Larson & Associates, Inc.
Environmental Consultants

December 6, 2005

VIA EMAIL: paul.sheeley@state.nm.us
VIA CERTIFIED MAIL

Mr. Paul Sheeley
Environmental Engineer
State of New Mexico
Oil Conservation Division
1625 North French Drive
Hobbs, New Mexico 88240

Re: Revised Flow Line Leak Investigation Report and Remediation Plan, John H. Hendrix Corporation, Walter Lynch #1 Well, Unit Letter K (NE/4, SW/4), Section 1, Township 22 South, Range 37 East, Lea County, New Mexico API # 30025 09942 0000

Dear Mr. Sheeley:

This letter is submitted to the State of New Mexico Oil Conservation Division ("OCD") on behalf of John H. Hendrix Corporation ("JHHC") by Larson and Associates, Inc. ("LA"), its agent, and presents the results of an investigation of a crude oil leak from a flow line in unit letter K ("NE/4, SW/4"), Section 1, Township 22 South, Range 37 East in Lea County, New Mexico. The leak was discovered on August 30, 2005, and immediately reported to OCD. Form C-141 was submitted to OCD by JHHC on August 30, 2005. The leak occurred approximately 400 feet southwest of the Walter Lynch #1 well, involved approximately 2 barrels of crude oil and no product was recovered. The latitude and longitude for the leak is North 32° 25' 08.2" and West 103° 07' 09.7". Figure 1 presents a location and topographic map. Appendix A presents Form C-141.

Current Investigation

On September 9 and 12, 2005, LA personnel collected soil samples from six (6) locations (SP-1 through SP-6) using a Terraprobe® direct-push system. The Terraprobe® hydraulically pushes or percussion hammers a stainless steel core barrel into the subsurface and collects a soil core sample about four (4) feet long. Two (2) composite samples were generally collected from each core sample (i.e., 0 to 1', 1 to 3', 4 to 5', 5 to 6' etc.) to total depth and depending on sample recovery. Samples were collected for laboratory and headspace analysis. The laboratory samples were placed in 4-ounce glass sample jars filled to near zero headspace, labeled, chilled in an ice chest, and delivered under chain of custody control to Environmental Lab of Texas, Inc. ("ELTI"), located in Odessa, Texas. The headspace samples were collected in 8-ounce jars that were partially filled to leave an open headspace near the top of the container before sealing the container opening with a layer of aluminum foil and securely tightening the lid. The concentration of organic vapors in the headspace samples was measured using a calibrated photoionization detector ("PID") after the samples had warmed to near ambient temperature (approximately 30 minutes), at which time the PID probe was inserted into the container headspace, through the aluminum foil and the concentration of organic vapors was measured in parts per million ("ppm"). The maximum depth of Terraprobe® penetration was approximately eleven (11) feet below ground surface ("bgs") at location SP-3. The borings were plugged with

Hendrix - 12024
application - pPAC060543666 9
incident - nPAC0605436545 inspection -

bentonite and samples were visually examined using the Unified Soil Classification System ("USCS"). Figure 2 presents a Site drawing. Appendix B presents the boring logs.

The laboratory analyzed samples for benzene, toluene, ethyl benzene and xylene ("BTEX") using method SW-846-8021B, if PID readings exceeded 100 ppm. The laboratory analyzed samples for total petroleum hydrocarbons ("TPH") using method SW-846 8015 for gasoline range organics ("GRO") and diesel range organics ("DRO"), and chloride by method SW-846-300. Table 1 presents a summary of the PID and laboratory analysis. Appendix C presents the laboratory report. Appendix D presents photographs.

Setting

The leak occurred approximately 3 miles southeast of Eunice, New Mexico, at an elevation of approximately 3350 feet above mean sea level ("AMSL"). Monument Draw is located about 2,800 feet east of the leak and is an intermittent stream that flows southeast. The area is covered with wind blown sand that overlies the Ogallala formation (Tertiary). The Ogallala formation consists of unconsolidated to well-cemented sand and sandstone that is interstratified with clay, silt and gravel. The Ogallala formation overlies the Chinle formation (Triassic), which is known as "red bed". The red bed consists of mudstone, siltstone and sandstone.

