

Turrentine Oil & Gas Inc.

Gandy 59 Tank Battery

Section 28, Tws. 9 S., Rng. 38 E.

Lea Co., NM

*Turrentine - 158919
facility - PPAC 0604053994
application - PPAC 0604054179*

MILLER STRATVERT

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* New Mexico Board of Specialization Recognized Specialist in Natural Resources - Oil & Gas Law

** New Mexico Board of Specialization Recognized Specialist in Real Estate Law

January 11, 2005

Mr. Larry Johnson
New Mexico Oil Conservation Division
1625 No. French Drive
Hobbs, NM 88240

Re: Turrentine Oil and Gas Company
Gandy 59 Well No. 1
SW/NW Section 28, T9S, R38E, Lea County, New Mexico

Dear Larry:

As I indicated in our telephone conversation yesterday, it has been determined that the soil test results referenced in my January 11, 2005 letter were from separate samples taken at locations from the exterior of the tank battery firewall berm. It appears that no samples were taken from the firewall interior locations as we had initially believed, so my letter was incorrect in that respect. Consequently, Horseshoe Operating, Inc. has contacted an environmental engineering firm to discuss obtaining new samples from the firewall interior.

I have discussed these circumstances with Jim Amos at the BLM who issued the December 21, 2004 INC to Horseshoe Operating. He confirms that there is currently no outstanding noncompliance issue on the exterior firewall contamination locations. It is my understanding that those soils have been fully remediated. Mr. Amos provided me with copies of the test sample results for the exterior locations and I am forwarding a set to you for your files.

On behalf of Horseshoe Operating, we appreciate the Division's assistance, as well as the BLM's, in clarifying the confusion over this matter. As indicated, we will continue to regard the Division as the lead agency for environmental regulatory compliance. Horseshoe will continue to pursue this matter with diligence.

LAW OFFICES

ALBUQUERQUE
(505) 842-1950

FARMINGTON
(505) 326-4521

LAS CRUCES
(505) 523-2481

SANTA FE
(505) 989-9614

Mr. Larry Johnson
January 20, 2005
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Very truly yours,

MILLER STRATVERT P.A.

A handwritten signature in black ink, appearing to read "J. Scott Hall". The signature is written in a cursive, flowing style with a large initial "J" and a long, sweeping underline.

J. Scott Hall

JSH/glb
Enclosure
cc: Word Wilson

10/31/2003

NMOCD Environmental
Att: Larry Johnson
1625 N. French Drive
Hobbs, NM 88240

RE: Turrentine Oil and Gas
Great Waters Federal
Gandy 59

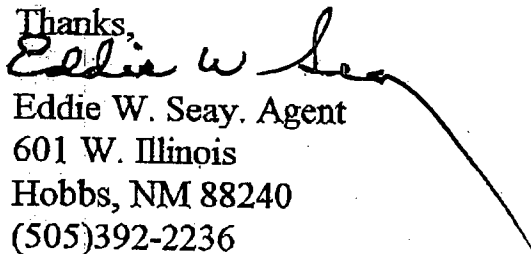
RECEIVED
2003 NOV 7 PM 1 47
BUREAU OF LAND MGMT.
CARLSBAD FIELD OFFICE

Mr. Johnson,

On October 16 sampling of the two sites were conducted with the presence of myself, Paul Shoeley OCD, Paul Evans BLM, and Mr. Turrentine. Within are the results of the sampling and photographs for each site.

After you have reviewed the information and my recommendations for each site, please let me know, so we can proceed with the cleanup phase of those facilities.

Thanks,


Eddie W. Seay, Agent
601 W. Illinois
Hobbs, NM 88240
(505)392-2236

cc. Paul Evans, BLM

**Turrentine Oil and Gas
Gandy 59 Tank Battery
Unit F, Section 28, Tws. 9 S., Rng. 38 E.**

Task:

The purpose of this exercise was to try and delineate the contamination at the battery and outside the fence area, due to old spills and releases. A backhoe was used to dig trenches at various areas around the battery area as agreed. Three sites were tested and measured, the sites are numbered Gandy 59 1 thru 3. The analytical, photos and map are attached.

The sites were agreed upon by all present. It was decided by all that Turrentine would concentrate on the cleanup outside the battery area first, then make recommendation for cleanup inside as required, except for we will remove the redwood tank.

The Three Test Sites:

Gandy 59 1-5	Sampled at 5 ft.
Gandy 59 2-8	Sampled at 8 ft.
Gandy 59 3-2	Sampled at 2 ft.

From the analytical, all samples fall well below the OCD guidelines of 5000 ppm TPH. The chlorides are slightly elevated, and the PID reading were all well below 100 ppm.

