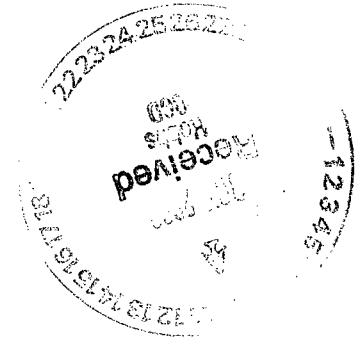


RECR-4

**WORKPLAN
AND INITIAL
PURCHASE
ORDER**

October 4, 2006

Mr. Chris Williams
New Mexico Oil Conservation Division, District 1
1625 N. French Drive
Hobbs, NM 88240



Dear Mr. Williams:

Re: Work Plan for Phase 2 Investigation and Site Decommission at the North Lea Joint Venture Site, Former Oil Processing Plant Near Crossroads, Lea County, New Mexico

RESPEC is pleased to submit the following work plan and cost estimate for the above-referenced site. All work will be conducted in accordance with all pertinent state and federal regulations. A Professional Geologist will have direct supervisory control over the project. A minimum of 96 hours' advance notice will be given to the Oil Conservation Division (OCD) project manager before work starts.

RESPEC personnel visited the site on September 21, 2006, in order to assess site conditions. The site visit included a review of job specifications and a determination of how the work is to be implemented.

The scope of work is organized into the following tasks:

- Task 1** – Prepare the work plan, subcontractor teaming agreements, and site decommission/construction timeline.
- Task 2** – Contact New Mexico One Call and map all buried pipelines and electrical hazards on site.
- Task 3** – Hold a prejob conference with OCD and submit the final project timeline.
- Task 4** – Prepare a Health and Safety Plan (HASP) and set up requirements for weekly tailgate safety meetings.
- Task 5** – Perform a sampling analysis and a survey of naturally occurring radioactive materials (NORM survey) for all waste disposals.
- Task 6** – Remove and dispose of tank contents (solids and fluids) and inert tanks.
- Task 7** – Demolish and remove three aboveground tanks, one 8 ft by 28 ft heater treater, one compressor station canopy, and one horizontal gas separator for recycling.
- Task 8** – Survey the site to evaluate by sample analysis all surface trash. Remove all piping, equipment, tanks, and trash for off-site disposal or recycling, using OCD RCRA Class D landfills where required.

Task 9 – Define the vertical and horizontal extent of contamination beneath tank footprints and tank bottom piles.

Task 10 – Prepare the site for heavy construction activities, including ingress and egress access and signage for construction activities.

Task 11 – As necessary, excavate, transport, and dispose of contaminated soils on the surface and shallow subsurface surrounding the tanks and the reserve pit (approximately 500 cubic yards).

Task 12 – Excavate other areas for evaluation of contaminants of concern (COCs).

Task 13 – Determine the depth to groundwater and evaluate groundwater if the vertical extent of contaminated soils cannot be defined during the completion of Phase 2.

Task 14 – Excavate, transport, and properly dispose of the contents of the reserve pit (approximately 1,500 cubic yards of soils and 200 barrels of fluids).

Task 15 – Prepare and submit a Phase 2 and Site Decommission Report with conclusions and recommendations.

