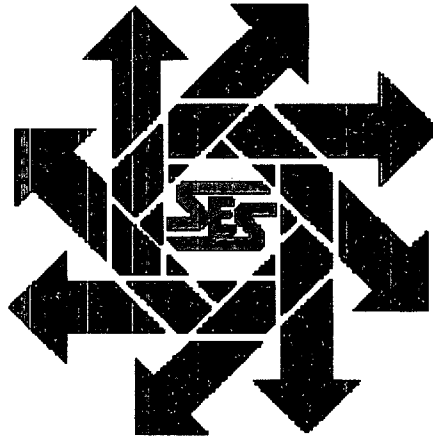


**Navajo Refining Company
Leaker Line
Remediation/Cleanup Report
Lea County, New Mexico**

Sec 16 T 17 S R 32 E

July 1, 2002

2 1/2 MILES S MALJAMAR

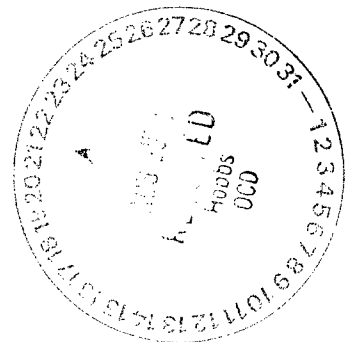


Prepared for:

**Navajo Refining Company
P.O. Box 159
Artesia, New Mexico 88211**

By:

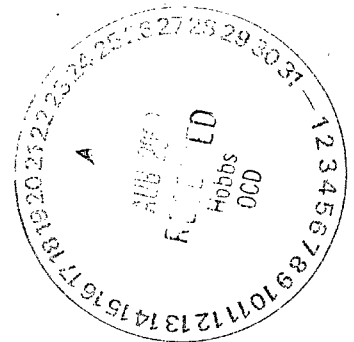
**Safety & Environmental Solutions, Inc.
703 E. Clinton Suite 103
Hobbs, New Mexico 88240
(505) 397-0510**



Navajo - 94081
facility - FPAC0603933546
application - FPAC0603933724
incident - NPAC0603933639

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I. Background

Safety & Environmental Solutions, Inc. (SESI) was contacted by Navajo Refining Company to perform assessment and cleanup services on an area impacted by the spillage of approximately ~~120 barrels of crude oil from a pipeline~~ on the Leaker lease. The subject area is located in ~~Section 16, Township 17S, Range 32E in Lea County, New Mexico.~~ The site is situated on a relatively level area (Figure 1). The subject site is located approximately ½ mile west of County Road 33 (Figure 2).

II. Contaminant and Size of Leak

The suspected contaminant is produced crude oil emulsion, which leaked from the pipeline associated with production in the area. The approximate size of the impacted area is approximately ~~2,500 sq. ft.~~ Navajo Refining Company received notification from the Oil Conservation Division that the crude oil in this pipeline does not have to be subjected to the Toxic Leaching Characteristics Procedure (TCLP) for toxicity. No evidence of other contaminants was observed.

III. Surface and Ground Water

The nearest groundwater of record with the New Mexico State Engineer's Office is in Section 11 and 12 of 17S 36E. The depths to water in Section 11 range from ~~105.86 to 32.35 feet.~~ The depth to water in Section 12 is 120.13 feet.

IV. Soils

The soils in the area are predominantly sandy loam.

V. Work Performed

The cleanup level reached by the application of the "**Guidelines for Remediation of Leaks, Spill and Releases**" *New Mexico Oil Conservation Division* – August 13, 1993 to this site is 5000 ppm TPH. The site was excavated both horizontally and vertically for the removal of all highly contaminated and/or saturated soils as defined in the Guidelines. The excavated soils were blended on-site with adjacent clean soils to a level of no greater than 5000 ppm TPH.

The impacted soils were excavated and vertical extent of contamination was found to be approximately 14 feet in depth. The soils were blended with clean soils on site. The blended soils were backfilled into the excavation, and the area was contoured back to normal grade.

SESI retrieved composite samples from the bottom of the excavation and a final composite sample of the surface after back filling operations were completed. The

samples were preserved in appropriate containers and transported under chain of custody to Cardinal Laboratories in Hobbs, New Mexico for analysis for TPH (method TRPHC-EPA 600/7-79-020,418.1) and BTEX (method BTEX-EPA SW-846-8020).

