14 with an average depth to groundwater of 48' below surface. A well in Section 13 shows an average groundwater depth of 57' below surface. A risk-based evaluation was performed for the Site in accordance with the NMOCD Guidelines for Remediation of Leaks, Spills and Releases,

RP#1192

dated August 13, 1993. The guidelines require a risk-based evaluation of the site to determine recommended remedial action levels (RRAL) for benzene, toluene, ethylbenzene and xylene (collectively referred to as BTEX) and total petroleum hydrocarbons (TPH) in soil. The proposed RRAL for benzene was determined to be 10 parts per million (ppm) or milligrams per kilogram (mg/kg) and 50 ppm for total BTEX (sum of benzene, toluene, ethylbenzene and xylene). Based on the regional groundwater data, the proposed RRAL for TPH is 100 mg/kg.

Previous Soil Assessment

On August 10 and 11, 2005, Highlander supervised the installation of six (6) boreholes in the reserve pit. An air rotary drilling rig was used to collect soil samples. Samples were taken in five (5) foot intervals and inspected for lithologic characteristics. The boreholes were advanced to a depth of (40) feet below pit bottom. Boreholes BH-1, BH-2 and BH-3, installed in the bottom of the reserve pit did not vertically define the chloride impact at the Site. The impacted soils are near groundwater depth, which is estimated at 48' below surface.

Work Plan

According to regional topography, the groundwater gradient appears be in a northwest to south-southeast direction. At your direction, one temporary monitor well (TMW), and potentially three (3) permanent monitor wells (MW) and will be installed to evaluate the groundwater qualities. Initially, the temporary monitor well will be installed inside the reserve pit, in the vicinity of the highest residual chloride impact to subsurface soils. Based upon soil boring results, the TMW will be placed in the vicinity of BH-3. Once the monitor well has been completed and sampled, the potential groundwater impact will be assessed to see if the installation of the three permanent monitor wells is warranted.

Highlander will supervise the installation of the monitor well(s) at the Site. The proposed well locations are shown on Figure 2. The monitor well(s) will be drilled using air/water rotary drilling or hollow stem techniques, and constructed using two (2) inch diameter schedule 40 PVC threaded casing and factory slotted screen. The well(s) will be constructed with approximately twenty (20) feet of well screen. The well(s) will be drilled to depths of approximately 60 to 65 feet below ground surface (BGS), and the well screen will be installed with about five (5) feet of screen above and fifteen (15) feet below the groundwater. The well screen(s) will be surrounded with a graded silica sand to a depth approximately 2 feet above the screen.

If permanent monitor wells are installed, a layer of bentonite pellets, approximately 2-3 feet thick, will be placed in the borehole above the sand. The remainder of the borehole will be filled with cement and bentonite grout to about one (1) foot below ground. The wells will be secured with locking steel protectors anchored in a concrete pad measuring approximately 3 feet by 3 feet. After completion, each well will be surveyed and gauged to establish a Site groundwater gradient.

Following installation, the well(s) will be developed by bailing with a hand bailer, or pumped with an electric submersible pump to remove fine grained sediment disturbed during drilling. Water removed from the well(s) will be placed in appropriate containers (i.e., 55-gallon drums, portable tank, etc.) and retained at the Site until disposal is arranged. Prior to sampling, a minimum of 3

casing volumes will be purged from each well. Groundwater samples will be collected following well development and analyzed for BTEX, anions, cations, and total dissolved solids (TDS). The samples will be delivered to the laboratory under chain of custody control.

Upon receipt of analytical data from the laboratory, Highlander will prepare a report/work plan that discusses the field investigations and, if warranted, a work plan for any additional delineation or closure activities for the Site. If you require any additional information, or have any comments concerning the work plan, please call.

Respectfully submitted,
Highlander Environmental Corp.