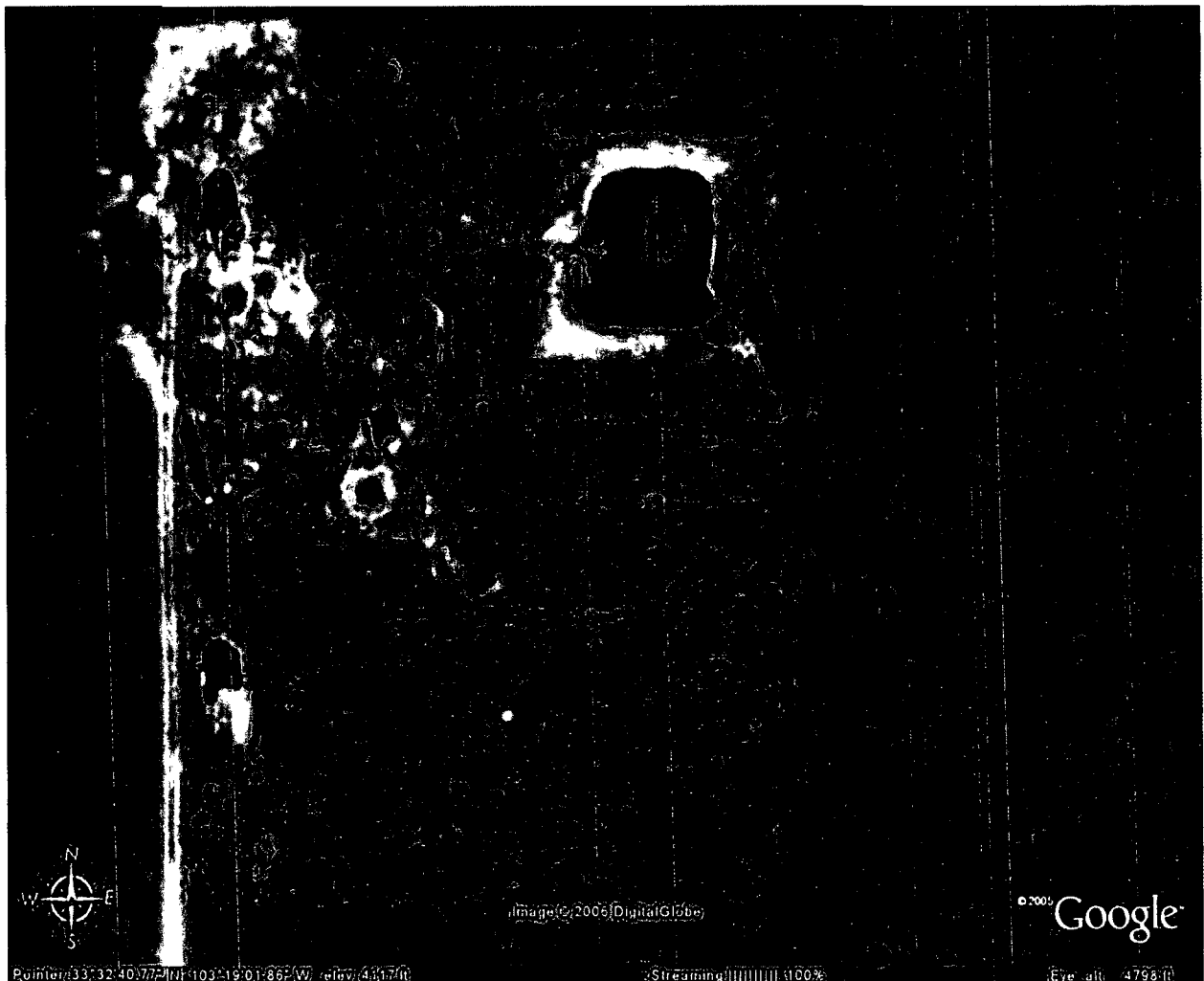


Figure 1. Aerial View of North Lea Joint Venture, Unit K Site, Section 12, T9S-R35E, Lea County, New Mexico.

TASK 1 – PREPARE THE WORK PLAN

This task involves the preparation of the work plan and cost estimates, site reconnaissance with initial soil sampling, and interaction with all subcontractors and the OCD project manager.

TASK 2 – CONTACT NEW MEXICO ONE CALL AND MAP ALL BURIED UTILITIES

RESPEC will contact the New Mexico One Call System in order to locate, mark, and map all buried pipelines and utilities at the site. A One Call log will be maintained and updated as required for the duration of the project.

TASK 3 – PREJOB CONFERENCE

This task is scheduled to detail site decommission procedures, including the construction activities and timeline, required signage for public information and traffic control, local and county notification as required, project budgeting and cost control, and safety procedure requirements for the project.

TASK 4 – PREPARE A HEALTH AND SAFETY PLAN (HASP)

A site-specific HASP will be completed before fieldwork commences. The HASP will include, but not be limited to, the following: a site information summary; a list of key personnel on site and their responsibilities; tailgate meeting schedules and mandatory attendance logs; a list of site hazards; emergency information; a job hazard assessment; requirements for personal protective equipment, air quality monitoring, decontamination and disposal, and employee training; and emergency procedures.

TASK 5 – PERFORM A SAMPLING ANALYSIS AND A NORM SURVEY

RESPEC will perform a NORM survey of all pipes, tanks (see Figures 2, 3, and 4), and miscellaneous equipment before disposal/recycling. This task will be ongoing throughout the demolition and disposal activities at the site. All empty tanks will be inspected and surveyed internally before demolition and externally before disposal/recycling. A registered NORM surveyor will perform the survey in accordance with 19.15.9.714 NMAC and 20.3.14 NMAC.

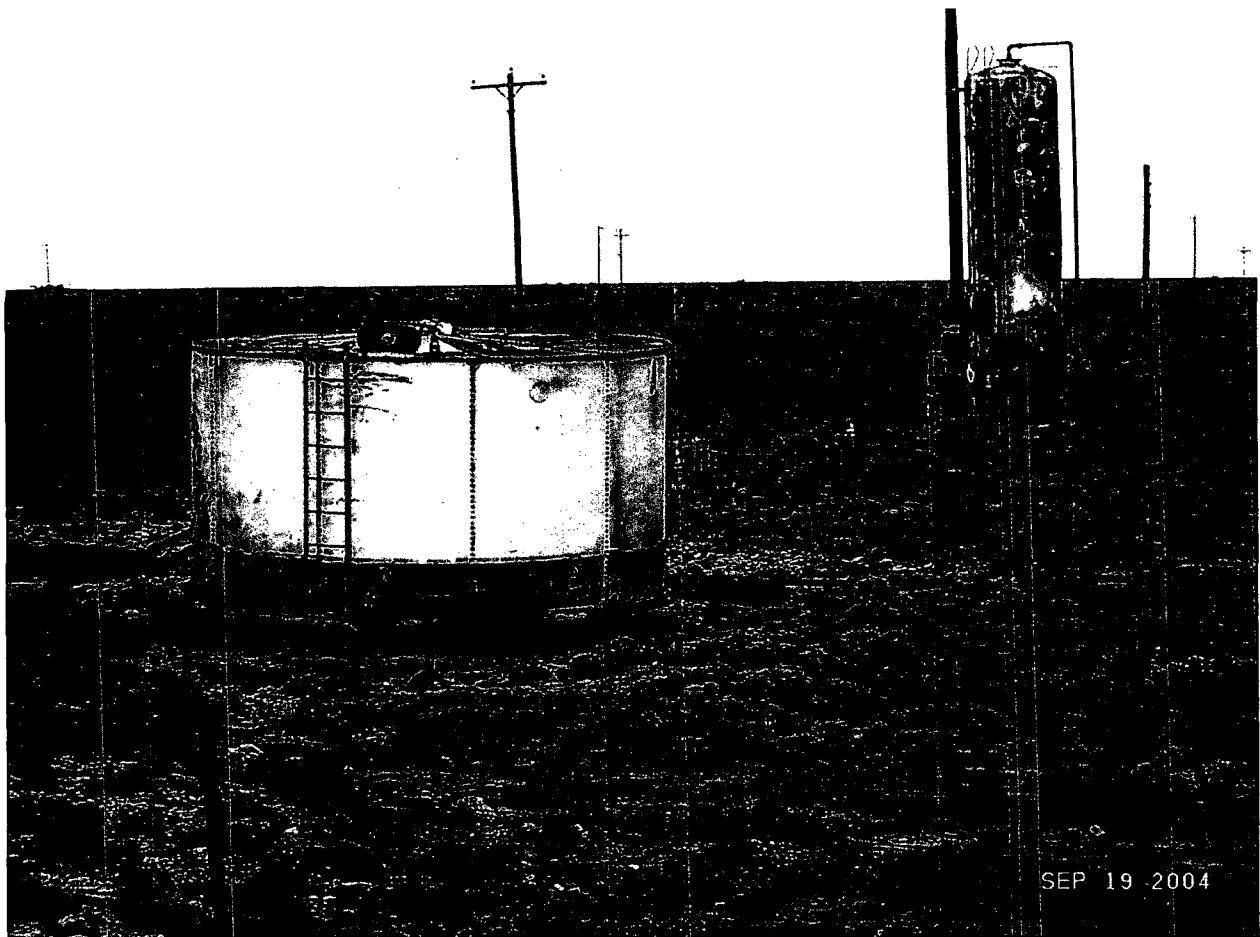


Figure 2. A 210-barrel Bolted Steel Tank.
The tank bottom is corroded and the soils
below and adjacent to the tank are stained.