The results of the analysis are as follows:

DATE	SAMPLE ID	TPH	BENZENE	TOLUENE	ETHYL BENZENE	TOTAL XYLENES
6/21/02	Bottom Hole	906	0.008	0.061	0.554	0.805
6/25/02	Final Composite	3180	<0.005	1.60	4.03	7.00

VI. Figures & Appendices

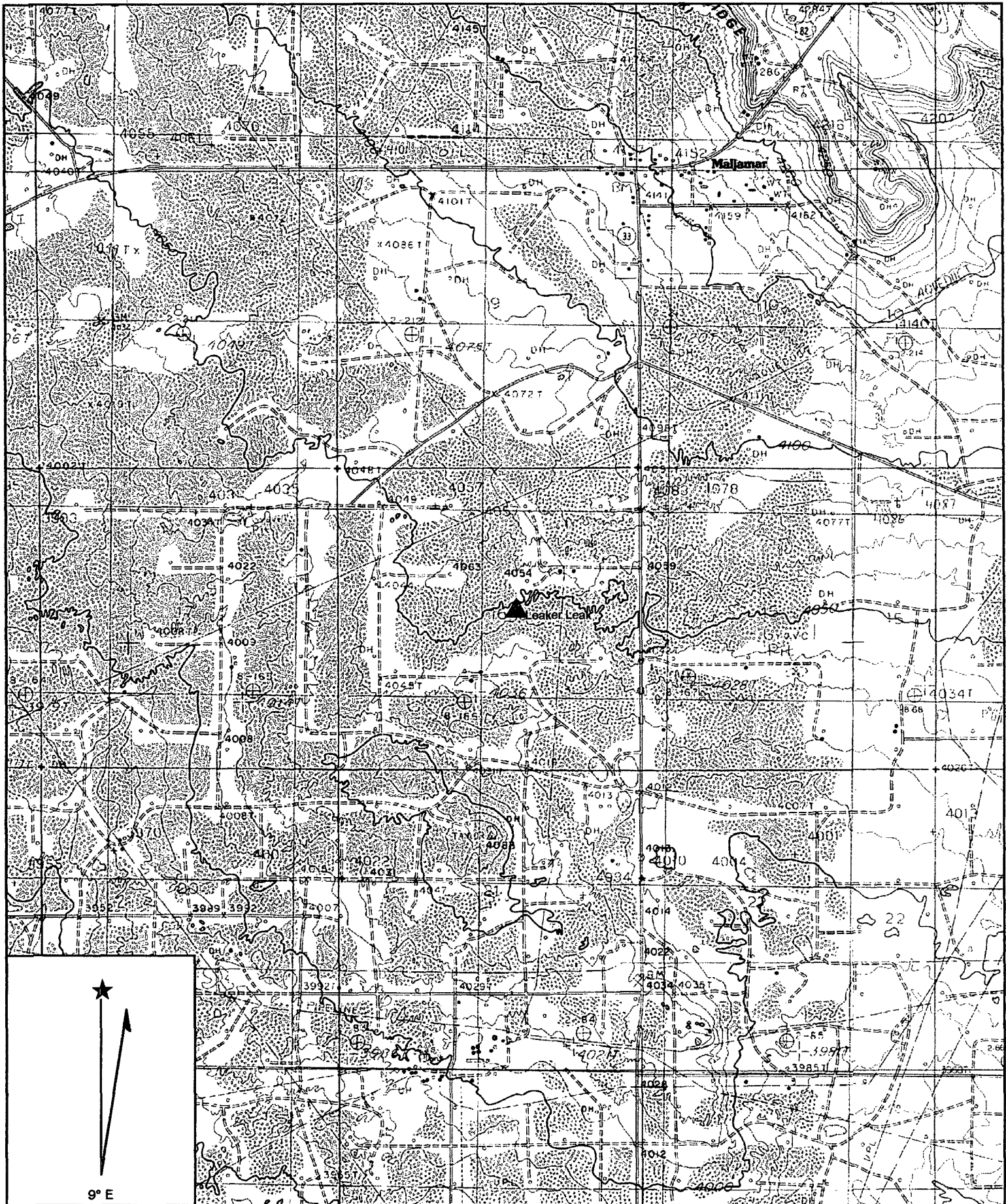
Figure 1 - Vicinity Map

Figure 2 - Site Plan

Appendix A - Analytical Results

Appendix B - Site Photos

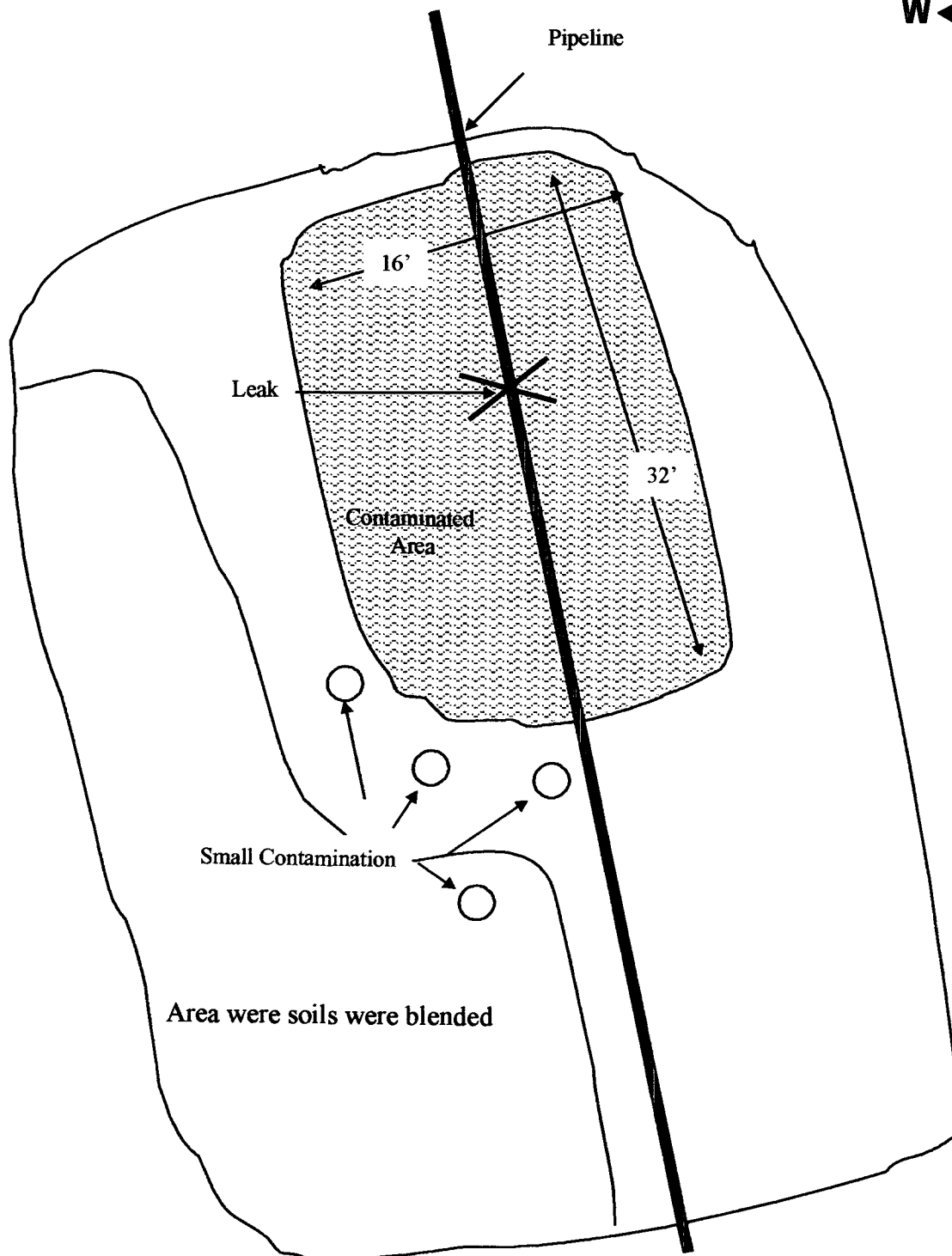
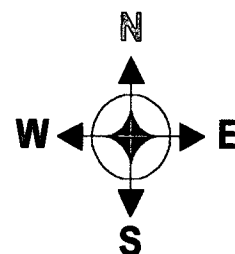
Figure 1
Vicinity Map