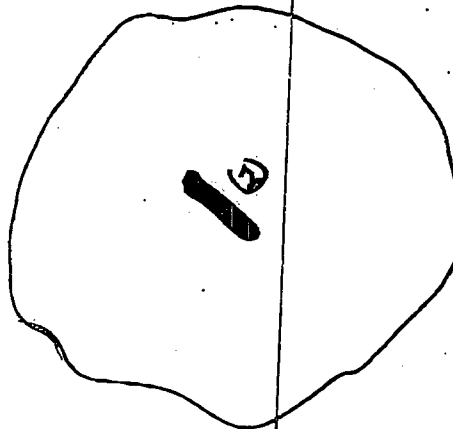
Recommendation for Remediation:

Excavate and haul the top 1 to 2 ft of highly contaminated soil to an OCD approved landfarm facility. Haul in clean soil from an agreed source, blend the soil with the remainder of the contaminated material until we reach a cleanup level acceptable to OCD guidelines. Level and reseed as recommended.

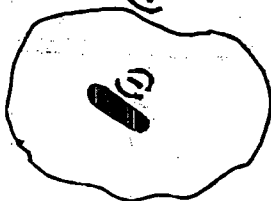
Once we have achieved cleanup on the outside of the facility, recommendations will be made for further cleanup as directed.



40x26



(20x25)



pen
K

vent

300

Red
Wood
Tank

Tank

(170x10)





ARDINAL LABORATORIES

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

PHONE (505) 393-2328 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
EDDIE SEAY CONSULTING
ATTN: EDDIE SEAY
601 W. ILLINOIS
HOBBS, NM 88242
FAX TO:

Receiving Date: 10/16/03
Reporting Date: 10/18/03
Project Owner: TURRENTINE O&S
Project Name: TURRENTINE-GANDY-GREAT WESTERN
Project Location: N. BRONCO, NM

Sampling Date: 10/16/03
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AH
Analyzed By: BC/AH

LAB NUMBER SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₈) (mg/Kg)	Cl* (mg/Kg)
ANALYSIS DATE	10/17/03	10/17/03	10/17/03
H8092-1 GW 1-8	<10.0	<10.0	1600
H8092-2 GW 2-6	<10.0	<10.0	498
H8092-3 GW 3-3	<10.0	<10.0	992
H8092-4 GW 4-6	<10.0	<10.0	2800
H8092-5 GW 5-8	<10.0	103	480
H8092-6 GW 6-3	<10.0	<10.0	912
H8092-7 GW 7-3	<10.0	<10.0	1760
H8092-8 GANDY 59 1-5	<10.0	<10.0	240
H8092-9 GANDY 59 2-8	<10.0	<10.0	688
H8092-10 GANDY 59 3-2	<10.0	376	352
Quality Control	761	816	1040
True Value QC	800	800	1000
% Recovery	95.1	102	104
Relative Percent Difference	1.9	3.6	1.0

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

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

Chemist

Date

H8092.XLS

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.



CARDINAL LABORATORIES, INC.

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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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Company Name: Cardinal Laboratories		Project Manager: Edie Scott		PO #:	
Address: 2111 Beechwood		City: Abilene		State: Texas	
Phone #: 7-7234		Fax #: 87247		City: Abilene	
Project #: Turner		Project Owner: Turner		City: Abilene	
Project Name: Turner		Project Location: N. Brown Ave.		City: Abilene	
FOR LAB USE ONLY		Matrix		PRES.	
LAB I.D.		Sample I.D.		DATE	
11809A-1		GL 1-8		10/16	
-2		GL 2-6		9:15	
-3		GL 3-3		9:25	
-4		GL 4-10		9:40	
-5		GL 5-8		10:20	
-6		GL 6-3		10:40	
-7		GL 7-3		11:00	
-8		GL 8-1-5		11:20	
-9		GL 9-2-8		11:45	
-10		GL 10-3-3		12:00	
Relinquished By: Edie Scott		Received By: Lab Staff		Date: 10/16	
Delivered By: Circle One		Sample Collection: Circle One		Checked By: IMB	
Sampler: JPS - Bus - Other:		Cool: Yes		Time: 11:45	
+ Card#		Printed accept verbal changes, please fax written changes to 915-673-7020.		Remarks: GL - Great Western Tank Bottom	
Relinquished By: Edie Scott		Received By: Lab Staff		Date: 10/16	
Delivered By: Circle One		Sample Collection: Circle One		Checked By: IMB	
Sampler: JPS - Bus - Other:		Cool: Yes		Time: 11:45	
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