TASK 6 – REMOVE AND DISPOSE OF TANK CONTENTS

All fluids and solids will be removed from three aboveground tanks, one vertical heater treater, and one horizontal gas separator on site. The tanks range in size from 210-barrel to 500-barrel capacity, the heater treater is 8 ft by 28 ft in size, and the gas separator is 1.5 ft by 20 ft. All appurtenances are of steel construction. Gandy Marley Services (GM) will provide a hot oil unit, trans-vac units, and all labor for removal and disposal of tank contents. All fluids and solids will be disposed of at OCD-permitted facilities. GM will then triple-rinse all tanks to inert them for removal and recycling. All triple-rinse fluids will be transported and disposed of at an OCD-permitted facility. The RESPEC project manager will oversee operations and track all transport disposal manifests and disposal certifications. The final report (see Task 15 below) will include all operational procedures and criteria for transport and disposal.

Pursuant to the scope of work, all trash, including barrels, buckets, batteries, pipes, electrical meters, cut-up ASTs, etc., will be removed from the site for either disposal or recycling.

Any testing that is required before disposal will be performed on a contingency basis, with all laboratory expenses (for the services of Hall Environmental Analysis Laboratories in Albuquerque, NM) to be included in this purchase agreement with the OCD. It should also be noted that all piping and other miscellaneous items will be staged for the NORM survey before removal from the site.



Figure 3. Two 500-barrel Bolted Steel Tanks With Catwalk.

TASK 7 – DEMOLISH AND REMOVE TANKS FOR RECYCLING

All surface equipment will be removed from the site and recycled. GM will provide for on-site crushing and all necessary transporting of material to GM's location in Hobbs, New Mexico. In addition, GM will remove and recycle other iron and metal objects from the entire site. The RESPEC project manager will oversee operations including tank testing to assure tanks are inert and to provide tank death certificates. The final report (see Task 15 below) will include all operational procedures and criteria for transport and disposal.

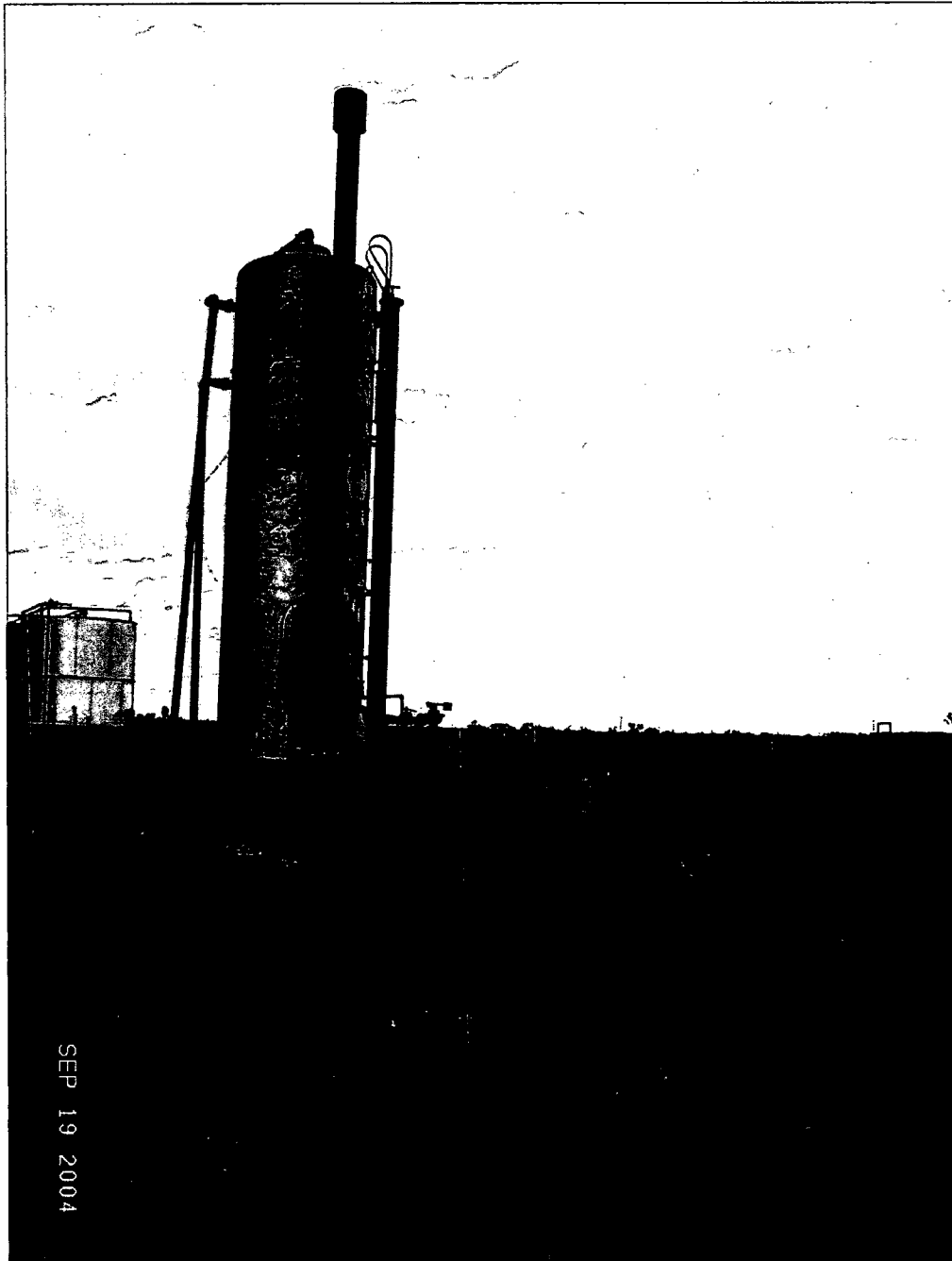


Figure 4. One 8' x 28' Heater Treater Unit.