The Office of the New Mexico State Engineer ("OSE") in Roswell, New Mexico, indicates that groundwater occurs at approximately 54 feet bgs, which is close to the cut-off for consideration of a higher ranking score. No wells were identified within 1,000 feet of the location. Recommended remediation action levels ("RRAL") were calculated using the following criteria published by OCD ("Guidelines for Remediation of Leaks, Spills and Releases, August 13, 1993"):

Ranking Criteria	Result	Ranking Score
Depth-to-Groundwater	<50 feet	20
Wellhead Protection Area	No	0
Distance to Surface Water Body	>1000 Horizontal Feet	0
	Total Score:	**20**

The following RRAL are assigned to the leak based on the total ranking score (20):

Benzene	**10 mg/kg**
Total BTEX	**50 mg/kg**
TPH	**100 mg/kg**

Conclusions

Benzene exceeded the RRAL in sample SP-3, 1 to 3 feet (8.45 mg/Kg). Total BTEX (sum of benzene, toluene, ethyl benzene and xylene) exceeded the RRAL in samples SP-3, 0 to 1 feet (85.15 mg/Kg) and SP-3, 1 to 3 feet (136.46 mg/Kg). TPH exceeded the RRAL in samples SP-2, 0 to 1 feet (18,386 mg/Kg), SP-2, 1 to 2.8 feet (244.04 mg/Kg), SP-3, 0 to 1 feet (27,770 mg/Kg), SP-3, 1 to 3 feet (5,970 mg/Kg), SP-4, 0 to 1 feet (15,150 mg/Kg), SP-5, 0 to 1 feet (19,400 mg/Kg), SP-6, 0 to 1 feet (5,902 mg/Kg) and SP-6, 1 to 2.5 feet (979 mg/Kg). There is no RRAL for chloride, but soil will be excavated to reduce chloride below 1,000 mg/Kg.

Additional investigation will be performed during remediation to delineate chloride to 250 mg/Kg or background, whichever is greater.

Remediation Plan

Soil will be removed from the area of the leak to an approximate depth of three (3) feet bgs to reduce BTEX and TPH below the RRAL and chloride below 1,000 mg/Kg. Additional soil will be removed to approximately ten (1) feet bgs near the leak (SP-3) to reduce BTEX and TPH below the RRAL and chloride below 1,000 mg/Kg. Additional investigation will be performed in the vicinity of sample locations SP-3, SP-4, SP-5and SP-6 to delineate the lateral and vertical extent of chloride to near 250 mg/Kg or background, whichever is greater. Soil samples will be collected from the bottom and sides of the excavation and analyzed by a qualified laboratory for BTEX, TPH and chloride. The excavated soil will be hauled to the JHHC permitted landfarm (NM-02-0021) located northwest of Jal, New Mexico. Clean soil will be placed in the excavation and seeded to range grasses. A final report will be submitted to OCD within 45 days following receipt of the laboratory report. Your approval of the remediation plan is requested. If you have questions, please call Mr. Marvin Burrows with JHHC at (505) 394-2649, myself at (432) 687-0901 or email mburrows@valornet.com or Mark@LAEnvironmental.com.

Sincerely,

Larson and Associates, Inc.

Cassie Hobbs for

Mark J. Larson, P.G., C.P.G., C.G.W.P.
Senior Project Manager/President

Encl

cc: Marvin Burrows/JHHC
Ron Westbrook/JHHC
Chris Williams/OCD – Hobbs
Ed Martin/OCD – Santa Fe

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Janurary 5, 2006

Marvin Burrows/JHHC
John H. Hendrix Corp., (JHHC)
110 N. Marienfeld St., Ste. 400
Midland, TX 79701

Re: Walter Lynch #1 Well - Investigation Work Plan Approval
Site Location: UL-K, Sec 1-T22S-R37E
Dated: December 6, 2005

Dear Mr. Burrows,

New Mexico Oil Conservation Division (OCD) received an investigation work plan prepared by Larson & Associates for JHHC and referenced above. The plan is **hereby approved** with the following additional requirements:

1. JHHC shall dispose of contaminated material according to OCD protocol.
2. JHHC shall propose a soil remediation level demonstrating that remaining chloride contamination will not cause an exceedance of the New Mexico Water Quality Control Commission (WQCC) groundwater standard of 250 mg/L [Chloride].

Please be advised that OCD approval of this plan does not relieve JHHC of liability should their operations fail to adequately investigate and remediate contaminants that threaten ground water, surface water, human health or the environment. In addition, OCD approval does not relieve JHHC of responsibility for compliance with any other federal, state, or local laws and/or regulations.