Ike Tavarez by mp

Ike Tavarez, P.G.
Project Manager/Senior Geologist

cc: Brad Blevins – Chesapeake
Jace Marshall - Chesapeake

Bradley Blevins

From: Ike T [itavarez@hec-enviro.com]
Sent: Monday, May 08, 2006 8:25 AM
To: Johnson, Larry
Cc: Bradley Blevins
Subject: FW: Chesapeake William 14 Fed. #1
Attachments: 6c31019.pdf

Larry,

According to Chesapeake personnel, we are currently waiting for a response from the NMOCD in Santa Fe, New Mexico. Please check on the status of the project and let me know if you need additional information, Thanks.

HIGHLANDER ENVIRONMENTAL CORP.
Ike Tavarez, PG
Senior Geologist

-----Original Message-----
From: Ike T [mailto:itavarez@hec-enviro.com]
Sent: Thursday, April 13, 2006 11:34 AM
To: Johnson, Larry
Subject: FW: Chesapeake William 14 Fed. #1

Chesapeake Energy Corporation, William 14 Federal #1 (Reserve Pit), Located in Unit Letter E, Section 14, Township 15 South, Range 35 East, Lea County New Mexico.

Larry,

On March 29, 2006, Highlander installed a temporary well (TMW-1) in the bottom of the reserve pit at the William 14 Federal #1 (reserve pit). Once completed, the depth to water was collected and showed a depth of 46.50' TOC. The well was then purged and sampled for Chloride, TDS and BTEX analyses. The analytical reports are attached for your review. The TMW-1 results show a chloride concentration of 181 mg/l and BTEX concentrations below the reporting limit. We have not pulled and plugged the temporary well. We would like to plug the well as soon as possible if no additional samples are needed. Once plugged, Chesapeake would like to address the impacted soil in the reserve pit. Please call me if you have any questions, Thanks.

Highlander Environmental Corp.
Ike Tavarez, PG
Senior Geologist

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Table 1
Chesapeake/Williams 14 Federal #1
Lea County, New Mexico

Chloride Analysis: Boreholes Soil Samples
Sampled on 8/10/05 and 8/11/05
Concentrations in mg/kg

Depth (ft)	BH-1	BH-2	BH-3	BH-4	BH-5	BH-6
0-1	2260	4540	775	3430	4410	832
5-6	3360	794	336	7060	8890	841
10-11	4620	2530	524	1970	6510	429
15-16	3100	1060	451	1620	3550	113
20-21	1110	529	561	44.5	2360	14.3
25-26	1220	795	691	14.8	2090	8.76
30-31	797	603	1010	12.3	901	12.1
35-36	788	1220	2310	12.4	197	57.9
40-41	1790	1770	5010	12.1	60.2	11.1

Sample ID	Sample Date	Chloride (mg/kg)
Stockpile #1 (north)	8/11/2005	19.3
Stockpile #2 (south)	8/11/2005	21.9

ENVIRONMENTAL LAB OF

12600 West I-20 East - Odessa, Texas 79765

Water
DATA
William 14

rtical Report

Prepared for:

Ike Tavarez

ler Environmental Corp.

0 N. Big Spring St.

idland, TX 79705

Project: Chesapeake/ William 14 Fed #1

Project Number: 2413

Location: Lea Co., NM

Lab Order Number: 6C31019

Report Date: 04/07/06

Highlander Environmental Corp.	Project: Chesapeake/ William 14 Fed #1	Fax: (432) 682-3946
1910 N. Big Spring St.	Project Number: 2413	**Reported:**
Midland TX, 79705	Project Manager: Ike Tavarez	04/07/06 08:23

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
TMW-1	6C31019-01	Water	03/29/06 14:45	03/31/06 15:30

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Highlander Environmental Corp.	Project: Chesapeake/ William 14 Fed #1	Fax: (432) 682-3946
1910 N. Big Spring St.	Project Number: 2413	**Reported:**
Midland TX, 79705	Project Manager: Ike Tavarez	04/07/06 08:23

Organics by GC

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
TMW-1 (6C31019-01) Water									
Benzene	ND	0.00100	mg/L	1	ED60506	04/05/06	04/05/06	EPA 8021B	
Toluene	ND	0.00100	"	"	"	"	"	"	
Ethylbenzene	ND	0.00100	"	"	"	"	"	"	
Xylene (p/m)	ND	0.00100	"	"	"	"	"	"	
Xylene (o)	ND	0.00100	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		*92.0 %*		*80-120*	"	"	"	"	
Surrogate: 4-Bromofluorobenzene		*88.2 %*		*80-120*	"	"	"	"	