TASK 8 – SURVEY THE SITE AND REMOVE EQUIPMENT AND TRASH

All equipment and trash will be evaluated and a sample analyses will be performed as required to determine any environmental impact or special handling that may be needed. Nonhazardous or nonregulated trash and debris will be separated and placed in rolloff bins for disposal at Lea County Landfill. Confirmed hazardous or regulated material will be disposed of or recycled per OCD requirements, which may include the use of RCRA Class D landfills. The

RESPEC project manager will oversee testing and evaluation of trash and debris and proper disposal, obtaining manifests and certifications as required. The final report (see Task 15 below) will include all operational procedures, testing analysis results, and criteria for recycling and disposal.

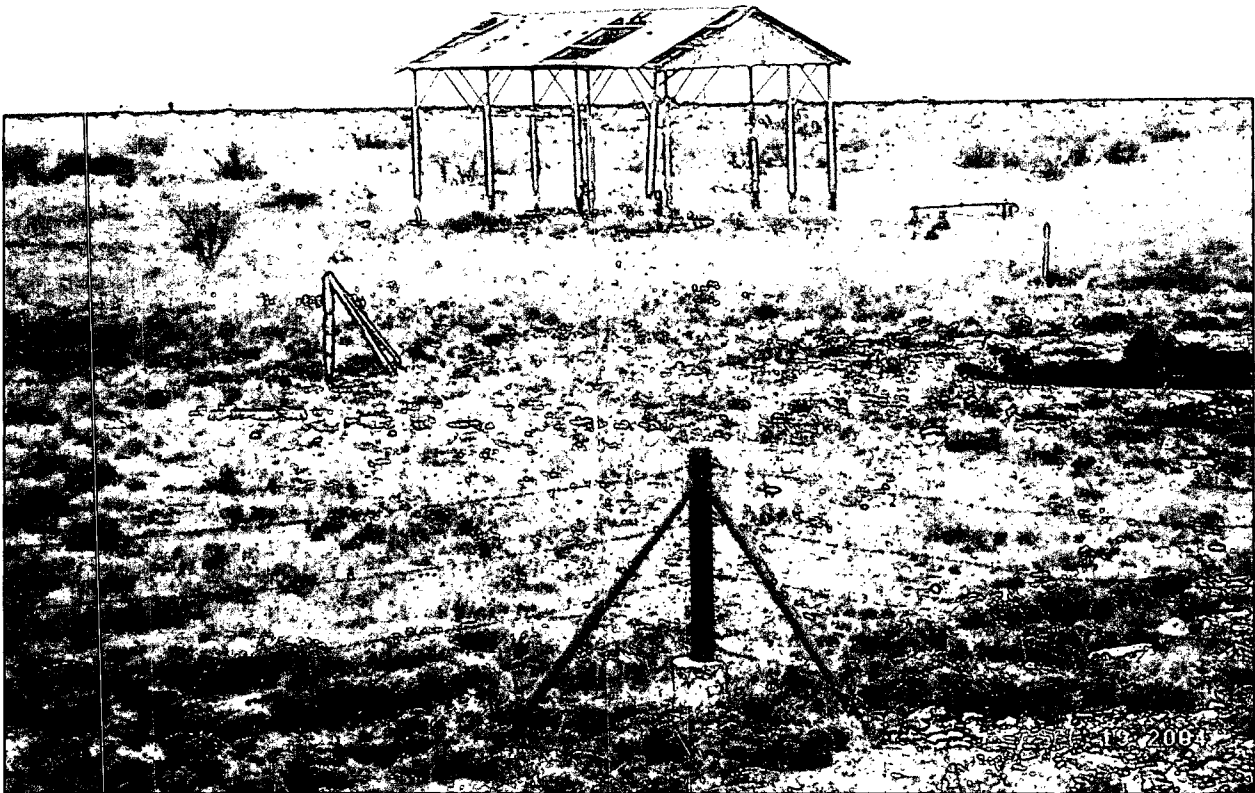


Figure 5. Compressor Station Canopy.

TASK 9 – DEFINE THE EXTENT OF CONTAMINATION BENEATH TANK FOOTPRINTS AND TANK BOTTOM PILES

The horizontal and vertical extent of soil contamination beneath the tank footprints/tank bottom pile will be determined by trenching with a backhoe. Field personnel will evaluate, describe, and record lithology, odor, and all other observations pertinent to the geology of the site and contamination observed under and surrounding the ASTs. Grab samples will be field screened for total ionizable vapor concentrations with a photoionization detector (PID) unit in a manner consistent with the NMED Soil/Water Sampling and Disposal Guidelines (NMED, 2000). All results will be recorded in a field notebook.

Samples will be collected from each trench (from both sidewalls and the bottom). The soil samples will be submitted to Hall Environmental Analysis Laboratories for analysis by EPA Method 8021 (BTEX), Method 418.1 (TPH), and Method 300 (chloride) utilizing extraction

techniques consistent with the NMED Soil/Water Sampling and Disposal Guidelines (NMED, 2000). All proper chain-of-custody procedures will be followed.

A RESPEC project geologist will oversee the trenching operation, and all open trenches will be backfilled and compacted when the soil sampling has been completed. The final report will include the vertical and horizontal extent of contamination and the quantities of contaminated material removed.

TASK 10 – PREPARE THE SITE FOR HEAVY CONSTRUCTION ACTIVITIES

The site will be prepared for heavy construction activities necessary for remedial action. Ingress and egress ramps will be constructed in such a manner that they can handle heavy truck traffic for the duration of the project. Staging and loading areas will be designated and made stable. Excavation zones will be defined and access preparation will be completed.

TASK 11 – EXCAVATE, TRANSPORT, AND DISPOSE OF CONTAMINATED SOILS SURROUNDING THE TANKS AND THE RESERVE PIT

All known contaminated soils at surface and shallow subsurface locations as defined by on-site investigation and laboratory results will be removed. These locations are surrounding and adjacent to the reserve pit location and have an estimated volume of 500 cubic yards. The vertical and horizontal extent will be defined by soil sample laboratory analysis by EPA Method 8015 (MRO, DRO, GRO) for total petroleum hydrocarbons and will be field screened with a portable PID unit by headspace field analysis. Excavation zones will be backfilled to the existing surface grade elevation with engineered fill with proper moisture content and 85 percent compaction per proctor. The RESPEC project manager will oversee testing and evaluation and proper disposal of removed soils, obtaining manifests and certifications as required.