Name: MALJAMAR
 Date: 7/23/2002
 Scale: 1 inch equals 2222 feet

Location: 032° 50' 06.1" N 103° 46' 12.0" W
 Caption: Navajo Refining
 Leaker Line Laek

Figure 2
Site Plan



Not To Scale

**Navajo Refining
Company**

Leaker Lease Line
S16, T17S, R32E
Lea County, New Mexico


**Safety & Environmental
Solutions, Inc.**

Appendix A

Analytical Results



PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

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

ANALYTICAL RESULTS FOR
SAFETY & ENVIRONMENTAL SOLUTIONS, INC.
ATTN: BOB ALLEN
703 E. CLINTON, #103
HOBBS, NM 88240
FAX TO: (505) 393-4388

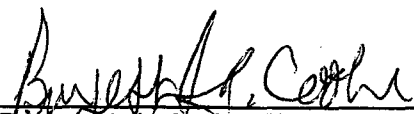
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Reporting Date: 06/24/02
Project Number: NAV-02-0020 (NAVAJO)
Project Name: LEAKER LEAK
Project Location: LEA CO., NM

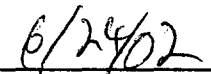
Sampling Date: 06/21/02
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: BC

LAB NO.	SAMPLE ID	TPH (mg/Kg)	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
---------	-----------	----------------	--------------------	--------------------	-----------------------------	-----------------------------

ANALYSIS DATE:	06/21/02	06/21/02	06/21/02	06/21/02	06/21/02
H6830-1 BOTTOM HOLE	906	0.008	0.061	0.554	0.805
Quality Control	233	0.104	0.109	0.101	0.290
True Value QC	240	0.100	0.100	0.100	0.300
% Recovery	96.9	104	109	101	96.7
Relative Percent Difference	3.7	2.3	5.1	6.8	6.9

METHODS TRPHC - EPA 600/7-79-020, 418.1; BTEX - EPA SW-846-8020


Burgess J. A. Cooke, Ph. D.


Date

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. Cardinal shall not 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.



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

Page 1 of 1

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

[illegible]



PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

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

ANALYTICAL RESULTS FOR
SAFETY & ENVIRONMENTAL SOLUTIONS, INC.
ATTN: BOB ALLEN
703 E. CLINTON, #103
HOBBS, NM 88240
FAX TO: (505) 393-4388

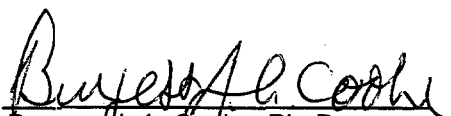
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Reporting Date: 06/27/02
Project Number: NAV-02-002 (NAVAJO)
Project Name: LEAKER LEAK
Project Location: LEA COUNTY, NM

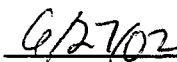
Sampling Date: 06/25/02
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AH
Analyzed By: BC

LAB NO.	SAMPLE ID	TPH (mg/Kg)	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
---------	-----------	----------------	--------------------	--------------------	-----------------------------	-----------------------------

ANALYSIS DATE:	06/25/02	06/26/02	06/26/02	06/26/02	06/26/02
H6841-1 FINAL COMPOSITE	3180	<0.005	1.60	4.03	7.00
Quality Control	233	0.102	0.102	0.104	0.299
True Value QC	240	0.100	0.100	0.100	0.300
% Recovery	96.9	102	102	104	99.7
Relative Percent Difference	3.7	7.8	4.1	3.1	2.5

METHODS: TRPHC - EPA 600/7-79-020, 418.1; BTEX - EPA SW-846-8020


Burgess J. A. Cooke, Ph. D.


Date

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.

ARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603. 101 East Marland, Hobbs, NM 88240
(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

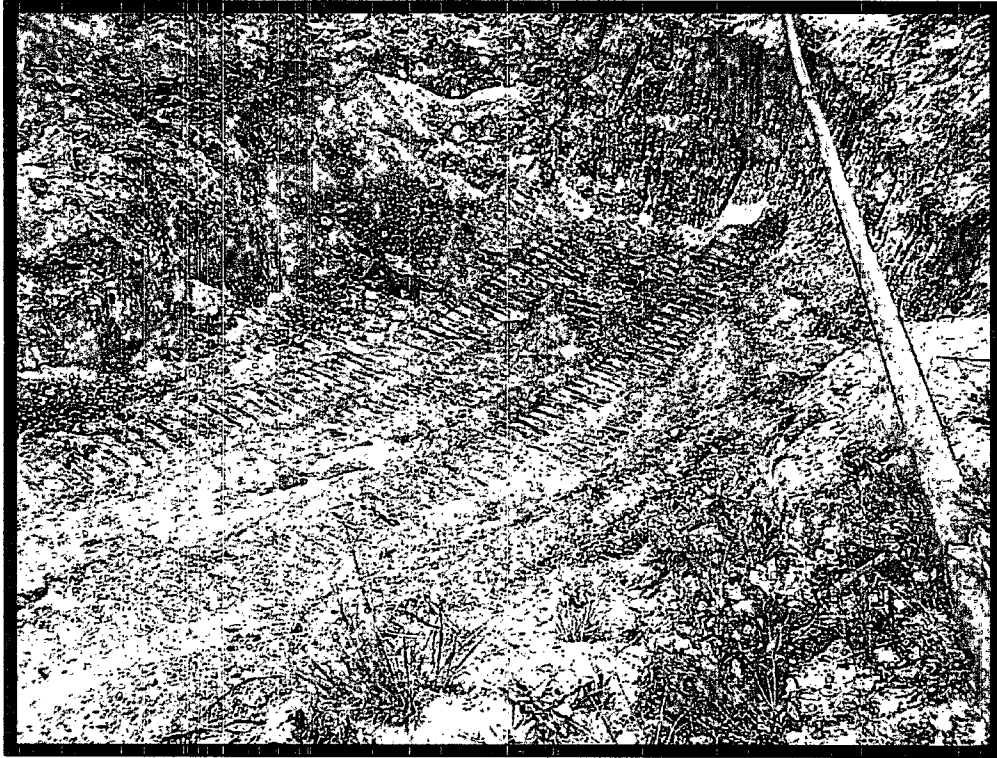
Page 1 of 1

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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Appendix B

