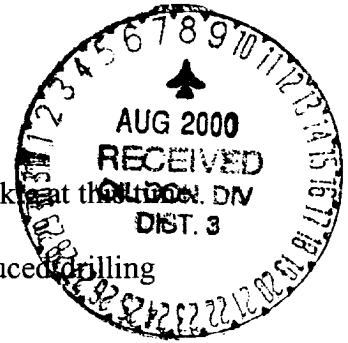


See spill report 7/20/00
7/18/00

Approved OGD 8/8/00



Rosa Unit #171 & 171A Seep Observations

1. The seep has almost ceased. Flow is greatly reduced and is just a trickle at the bottom of the pit.
2. The water analysis indicates the seep is unique and fresher than produced drilling water.
3. The original liner was damaged during pit settling that occurred the initial filling.
4. The pit has been relined with a geotextile lining and an additional liner.
5. The original pit was improperly filled via the "blow" pit. The original water hauler has been terminated.

WPX Recommendations

1. WPX proposes to install an additional liner in the pit resulting in a double lined pit.
2. WPX further proposes to install a double geotextile/liner on the blow pit.
3. WPX proposes to test/fill the existing pit by filling it to approximately 70 – 75 % of capacity with lake water and monitor the seep. If OK, then drill the wells under the original design. Drill water will be maintained at approximately 50 % of capacity during drilling and completion. The water level will be maintained at the minimal required level during operation.
4. WPX proposes to monitor the seep and capture/analyze any flow. Note that the seep flow is currently being contained and pumped back to containment.
5. WPX further proposes that following completion of the second well that all fluids will be removed from the pit and the pit will be closed/reclaimed.

WPX Concerns

1. The blow/flare pit is required. This is a safety issue, resulting from potentially explosive gas venting during drilling and cleanup.
2. A closed mud system is achieved for all practical purposes with lined pits.

Undesirable Options

1. Flip location/pits to the high side. This would increase the surface disturbance and potentially impact archeological sites.