TASK 12 – EXCAVATE OTHER AREAS FOR EVALUATION OF COCs

RESPEC will investigate any known or suspected buried trash pits by excavating perpendicular to three sides of the known pit. The size, depth, and suspected contamination will be evaluated during this procedure. Field testing will be confirmed by laboratory analysis of soils encountered. A RESPEC project geologist will oversee the operation of sampling, describing trash and debris, field testing, calculating volumes, and defining the vertical and horizontal extent of the pit and any contamination. The final report will include procedures implemented, the extent of trash and contamination, and remedial action and disposal. Excavation zones will be backfilled to the existing surface grade elevation with engineered fill with proper moisture content and 85 percent compaction per proctor.

TASK 13 – DETERMINE THE DEPTH TO GROUNDWATER AND EVALUATE

RESPEC has determined that groundwater elevations in this area can be 150 feet to 170 feet below ground surface. If the vertical extent of hydrocarbon-contaminated soils cannot be determined during this phase of the project, it may be necessary to make soil borings and/or install groundwater monitoring wells. A separate work plan with associated costs will be submitted for preapproval.

TASK 14 – EXCAVATE, TRANSPORT, AND PROPERLY DISPOSE OF THE CONTENTS OF THE RESERVE PIT

RESPEC will oversee the excavation, transportation, and proper disposal of existing reserve pit contents. An estimated 1,500 cubic yards of contaminated soils and 200 barrels of water and sludge will be removed, transported, and disposed. The vertical and horizontal extent will be defined by soil sample laboratory analysis, using EPA Method 8015 (MRO, DRO, GRO) for total petroleum hydrocarbons. Soil samples will be field screened with a portable PID unit by headspace field analysis. The pit will be backfilled to the existing surface grade elevation with engineered fill with proper moisture content and 85 percent compaction per proctor. The RESPEC project manager will oversee testing, evaluation, and proper disposal of removed soils, obtaining manifests and certifications as required.



Figure 6. Reserve Pit, Oil, Water and Sludge With Contaminated Soils.

TASK 15 – PREPARE AND SUBMIT A PHASE 2 AND SITE DECOMMISSION REPORT

Following completion of fieldwork, RESPEC will prepare a final Phase 2 and Site Decommission Report and submit it to the OCD project manager. The report will include, but not be limited to, the following:

- A site map showing all buried pipelines, electrical hazards, and tank footprint locations.
- The NORM survey results.
- The volume of material removed from the tanks, documented by manifests, and the name of the disposal/reclamation company.
- The name of the tank reclamation or scrap iron facility used.
- The volume/weight of trash removed and the name of the disposal/recycling company used.
- A tabulation of all analytical data gathered during the investigation.
- One or more maps, with cross sections showing the location, depth, and concentrations of all waste material removed and disposed.
- Conclusions and recommendations.

ASSUMPTIONS

- Excavation areas will be free of underground utilities.
- Excavated areas will be finished with backfill.
- Access to the site will be during normal working hours.
- Trenching under tanks or overflow will be limited to one trench across the diameter of each tank/overflow to a depth of 2.5 ft and will be completed in one working day. Additional trenching will be available on a contingency basis.
- All waste at the site is considered exempt oil field waste. If, during the course of the investigation, the waste becomes classified as nonexempt, additional testing (TCLP and RCI to acquire a C-138 Oil Commission Permit) and disposal fees will be required.
- All laboratory fees will be included in the North Lea Joint Venture purchase agreement between the OCD and RESPEC.

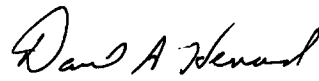
INSURANCE

- RESPEC maintains at its own expense the following insurance plans that meet or exceed the value of services to be performed under the terms of this work plan.
- Workers' compensation insurance: statutory.

- Employer's liability insurance of \$500,000 per occurrence, \$1,000,000 aggregate.
- Comprehensive general liability insurance of \$1,000,000 per occurrence, \$1,000,000 aggregate.
- Vehicle liability insurance of \$500,000 per occurrence (property damage and bodily injury combined).

Within 20 working days of the contract signing, RESPEC will provide the owner/operator a certificate of insurance naming the owner/operator as the certificate holder.

Respectfully submitted by



Dave Henard
Project Geologist

DAH:pas

Enclosure

cc: Mr. Gary Wink, OCD Hobbs
Mr. Ben Stone, OCD Santa Fe
Project Central File P-2348

Cost Estimate

North Lea Joint Venture

Vendor Number 5187719
 PA Number: 61-805-09-18553

RESPEC Inc.
 Commodity Code: 72002

| LN | QTY | RATE | UNIT | COST | DESCRIPTION |
|-------|------|--------------|--------------|--------------|--|
| *0001 | 100 | \$105.00 | Hour | \$10,500.00 | Principal |
| *0002 | 150 | \$80.00 | Hour | \$12,000.00 | Senior Scientist |
| *0007 | 20 | \$40.00 | Hour | \$800.00 | Draftsperson |
| *0008 | 25 | \$35.00 | Hour | \$875.00 | Administrator |
| *0012 | 20 | \$25.00 | Day | \$500.00 | PID/FID |
| *0033 | 15 | \$2,400.00 | Day | \$36,000.00 | Trackhoe — Heavy Duty |
| *0044 | 5 | \$82.50 | Day | \$412.50 | Steam cleaner |
| *0058 | 35 | \$90.00 | Day | \$3,150.00 | Per Diem (Lodging & Meals) |
| *0059 | 35 | \$15.00 | Day | \$525.00 | Partial Per Diem (Meals) |
| *0060 | 7500 | 0.445 | Mile | \$3,337.50 | Passenger Vehicle |
| *0062 | 2000 | \$60.00 | Cu. Yard | \$120,000.00 | Disposal of Contaminated Soil (incl. Trucking) |
| *0063 | 8400 | \$2.50 | Gallon | \$21,000.00 | Disposal of Contaminated Fluids |
| Other | 35 | \$160.00 | each | \$5,600.00 | Laboratory Analysis |
| | | TOTAL | \$214,700.00 | + | NMGRT 0.06875% |
| | | | | | = \$229,460.63 |