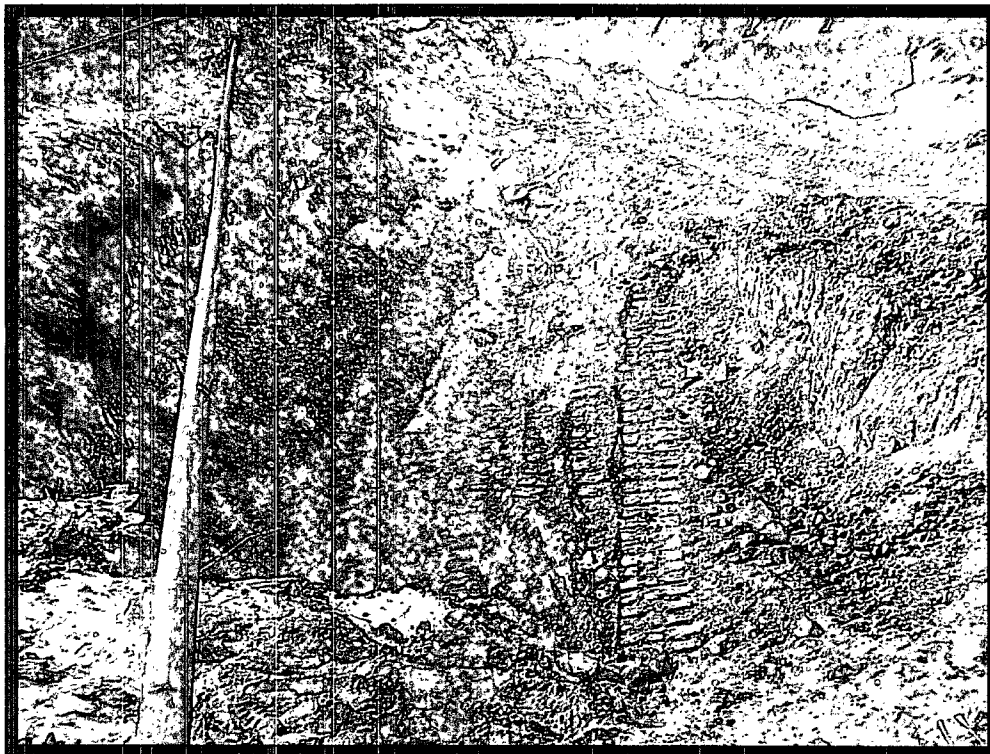
Site Photos



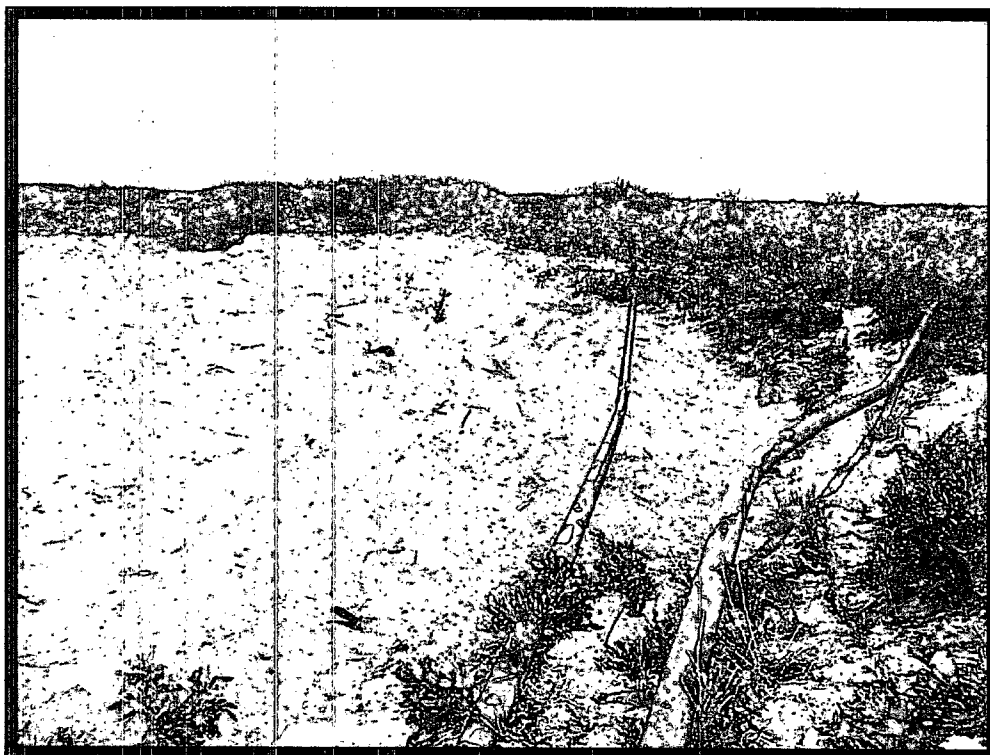
Bottom of Excavation Facing North-West



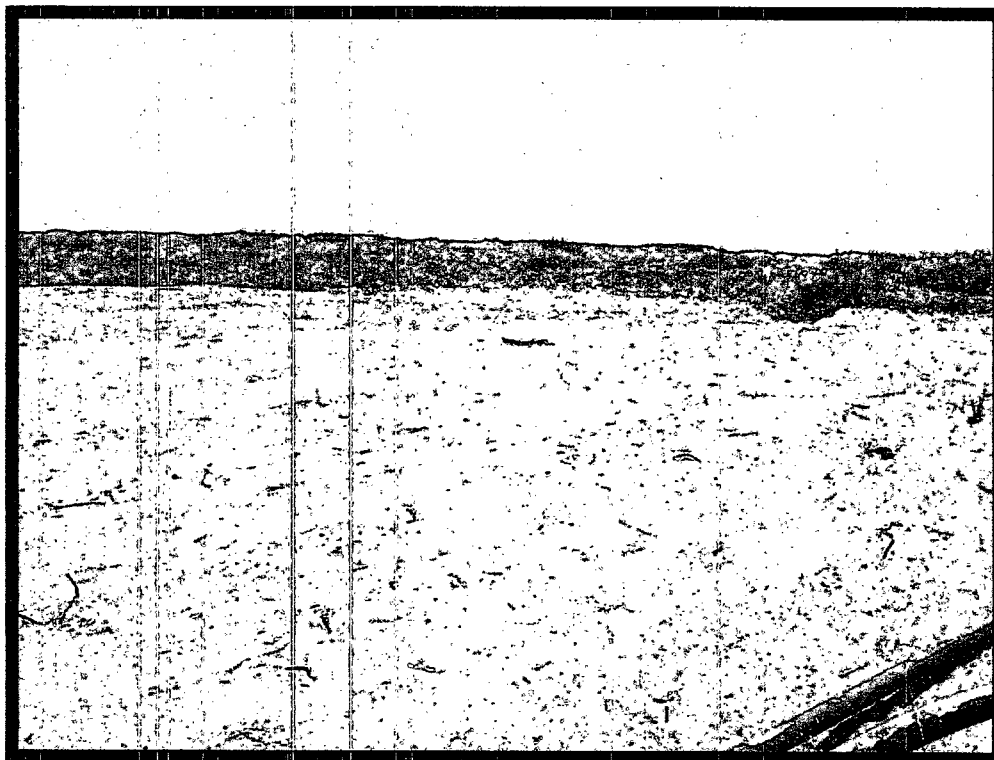
Bottom of Excavation Facing North