If you have any questions or need assistance please write or call: (505) 393-6161, ext. 113, or e-mail: psheeeley@state.nm.us

Sincerely,

Paul Sheeley-Environmental Engineer
Cc: Roger Anderson - Environmental Bureau Chief
Chris Williams - District I Supervisor
Larry Johnson - Environmental Engineer
Mark Larson - Larson & Associates

TABLES

Table 1: Summary of Field and Laboratory Analysis of Soil Samples
John H. Hendrix Corporation, Walter Lynch #1
Unit Letter K (NE/4,SW/4), Section 1, Township 22 South, Range 37 East
Lea County, New Mexico

Boring Number	Sample Date	Sample Depth (Feet BGS)	PID (ppm)	Benzene (mg/kg)	BTEX (mg/kg)	GRO C6 C12 (mg/kg)	DRO >C12-C35 (mg/kg)	TPH C6-C35 (mg/kg)	Chloride (mg/kg)
RRAL				10	50			100	
SP-1	9/9/2005	0 - 1	15.4	---	---	<10	<10	<20	31.9
	9/9/2005	1 - 2.8	2.0	---	---	<10	<10	<20	138
	9/9/2005	4 - 6	0.1	---	---	<10	<10	<20	159
	9/9/2005	6 - 7.8	0.1	---	---	---	---	---	---
SP-2	9/12/2005	0 - 1	120.0	<0.025	0.0882	986	17,400	18,386	1,440
	9/12/2005	1 - 2.8	20.5	---	---	5.04	239	244.04	159
	9/12/2005	4 - 5	7.0	---	---	<10	28.2	28.2	31.9
	9/12/2005	5 - 6	23.4	---	---	---	---	---	---
	9/12/2005	6 - 8	4.0	---	---	---	---	---	---
SP-3	9/12/2005	0 - 1	750.0	1.75	85.15	6,370	21,400	27,770	5,640
	9/12/2005	1 - 3	1450.0	8.45	136.46	2,430	3,540	5,970	9,250
	9/12/2005	4 - 5	402.0	0.0105	0.5	10.3	82.4	92.7	5,420
	9/12/2005	5 - 6	708.0	---	---	<10	<10	<20	6,810
	9/12/2005	6 - 7	3.0	---	---	---	---	---	7,530
	9/12/2005	8 - 9	47.4	---	---	---	---	---	4,140
	9/12/2005	9 - 11	15.2	---	---	---	---	---	622
SP-4	9/12/2005	0 - 1	220.0	0.0584	25.6684	2,750	12,400	15,150	2,450
	9/12/2005	1 - 2.8	51.6	---	---	<10	9.64	9.6	298
	9/12/2005	4 - 5	142.0	<0.025	0.2898	8.77	18.6	27.37	670
	9/12/2005	5 - 6	0.1	---	---	<10	<10	<20	308
	9/12/2005	6 - 8	0.1	---	---	---	---	---	292
SP-5	9/12/2005	0 - 1	68.7	---	---	1,300	18,100	19,400	681
	9/12/2005	1 - 2.8	20.8	---	---	<10	<10	<20	1,000
	9/12/2005	4 - 5	2.8	---	---	<10	<10	<20	989
	9/12/2005	5 - 6	0.1	---	---	---	---	---	750

Table 1: Summary of Field and Laboratory Analysis of Soil Samples
John H. Hendrix Corporation, Walter Lynch #1
Unit Letter K (NE/4,SW/4), Section 1, Township 22 South, Range 37 East
Lea County, New Mexico

Boring Number	Sample Date	Sample Depth (Feet BGS)	PID (ppm)	Benzene (mg/kg)	BTEX (mg/kg)	GRO C6 C12 (mg/kg)	DRO >C12-C35 (mg/kg)	TPH C6-C35 (mg/kg)	Chloride (mg/kg)
RRAL				10	50			100	
SP-5	9/12/2005	6 - 7.8	0.1	---	---	---	---	---	1,460
SP-6	9/12/2005	0 - 1	95.7	---	---	762	5,140	5,902	1,030
	9/12/2005	1 - 2.5	53.6	---	---	115	864	979	1,540
	9/12/2005	4 - 5	9.2	---	---	<10	<10	<20	915
	9/12/2005	5 - 6	0.4	---	---	---	---	---	389
	9/12/2005	6 - 8	0.2	---	---	---	---	---	709