**State of New Mexico
Purchase Order**

PO Number to be on all Invoices and Correspondence
Dispatch via Print

Energy, Minerals & Resources

1220 South St. Francis Drive
Santa Fe NM 87505
United States

Vendor: 0000059915
RESPEC, INC.
ATTN: SAMANTHA LAPIN
5971 JEFFERSON NE STE 101
ALBUQUERQUE NM 87109

| | | | |
|---|---|-----------------------------|------------------|
| Purchase Order 52100-0000004671 | Date 03/15/2007 | Revision | Page 1 |
| Payment Terms Pay Now | Freight Terms FOB Destination | Ship Via Best Way | |
| Buyer FRAN A. CHAVEZ | Phone 505/476-3477 | | |

Ship To: 1220 South St. Francis Drive
Room 346
Santa Fe NM 87501
United States

Bill To: 1220 South St. Francis Drive
Room 346
Santa Fe NM 87501
United States

Origin: ENC **Exc\Excl #:**

| Line-Sch | Item/Description | Mfg ID | Quantity | UOM | PO Price | Extended Amt | Due Date |
|----------|--|--------|----------|-----|------------|--------------|------------|
| 1- 1 | Phase 1 remediation of production facilities & pits at North Lea Joint Venture site, located near Crossroads, NM | | 1.00 | EA | 110,000.00 | 110,000.00 | 03/15/2007 |

52100-31100-0710000000-535200- -0750- - -107-60000

Schedule Total 110,000.00

Item Total 110,000.00

61-80-509-18553 Exp 06/30/2007

FRAN CHAVEZ 476-3477

Total PO Amount 110,000.00

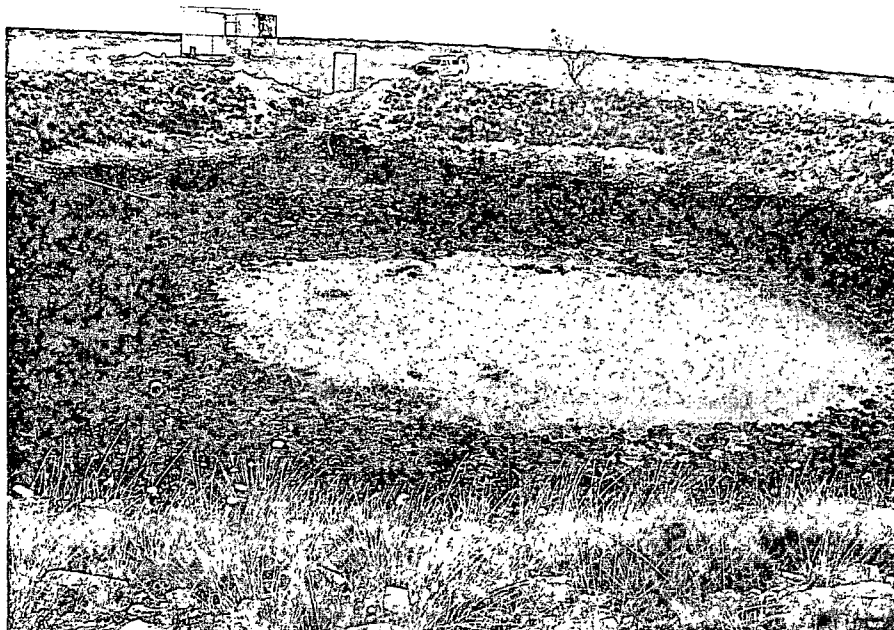
Agency Approval - I certify that the proposed purchase represented by this document is authorized by and is made in accordance with all State (and if applicable Federal) legislation rules and regulation. I further certify that adequate unencumbered cash and budget expenditure authority exists for this proposed purchase and all other outstanding purchase commitments and accounts payable.

Authorized Signature

Scope of Work and Cost Proposal

SITE REMEDIATION

*North Lea Venture Pit,
New Mexico*



Submitted to:

**State of New Mexico Energy, Minerals
& Natural Resources Department
New Mexico Oil Conservation Division**

Submitted by:



**INTERA Incorporated
6000 Uptown Boulevard NE, Suite 100
Albuquerque, New Mexico 87110**

October 9, 2006

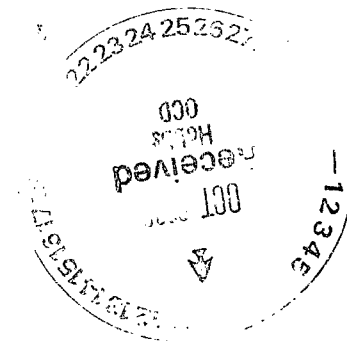


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Attachment 1 – Cost Estimate

1.0 INTRODUCTION

This scope of work (SOW) and cost estimate are being submitted for remediation activities at the North Lea Venture Pit (Site) located between Roswell and Plains in Lea County, New Mexico. The cleanup is to include removal of miscellaneous debris, pit fluids and solids containing petroleum-hydrocarbons, fencing, and approximately 5,997 cubic yards of petroleum-contaminated soil. This submittal is in response to a verbal request from Mr. E.L. Gonzales of the New Mexico Oil Conservation Division (NMOCD) District I Office to Joseph Tracy of INTERA Inc. (INTERA) on September 27, 2006.

Basing our assumptions on the SOW, INTERA has identified the following activities that will be performed during the Site investigation and remediation:

- Sample petroleum contaminated soil to obtain waste profile prior to soil disposal;
- Remove the miscellaneous debris located at the Site, if any, including fencing, t-posts, and miscellaneous trash items.
- Remove visual soil contamination as appropriate up to a maximum of 5,997 cubic yards. For purposes of this cost estimate, INTERA assumes that the pit will be excavated to a depth of approximately 5 feet below the current grade surface. INTERA also assumes that mix material is available for use at the Site;
- Backfill all excavated areas to the surface grade observed prior to contaminated soil excavation activities to a compaction of at least 90%;
- Clean soil will be transported to the Site to backfill the excavation;
- Propose any additional soil remediation techniques if necessary; and
- Prepare a final report.