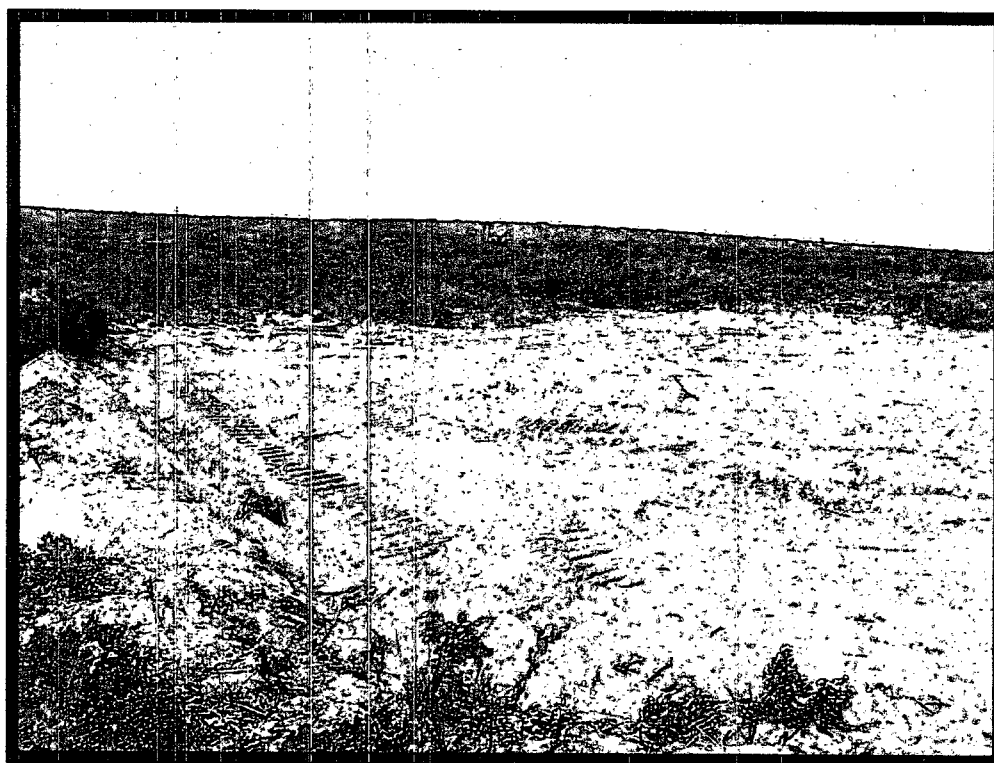
Bottom of Excavation Facing South



Completed Site Facing Pipeline



Completed Site Facing North-West



Completed Site Facing South-West



Completed Site Facing West