Notes: Analysis performed by Environmental Lab of Texas, I. Ltd., Odessa, Texas

1. BGS: Sample depth in feet below ground surface
2. TPH: Total petroleum hydrocarbons (Sum of DRO + GRO)
3. mg/kg: Milligrams per kilogram
4. <: Below method detection limit
5. PID: Photoionization detector
6. ppm: Parts per million
7. ---: No data available
8. BTEX: Sum of benzene, tolulene, ethylbenzene and xylene
9. GRO: Gasoline - range organics
10. DRO: Diesel - range organics

FIGURES

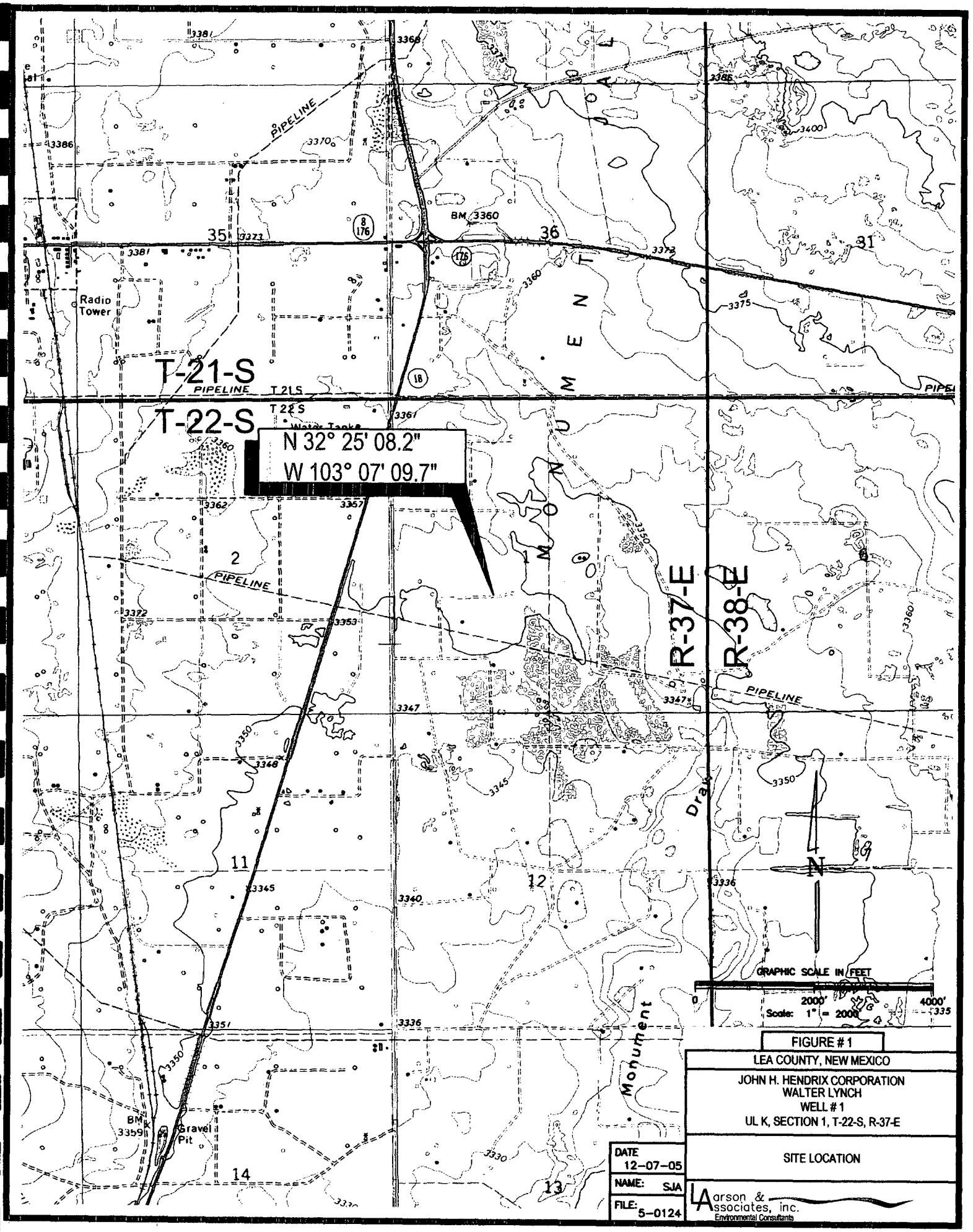


FIGURE # 1

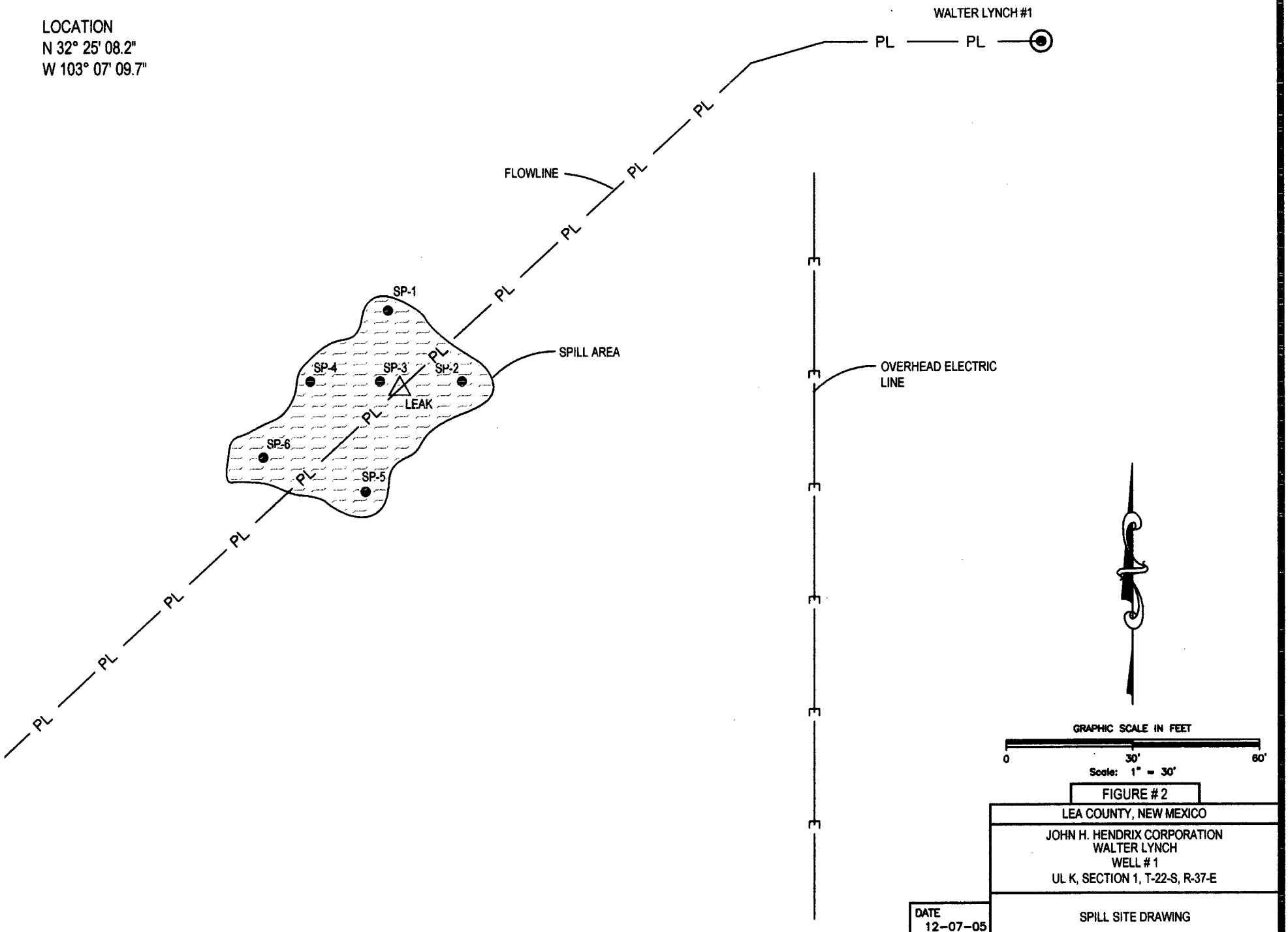
LEA COUNTY, NEW MEXICO

JOHN H. HENDRIX CORPORATION
WALTER LYNCH
WELL # 1
UL K, SECTION 1, T-22-S, R-37-E

SITE LOCATION

DATE 12-07-05
NAME: SJA
FILE: 5-0124

Larson & Associates, inc.
Environmental Consultants


LOCATION
N 32° 25' 08.2"
W 103° 07' 09.7"
WALTER LYNCH #1
PL
PL
PL
PL
PL
PL
PL
PL
PL
PL
PL
FLOWLINE
SP-1
SP-2
SP-3
SP-4
SP-5
SP-6
LEAK
SPILL AREA
OVERHEAD ELECTRIC LINE
GRAPHIC SCALE IN FEET
0
30'
60'
Scale: 1" = 30'
FIGURE # 2
LEA COUNTY, NEW MEXICO
JOHN H. HENDRIX CORPORATION
WALTER LYNCH
WELL # 1
UL K, SECTION 1, T-22-S, R-37-E
SPILL SITE DRAWING
DATE 12-07-05
NAME: SJA
FILE: 5-0124
Larson & Associates, inc.
Environmental Consultants