The scope of work is divided into four tasks as shown on the attached spreadsheet.

Background Information

The North Lea Venture Pit Site is between Roswell and Plains, south of New Mexico State Highway 380. The unlined pit is 216 feet x 218 feet x 8 feet deep, surrounded by berms, and contains petroleum hydrocarbons, water, and petroleum-contaminated soil. The pit is surrounded by wire fencing secured to T-posts.

2.0 SCOPE OF WORK

INTERA has developed the project SOW by dividing the activities into four distinct tasks. Task 1 will include project development and coordination. Task 2 will consist of contacting One-Call (map any underground utilities) and conducting a NORM survey at the Site. Task 3 will incorporate the field activities of removal of the contaminated soil located within the pit. Task 4 will involve the preparation and transmittal of a summary report to the NMOCD.

2.1 Task 1: Project Development and Coordination

This project requires adequate preparation and coordination. Task 1 will include the development of a project schedule, project budget tracking, preparation of a Site-specific health and safety

plan, and the preparation of an internal work plan. Task 1 will also include project management tasks and coordination with the NMOCD.

2.2 Task 2: Performance of a “One-Call” and a NORM Survey

INTERA will perform a New Mexico-required “One-Call” prior to the performance of any Site work. The “One-Call” service should provide the locations of all known underground buried utilities at the Site.

INTERA will subcontract to perform a NORM survey. INTERA has contacted the New Mexico Environment Department Radiation Control Bureau and obtained a list of qualified NORM surveyors. INTERA will use a NORM surveyor located nearest the Site to reduce mobilization/transportation/per diem costs. The NORM survey will determine if there are any radioactive materials present within the pit soil materials. A complete copy of the NORM survey results will be included in the final report.

2.3 Task 3: Field Investigation

The field investigation will include the following activities described as follows:

- An INTERA field representative will collect a sample of the petroleum-contaminated pit material for waste disposal characterization.
- An INTERA licensed subcontractor will conduct the removal of the miscellaneous debris located at the Site. The perimeter fencing located around the pit will also be removed. INTERA will document the volume/weight of the miscellaneous debris removed as well as the disposal/recycling company used to accept the waste material.
- All testing necessary (which has been assumed to be limited to the NORM survey) will be conducted prior to disposal.
- An INTERA subcontractor will perform the pit removal activities. The unlined pit is 216 feet x 218 feet x 8 feet deep, surrounded by berms and contains petroleum hydrocarbons, water, and petroleum-contaminated soil. The petroleum contaminated material will be mixed as needed with surrounding material (available onsite). The petroleum-contaminated material will be mixed as necessary to allow for solid transport of the material for disposal. The soil will be disposed of at the Gandy Marley facility located on US Highway 380 (Sections 4, 5, 8, and 9, Township 11 South, Range 31 East, Chaves County). Clean soil to be used for backfill will be transported to the Site from the Gandy Marley facility.
- Grab soil samples will be retrieved from the base of the excavation and analyzed using a photoionization detector using New Mexico Petroleum Storage Tank Bureau headspace screening methods. The photoionization detector readings will be recorded in the field log book. Approximately six (6) soil samples will be selected for laboratory analysis and will be submitted to an NMOCD-approved laboratory, Hall Environmental Analysis Laboratory (HEAL) of Albuquerque, New Mexico. Each soil sample submitted will be analyzed for total petroleum hydrocarbons, benzene, toluene, ethyl benzene, and total xylenes, and chloride.

- All sample locations will be documented using a hand-held GPS receiver and will be provided in the coordinate system specified by the NMOCD Project Manager. The GPS locations will be used to document sampling locations on the final site figures.
- INTERA recommends that quality control/quality assurance (QA/QC) samples (split samples, duplicates, etc.) be collected. The frequency and number of QA/QC samples will be dictated by the NMOCD, and therefore have not been budgeted at this time.

2.4 Task 4: Preparation of Final Summary Report

Upon the culmination of the field investigation, INTERA will complete a final summary report documenting results of the investigation and summarizing the collected data. The report will include at a minimum:

- A site map showing the location of the pit, Site boundaries, and sampling locations;
- NORM survey results (if applicable);
- The volume of material removed from the pit and the disposal/reclamation company used. Waste manifests will be included as an attachment to the final report;
- Volume/weight of miscellaneous debris removed and the disposal/recycling company used;
- Results of all soil sample analytical data;
- Conclusions and recommendations for additional work (if necessary).

3.0 SCHEDULE

INTERA will submit two invoices for services – at the completion of the field activities and upon transmittal of the final report. Terms of payment will be in accordance with INTERA's New Mexico General Services Department Contract (Contract No. 408050918283).

INTERA will begin scheduling and project coordination as soon as possible after the NMOCD has issued a purchase document for the remediation. The work is estimated to be completed in 23 to 25 working days.

The final report will be transmitted to the NMOCD within 60 days of completion of the field sampling activities.

4.0 COST PROPOSAL

The cost estimate is provided in the attached spreadsheet. INTERA's services will be provided on a time and materials basis. INTERA will not exceed these costs without first requesting and then obtaining approval for an amendment to this budget. Assumptions used in developing these costs are provided below.

- The NORM Survey results will be below regulatory limits and the pit soil can be disposed of as OCD exempt waste;
- The NMOCD will provide written permission to use the necessary quantity of material at the Site as mix soil for the pit material removal activities;

- The NMOCD will grant access to the property and INTERA need not obtain or generate any access agreements;
- INTERA will complete the fieldwork for the site remediation/site characterization within a period of 23 to 25 days;
- The fencing around the perimeter of the facility will be removed as solid waste;
- Soil samples will be sent to HEAL (a NMOCD contract laboratory). Because the contract laboratory will be reimbursed directly through the State of New Mexico, costs for laboratory analyses are not included in the attached estimate. The selected laboratory will provide all sample bottles, coolers, etc. and will be responsible for any cost incurred by INTERA for sample shipping.
- Laboratory analytical data will be forwarded to INTERA within 14 calendar days of submittal of samples to the laboratory.