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Highlander Environmental Corp.	Project: Chesapeake/ William 14 Fed #1	Fax: (432) 682-3946
1910 N. Big Spring St.	Project Number: 2413	**Reported:**
Midland TX, 79705	Project Manager: Ike Tavarez	04/07/06 08:23

General Chemistry Parameters by EPA / Standard Methods

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
TMW-1 (6C31019-01) Water									
Chloride	**181**	5.00	mg/L	10	ED60306	03/31/06	04/03/06	EPA 300.0	
Total Dissolved Solids	**790**	5.00	"	1	ED60317	04/03/06	04/04/06	EPA 160.1	

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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
Batch ED60506 - EPA 5030C (GC)										
Blank (ED60506-BLK1)				Prepared & Analyzed: 04/05/06						
Benzene	ND	0.00100	mg/L							
Toluene	ND	0.00100	"							
Ethylbenzene	ND	0.00100	"							
Xylene (p/m)	ND	0.00100	"							
Xylene (o)	ND	0.00100	"							
Surrogate: a,a,a-Trifluorotoluene	*36.0*		*ug/l*	*40.0*		*90.0*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*33.8*		*"*	*40.0*		*84.5*	*80-120*			
LCS (ED60506-BS1)				Prepared & Analyzed: 04/05/06						
Benzene	0.0400	0.00100	mg/L	0.0500		80.0	80-120			
Toluene	0.0401	0.00100	"	0.0500		80.2	80-120			
Ethylbenzene	0.0542	0.00100	"	0.0500		108	80-120			
Xylene (p/m)	0.0934	0.00100	"	0.100		93.4	80-120			
Xylene (o)	0.0445	0.00100	"	0.0500		89.0	80-120			
Surrogate: a,a,a-Trifluorotoluene	*37.8*		*ug/l*	*40.0*		*94.5*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*33.3*		*"*	*40.0*		*83.2*	*80-120*			
Calibration Check (ED60506-CCV1)				Prepared: 04/05/06 Analyzed: 04/06/06						
Benzene	40.9		ug/l	50.0		81.8	80-120			
Toluene	40.2		"	50.0		80.4	80-120			
Ethylbenzene	53.8		"	50.0		108	80-120			
Xylene (p/m)	92.5		"	100		92.5	80-120			
Xylene (o)	44.3		"	50.0		88.6	80-120			
Surrogate: a,a,a-Trifluorotoluene	*39.2*		*"*	*40.0*		*98.0*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*39.7*		*"*	*40.0*		*99.2*	*80-120*			
Matrix Spike (ED60506-MS1)	**Source: 6D05001-05**			Prepared: 04/05/06 Analyzed: 04/06/06						
Benzene	0.0423	0.00100	mg/L	0.0500	ND	84.6	80-120			
Toluene	0.0400	0.00100	"	0.0500	ND	80.0	80-120			
Ethylbenzene	0.0528	0.00100	"	0.0500	ND	106	80-120			
Xylene (p/m)	0.0907	0.00100	"	0.100	ND	90.7	80-120			
Xylene (o)	0.0432	0.00100	"	0.0500	ND	86.4	80-120			
Surrogate: a,a,a-Trifluorotoluene	*33.9*		*ug/l*	*40.0*		*84.8*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*34.4*		*"*	*40.0*		*86.0*	*80-120*			

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
Batch ED60506 - EPA 5030C (GC)										
Matrix Spike Dup (ED60506-MSD1)	**Source: 6D05001-05**			Prepared: 04/05/06 Analyzed: 04/06/06						
Benzene	0.0418	0.00100	mg/L	0.0500	ND	83.6	80-120	1.19	20	
Toluene	0.0416	0.00100	"	0.0500	ND	83.2	80-120	3.92	20	
Ethylbenzene	0.0563	0.00100	"	0.0500	ND	113	80-120	6.39	20	
Xylene (p/m)	0.0966	0.00100	"	0.100	ND	96.6	80-120	6.30	20	
Xylene (o)	0.0459	0.00100	"	0.0500	ND	91.8	80-120	6.06	20	
Surrogate: a,a,a-Trifluorotoluene	*41.2*		*ug/l*	*40.0*		*103*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*36.6*		*"*	*40.0*		*91.5*	*80-120*			