APPENDIX A

Form C-141

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action

OPERATOR

☑ Initial Report ☐ Final Report

Name of Company: John H. Hendrix		Contact: Marvin Burrows	
Address: Box 910, Eunice, NM 88231		Telephone No.: 505-394-2649	
Facility Name: Walter Lynch #1		Facility Type: Flowline	
Surface Owner: Kennann	Mineral Owner: Kennann		Lease No.:

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	1	22S	37E	1980'	South	1980'	West	Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release: Oil/Water	Volume of Release: 2 BBLS Volume Recovered: 0
Source of Release: Flowline	Date and Hour of Occurrence: 7AM 8/30/05 Date and Hour of Discovery: 9 a.m. 8/30/05
Was Immediate Notice Given? ☐ Yes ☐ No ☑ Not Required	If YES, To Whom? OCD
By Whom? Marvin Burrows	Date and Hour: 3:00 PM 8/30/05
Was a Watercourse Reached? ☐ Yes ☑ No	If YES, Volume Impacting the Watercourse. —

If a Watercourse was Impacted, Describe Fully *

—

Describe Cause of Problem and Remedial Action Taken.*

Pinhole in Flowline.

Describe Area Affected and Cleanup Action Taken.*

6'x20', 2'x20' none

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: Marvin Burrows	OIL CONSERVATION DIVISION
Printed Name: Marvin Burrows	Approved by District Supervisor:
Title: Prod. Mgr.	Approval Date: / Expiration Date:
E-mail Address: mburrows@valornet.com	Conditions of Approval: / Attached ☐
Date: 8/30/05 Phone: 505-394-2649	

* Attach Additional Sheets If Necessary

APPENDIX B

Boring Logs

Client: John Hendrix Corporation

Project: Walter Lynch # 1

Project No: 5-0124

Location: Lea County , New Mexico

Log: SP - 1

Page: 1 of 1

Geologist: Mark Larson

SUBSURFACE PROFILE			SAMPLE				
Depth	Symbol	Description	Number	Type	Recovery	PID ppm (2 6 10 14 18)	Notes
0		Ground Surface					
		Slity Sand 7.5 YR 6/3, Very fine grained sand, poorly sorted, sub round, loose to weakly conpacted, dry	1			15.4	
			2			2.0	
5			3			0.1	
			4			0.1	
		Caliche 7.5 YR 7/1 to 5/3, Light gray to brown, sandy very fine grained quartz sand, friable, dry					
		TD: 8'					
10							

Drill Method: Direct Push

Drill Date: 9/9/05

Hole Size: 0.25'

Larson and Associates, Inc
507 N. Marienfeld, Suite 202
Midland, Texas 79701
(432) 687-0901

Elevation: N/A

Checked by: MJL

Drilled by: LA

Client: John Hendrix Corporation

Project: Walter Lynch # 1

Project No: 5-0124

Location: Lea County , New Mexico

Log: SP - 2

Page: 1 of 1

Geologist: Mark Larson

SUBSURFACE PROFILE			SAMPLE				
Depth	Symbol	Description	Number	Type	Recovery	PID ppm (50 – 150)	Notes
0		Ground Surface					
		Slity Sand 7.5 YR 3/2 TO 5/2, Very brown to brown, very fine grained sand, poorly sorted, sub round, very stong hydrocarbon odor and stain from 0.0' - 1.0'	1			120.0	
			2			20.5	
			3			7.0	
5			4			23.4	
		Silty Clayey Sand 7.5 YR 3/2, Brown, very fine grained quartz sand	5			4.0	
		TD: 8'					
10							

Drill Method: Direct Push

Drill Date: 9/12/05

Hole Size: 0.25'

Larson and Associates, Inc
507 N. Marienfeld, Suite 202
Midland, Texas 79701
(432) 687-0901