5.0 PERSONNEL

The key personnel who will be responsible for completion of the project are listed below along with their areas of responsibility.

| | |
|---|---|
| Ms. Cynthia Ardito - Principal | Client interface, oversight of project management, and technical review of work plan and report documents. |
| Mr. Joseph J. Tracy, PG – Project Geologist | Project management, contaminant investigation activities, and development of work plan, health and safety plan, and final report. |
| Ms. Amy Andrews – Staff Engineer | Background research, site investigation activities, and development of work plan, and final report. |
| Mr. Konrad Clark – Field Technician II | Coordination, scheduling, and lead technician on field activities. Completion of field forms and final report development. |

**ATTACHMENT 1
COST ESTIMATE**

**State of New Mexico
Oil Conservation Division
Remediation
North Lea Venture Pit, Lea County, New Mexico, October 6, 2006**

| Task 1. Project Preparation and Coordination | | | | | North Lea Venture Pit |
|--|--------------------|----------|--------|------------|-----------------------|
| Professional Services | Contract Line Item | Rate | Unit | # of Units | Total |
| Principal | 0001 | \$100.00 | hour | 4 | \$400.00 |
| Senior Scientist/Engineer | 0002 | \$80.00 | hour | 32 | \$2,560.00 |
| Staff Scientist/Engineer | 0004 | \$60.00 | hour | 8 | \$480.00 |
| Field Technician II | 0005 | \$57.00 | hour | 24 | \$1,368.00 |
| Subtotal Professional Labor | | | | | \$4,808.00 |
| SUBTOTAL TASK 1: | | | | | \$4,808.00 |
| NMGRT @ 6.75% | | | | | \$324.54 |
| GRAND TOTAL TASK 1: | | | | | \$5,132.54 |
| Task 2. Contact Utilities (1-Call) and Perform Naturally Occurring Radioactive Materials (NORM) Survey | | | | | |
| Professional Services | Contract Line Item | Rate | Unit | # of Units | Total |
| Staff Scientist/Engineer | 0004 | \$60.00 | hour | 4 | \$240.00 |
| Field Technician II | 0005 | \$57.00 | hour | 8 | \$456.00 |
| Subtotal Professional Labor | | | | | \$696.00 |
| Expenses | Contract Line Item | Rate | Unit | # of Units | Total |
| NORM Survey | "At Cost" | \$800.00 | each | 1 | \$800.00 |
| Subtotal Expenses | | | | | \$800.00 |
| SUBTOTAL TASK 2: | | | | | \$1,496.00 |
| NMGRT @ 6.75% | | | | | \$100.98 |
| GRAND TOTAL TASK 2: | | | | | \$1,596.98 |
| Task 3. Field Investigation: Pit Material and Miscellaneous Debris Removal/Disposal | | | | | |
| Professional Services | Contract Line Item | Rate | Unit | # of Units | Total |
| Senior Scientist/Engineer | 0002 | \$80.00 | hour | 24 | \$1,920.00 |
| Field Technician II (foreman)(Intera and Subcontractor) | 0005 | \$57.00 | hour | 500 | \$28,500.00 |
| Project Manager (Supervisor) | 0003 | \$70.00 | hour | 250 | \$17,500.00 |
| Field Technician II - Foreman | 0005 | \$57.00 | hour | 250 | \$14,250.00 |
| Field Technician I - Equipment Operator | 0006 | \$47.00 | hour | 250 | \$11,750.00 |
| Subtotal Professional Labor | | | | | \$73,920.00 |
| Expenses | Contract Line Item | Rate | Unit | # of Units | Total |
| Mobilization of Equipment | 0047 | \$3.50 | mile | 1,638 | \$5,733.00 |
| Backhoe - Medium Duty | 0050 | \$157.00 | day | 25 | \$3,925.00 |
| D5 dozer | "At Cost" | \$400.00 | day | 25 | \$10,000.00 |
| Per Diem | 0043 | \$65.00 | day | 125 | \$8,125.00 |
| Pick-Up Truck | 0053 | \$70.00 | day | 5 | \$350.00 |
| 950 Front End Loader | "At Cost" | \$440.00 | day | 25 | \$11,000.00 |
| Fuel for Equipment/Trucks - Env. Services Contractor | "At Cost" | \$4.14 | gallon | 2070 | \$8,569.80 |
| Disposal of Contaminated Solids/Soils | "At Cost" | \$18.07 | yard | 6000 | \$108,420.00 |
| Transportation of Contaminated Soils | "At Cost" | \$23.07 | yard | 6000 | \$138,420.00 |
| Clean Soil for Backfill | "At Cost" | \$8.07 | yard | 5340 | \$43,093.80 |
| Hand-Held GPS Unit | "At Cost" | \$5.00 | day | 5 | \$25.00 |
| Photomization Detector (PID) | 0021 | \$10.00 | day | 23 | \$230.00 |
| Subtotal Expenses | | | | | \$337,891.60 |
| SUBTOTAL TASK 3: | | | | | \$411,811.60 |
| NMGRT @ 6.75% | | | | | \$27,797.28 |
| GRAND TOTAL TASK 3: | | | | | \$439,608.88 |
| Task 4. Preparation of a Final Report | | | | | |
| Professional Services | Contract Line Item | Rate | Unit | # of Units | Total |
| Principal | 0001 | \$115.00 | hour | 8 | \$920.00 |
| Senior Scientist/Engineer | 0002 | \$80.00 | hour | 24 | \$1,920.00 |
| Field Technician II | 0005 | \$57.00 | hour | 32 | \$1,824.00 |
| Draftsperson II (Figures, Cross Sections) | 0007 | \$55.00 | hour | 24 | \$1,320.00 |
| Administrator (Technical Editor) | 0009 | \$55.00 | hour | 8 | \$440.00 |
| Subtotal Professional Labor | | | | | \$6,424.00 |
| SUBTOTAL TASK 4: | | | | | \$6,424.00 |
| NMGRT @ 6.75% | | | | | \$433.62 |
| GRAND TOTAL TASK 4: | | | | | \$6,857.62 |
| PROJECT GRAND TOTAL (Tasks 1, 2, 3, and 4 plus NMGRT): | | | | | \$453,196.02 |