1R - 3(1)

GENERAL CORRESPONDENCE

YEAR(S): 2(C)



Highlander Environmental Corp.

Midland, Texas

September 21, 2000

Ms. Donna Williams Environmental Bureau Oil Conservation Division 1625 N. French Drive Hobbs, New Mexico 88240

Re: C.E. Lamunyon Well #27, Section 31, T-23-S, R-37-E, Lea County, New Mexico.

Dear Ms. Williams,

Highlander Environmental Corp. (Highlander), in response to a letter dated August 21, 2000 from the New Mexico Oil Conservation Division (NMOCD) to Pogo Producing Company (Pogo), regarding a reported spill at the C.E. Lamunyon Well #27, has been directed by Pogo to perform sampling at the spill location. This sampling will be performed during the week of 9/25/00 - 9/29/00.

The reported spill was the result of a stuffing box leak at the C. E. Lamunyon #27 that occurred on 3/29/00. Mr. Gary Wells, Field Foreman for Pogo, supervised the cleanup activities at the site that commenced on the same day. The volume of the release was unknown and a total of 2 bbls. of oil and 38 bbls. of saltwater were recovered from the location. Additional work at the site included scraping and blending the soils, during which process, the spill appeared to be surficial and not pose a threat to groundwater resources. The depth to water beneath the site is greater than 50 feet, which, according to the New Mexico Oil Conservation Division (NMOCD) Guidelines for Remediation of Leaks, Spills and Releases, dated August 13, 1993, identifies a recommended remedial action level (RRAL) for TPH of 1,000 mg/kg.

Soil samples from the site will be analyzed for Total Petroleum Hydrocarbon (TPH), by EPA method 418.1, and chloride by method SW846-9252. Results of the sampling will be provided to the NMOCD.

Please call if you have any questions.

Sincerely,

Highlander Environmental Corp.

Tim M. Reed, REM

Vice President

cc: Mr. Don Riggs- Pogo. Producing Co.

Mr. Rex Jasper - Pogo Producing Co.