Elevation: N/A

Checked by: MJL

Drilled by: LA

Client: John Hendrix Corporation

Project: Walter Lynch # 1

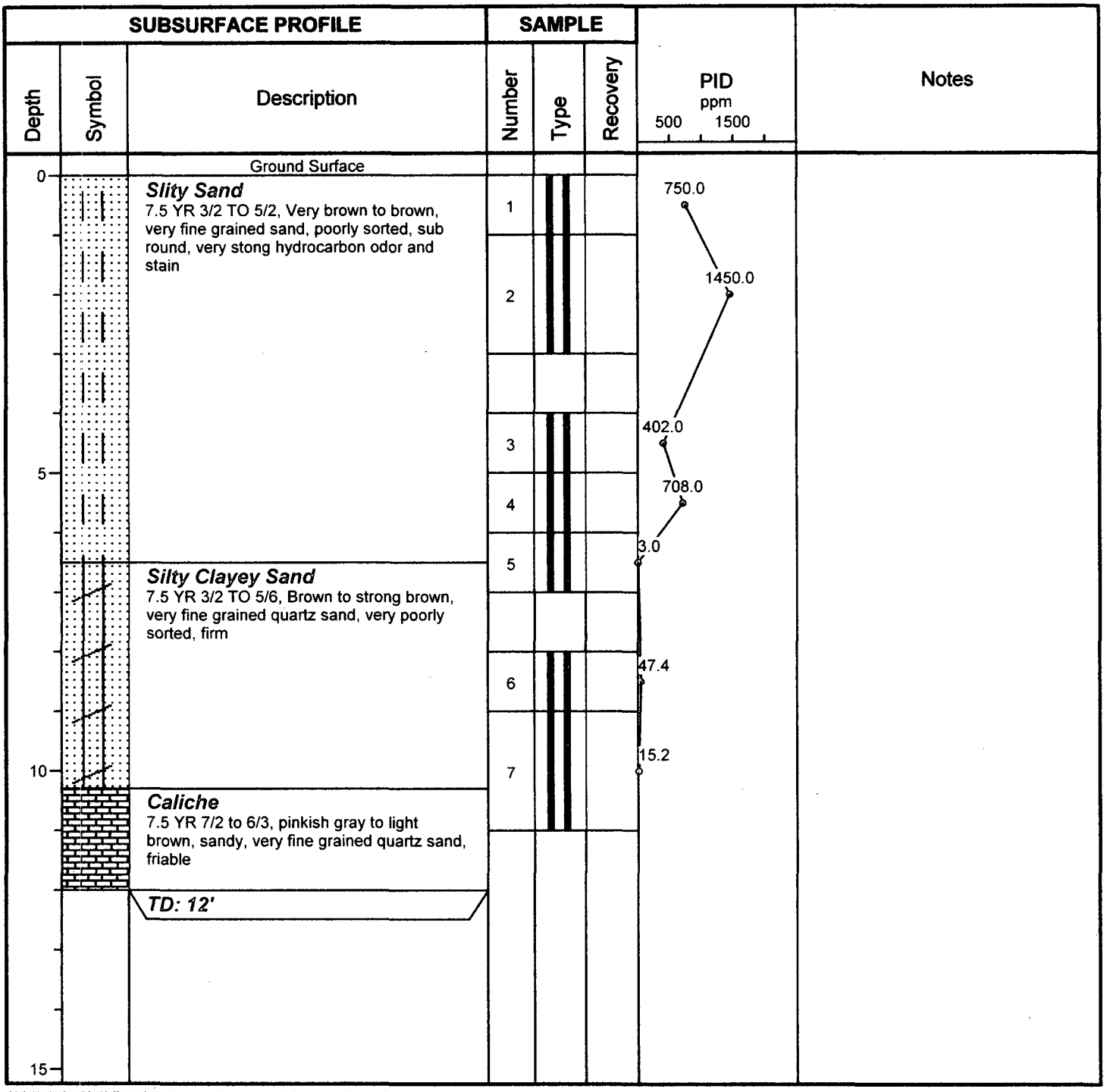
Project No: 5-0124

Location: Lea County , New Mexico

Log: SP - 3

Page: 1 of 1

Geologist: Mark Larson



Drill Method: Direct Push

Drill Date: 9/12/05

Hole Size: 0.25'

Larson and Associates, Inc
507 N. Marienfeld, Suite 202
Midland, Texas 79701
(432) 687-0901