Highlander Environmental Corp.	Project: Chesapeake/ William 14 Fed #1	Fax: (432) 682-3946
1910 N. Big Spring St.	Project Number: 2413	**Reported:**
Midland TX, 79705	Project Manager: Ike Tavarez	04/07/06 08:23

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 ED60306 - General Preparation (WetChem)										
Blank (ED60306-BLK1)				Prepared & Analyzed: 04/03/06						
Chloride	ND	0.500	mg/L							
LCS (ED60306-BS1)				Prepared & Analyzed: 04/03/06						
Chloride	8.69		mg/L	10.0		86.9	80-120			
Calibration Check (ED60306-CCV1)				Prepared & Analyzed: 04/03/06						
Chloride	9.04		mg/L	10.0		90.4	80-120			
Duplicate (ED60306-DUP1)		**Source: 6C29006-01**		Prepared & Analyzed: 04/03/06						
Chloride	570	10.0	mg/L		564			1.06	20	
Batch ED60317 - General Preparation (WetChem)										
Blank (ED60317-BLK1)				Prepared: 04/03/06 Analyzed: 04/04/06						
Total Dissolved Solids	ND	5.00	mg/L							
Duplicate (ED60317-DUP1)		**Source: 6C30012-01**		Prepared: 04/03/06 Analyzed: 04/04/06						
Total Dissolved Solids	662	5.00	mg/L		644			2.76	5	

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Notes and Definitions

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: Raland K Tuttle Date: 4/7/2006

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.

Analysis Request and Chain of Custody Record

PAGE: 1 OF: 1

HIGHLANDER ENVIRONMENTAL CORP.

1910 N. Big Spring St.
Midland, Texas 79705

(432) 682-4559 Fax (432) 682-3946

CLIENT NAME: Chesapeake
SITE MANAGER: IKE Tavarez

PROJECT NO.: 2413
PROJECT NAME: Chesapeake / Williams 14 Fed. #1
Lea Co. NM.

LAB I.D. NUMBER	DATE	TIME	MATRIX	COMP.	GRAB	SAMPLE IDENTIFICATION	NUMBER OF CONTAINERS	FILTERED (Y/N)	PRESERVATIVE METHOD: HCL	HNO3	ICE	NONE	ANALYSIS REQUEST (Circle or Specify Method No.): BTEX 8020/602	MTBE 8020/602	TPH 418.1 8015 MOD. TX1005	PAH 8270	RCRA Metals Ag As Ba Cd Cr Pb Hg Se	TCLP Metals Ag As Ba Cd Cr Pd Hg Se	TCLP Volatiles	TCLP Semi Volatiles	RCI	GC/MS Vol. 8240/8260/624	GC/MS Semi. Vol. 8270/625	PCB's 8080/608	Pest. 608/608	600, TDS, pH, TDS, Chloride	Gamma Spec.	Alpha Beta (Air)	PLM (Asbestos)
LC31019																													
-01	3/29/06	2:45 pm	W		G	TMW-1	3						X													X			

RELINQUISHED BY: (Signature) — Date: 3/30/06 Time: 3:30 pm — RECEIVED BY: (Signature) — Date: — Time:
SAMPLED BY: (Print & Sign) IKE Tavarez — Date: — Time:

RELINQUISHED BY: (Signature) — Date: — Time: — RECEIVED BY: (Signature) — Date: — Time:
SAMPLE SHIPPED BY: (Circle) FEDEX BUS AIRBILL #: HAND DELIVERED UPS OTHER:

RELINQUISHED BY: (Signature) — Date: — Time: — RECEIVED BY: (Signature) — Date: — Time:

RECEIVING LABORATORY: ECT
ADDRESS:
CITY: STATE: ZIP:
CONTACT: PHONE:

RECEIVED BY: (Signature) Jeanne McMurry
DATE: 03-31-06 TIME: 1530

HIGHLANDER CONTACT PERSON: IKE Tavarez

Results by:
RUSH Charges Authorized: Yes No

SAMPLE CONDITION WHEN RECEIVED: 4.0C — 1 L HDPE, 3 - 40ml glass w/ HCl

MATRIX: W-Water A-Air SD-Solid S-Soil SL-Sludge O-Other

REMARKS:

Please Fill out all copies - Laboratory retains yellow copy - Return original copy to Highlander Environmental Corp. - Project Manager retains pink copy - Accounting receives Gold copy.

Environmental Lab of Texas
Variance / Corrective Action Report – Sample Log-In

Client: Highlander Env.

Date/Time: 03-31-06 @ 1530

Order #: 6C31019

Initials: JMM

Sample Receipt Checklist

Temperature of container/cooler?	(Yes)	No	4.0 C
Shipping container/cooler in good condition?	Yes	No	N/A
Custody Seals intact on shipping container/cooler?	Yes	No	Not present N/A
Custody Seals intact on sample bottles?	Yes	No	(Not present)
Chain of custody present?	(Yes)	No	
Sample Instructions complete on Chain of Custody?	(Yes)	No	
Chain of Custody signed when relinquished and received?	(Yes)	No	
Chain of custody agrees with sample label(s)	(Yes)	No	
Container labels legible and intact?	(Yes)	No	
Sample Matrix and properties same as on chain of custody?	(Yes)	No	
Samples in proper container/bottle?	(Yes)	No	
Samples prooerly preserved?	(Yes)	No	
Sample bottles intact?	(Yes)	No	
Preservations documented on Chain of Custody?	(Yes)	No	
Containers documented on Chain of Custody?	(Yes)	No	
Sufficient sample amount for indicated test?	(Yes)	No	
All samples received within sufficient hold time?	(Yes)	No	
VOC samples have zero headspace?	(Yes)	No	Not Applicable

Hand delivered By Samper

Other observations:

_____

_____

_____

Variance Documentation:

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

Regarding:

_____

_____

_____

Corrective Action Taken:

_____

_____

_____

_____

_____

_____

_____

_____

Figures

Figure 1: Lea County Topo Map
Figure 2: Plat, Proposed Monitor Well Locations

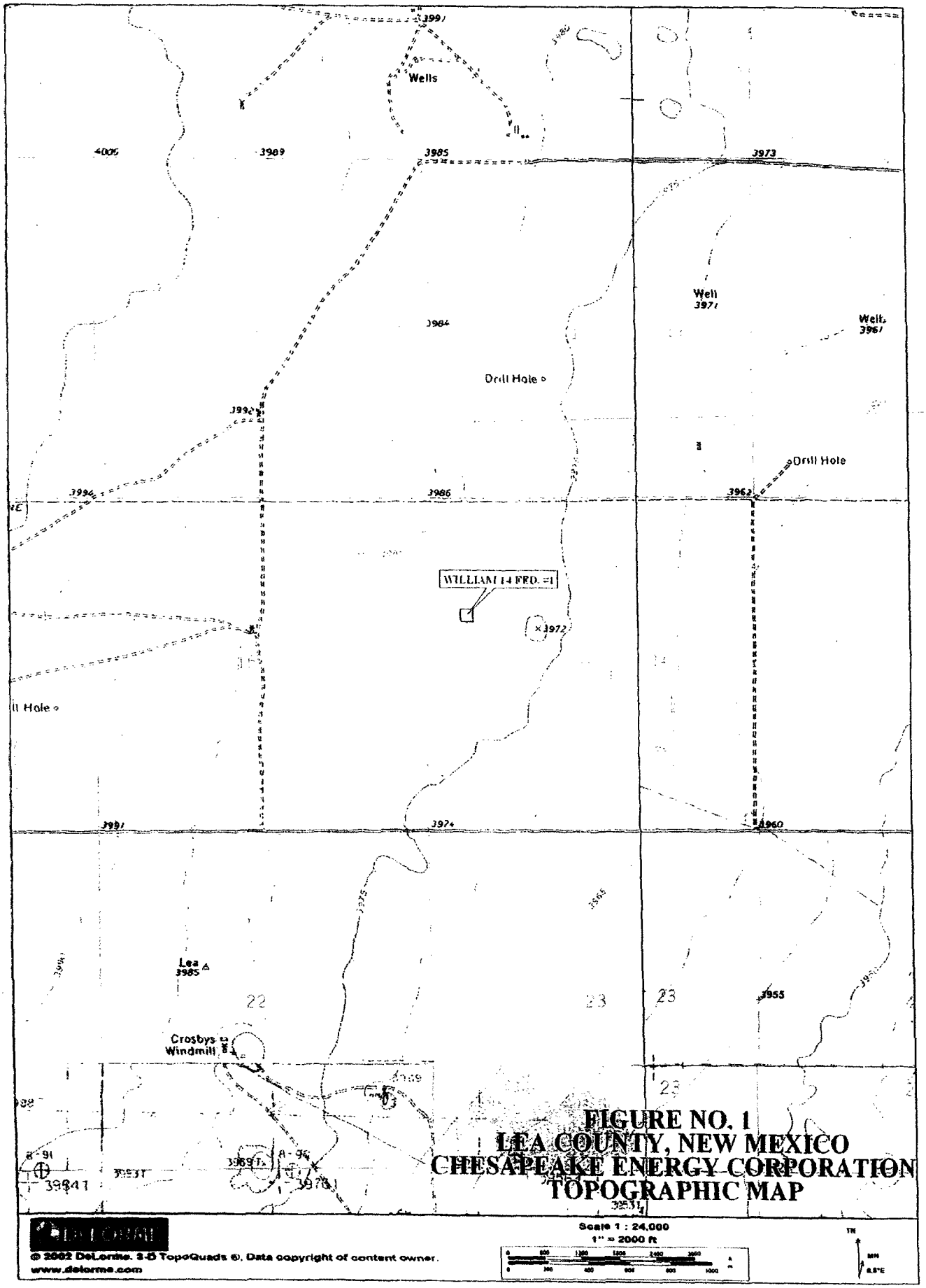

FIGURE NO. 1
LEA COUNTY, NEW MEXICO
CHESAPEAKE ENERGY CORPORATION
TOPOGRAPHIC MAP

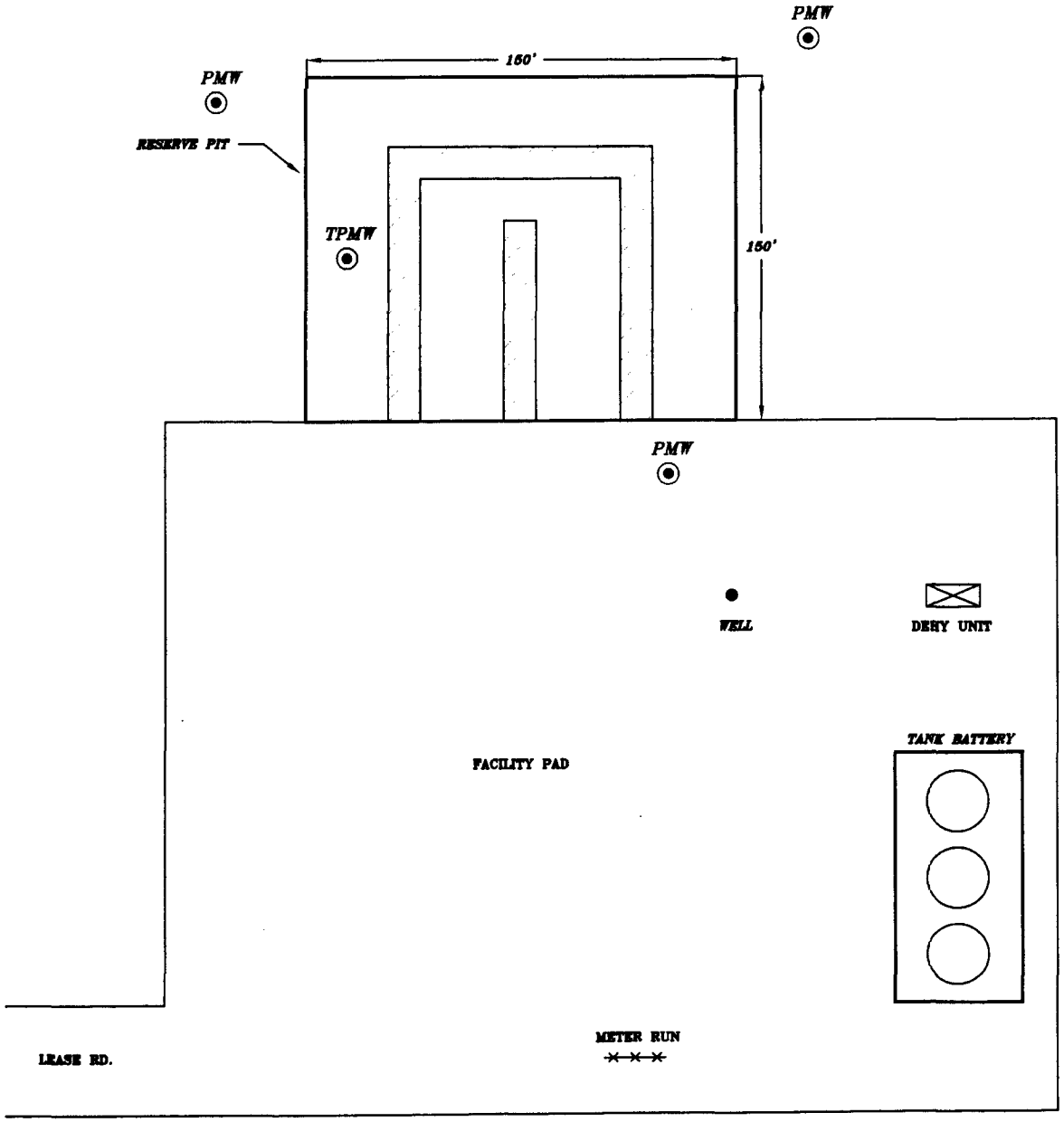

FIGURE NO. 2

LEA COUNTY, NEW MEXICO

CHESAPEAKE ENERGY CORPORATION
WILLIAM 14 FEDERAL #1
PROPOSED MONITOR WELL LOCATIONS

HIGHLANDER ENVIRONMENTAL CORP.
MIDLAND, TEXAS

DATE: 1/3/06
DWN. BY: JJ
FILE: C:\CHESAPEAKE\3413\WILLIAM 14 FED #1

NOT TO SCALE

◉ TEMPORARY PROPOSED MONITOR WELL LOCATION
◉ PROPOSED MONITOR WELL LOCATIONS

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

November 16, 2005

Brad Blevins bblevins@chkenergy.com
Chesapeake Energy Corporation
West Bender Blvd.
Hobbs, NM 88240

Re: Assessment Review: William 14 Federal #1
Site Location : Unit Letter O - Sec 14- T15S -R35E
Dated: October 28, 2005

Dear Mr. Blevins,

The New Mexico Oil Conservation Division (OCD) reviewed the assessment referenced above submitted by Highlander Environmental Corp. (HEC) as agent for Chesapeake Energy Corporation (CEP). This assessment was requested by OCD as a condition of closure of the drilling pit.

Review of the submitted information reveals that there is potential contamination of groundwater. Therefore, OCD will require that CEP demonstrate the groundwater is or is not impacted by drilling a minimum of three (3) monitor wells to test the water and provide flow gradient.

CEP is hereby directed to submit a proposal to OCD for approval by December 15, 2005 to accomplish this task. If you have any questions or need assistance please call me at (505) 393-6161, x111 or e-mail larry.Johnson@state.nm.us

Sincerely,

Larry Johnson - Environmental Engineer
Cc: Roger Anderson - Environmental Bureau Chief
Chris Williams - District I Supervisor
Paul Sheeley- Environmental Engineer