Elevation: N/A

Checked by: MJL

Drilled by: LA

Client: John Hendrix Corporation

Project: Walter Lynch # 1

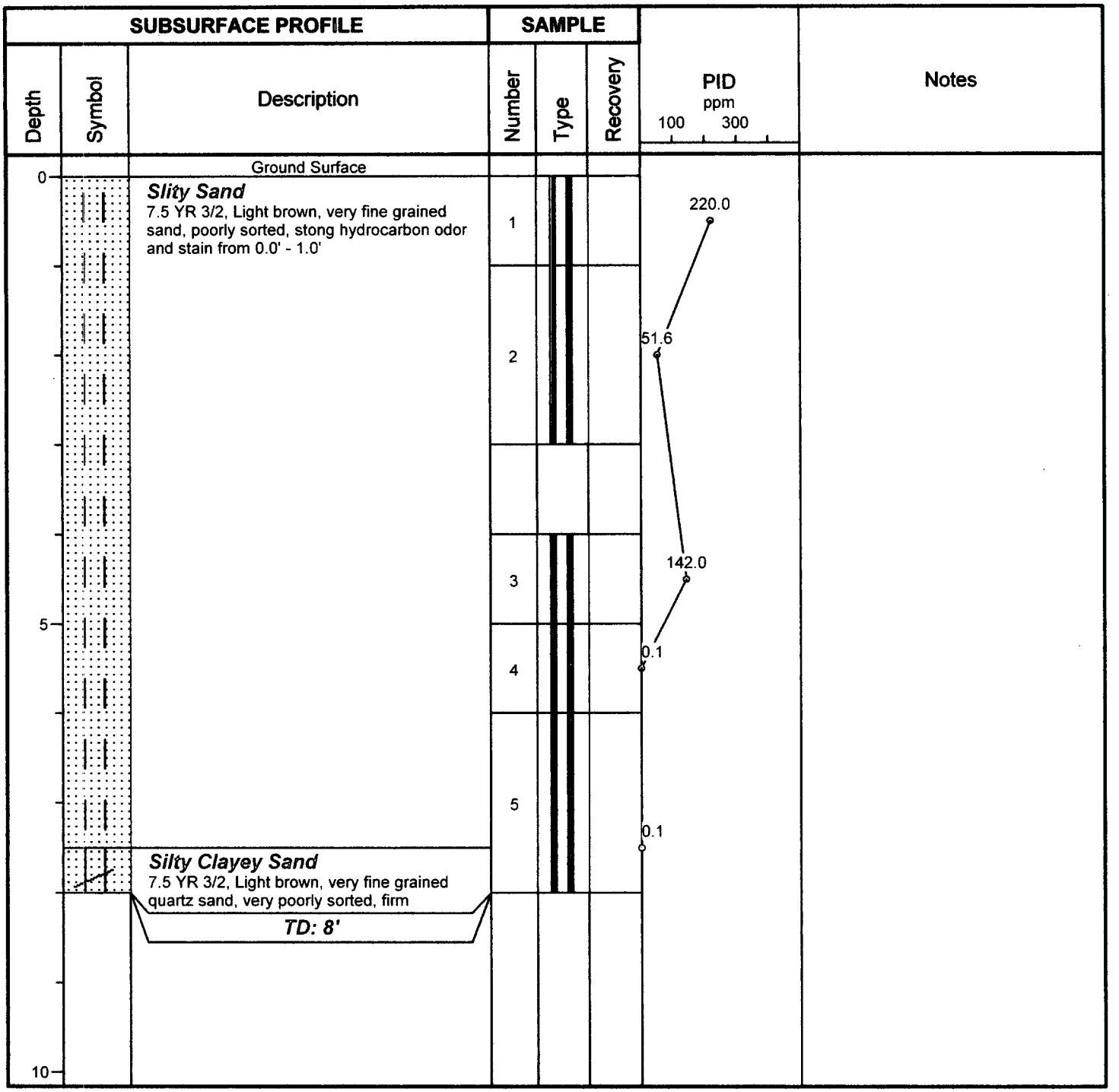
Project No: 5-0124

Location: Lea County, New Mexico

Log: SP - 4

Page: 1 of 1

Geologist: Mark Larson



Drill Method: Direct Push

Drill Date: 9/12/05

Hole Size: 0.25'

Larson and Associates, Inc
507 N. Marienfeld, Suite 202
Midland, Texas 79701
(432) 687-0901

Elevation: N/A

Checked by: MJL

Drilled by: LA

Client: John Hendrix Corporation

Project: Walter Lynch # 1

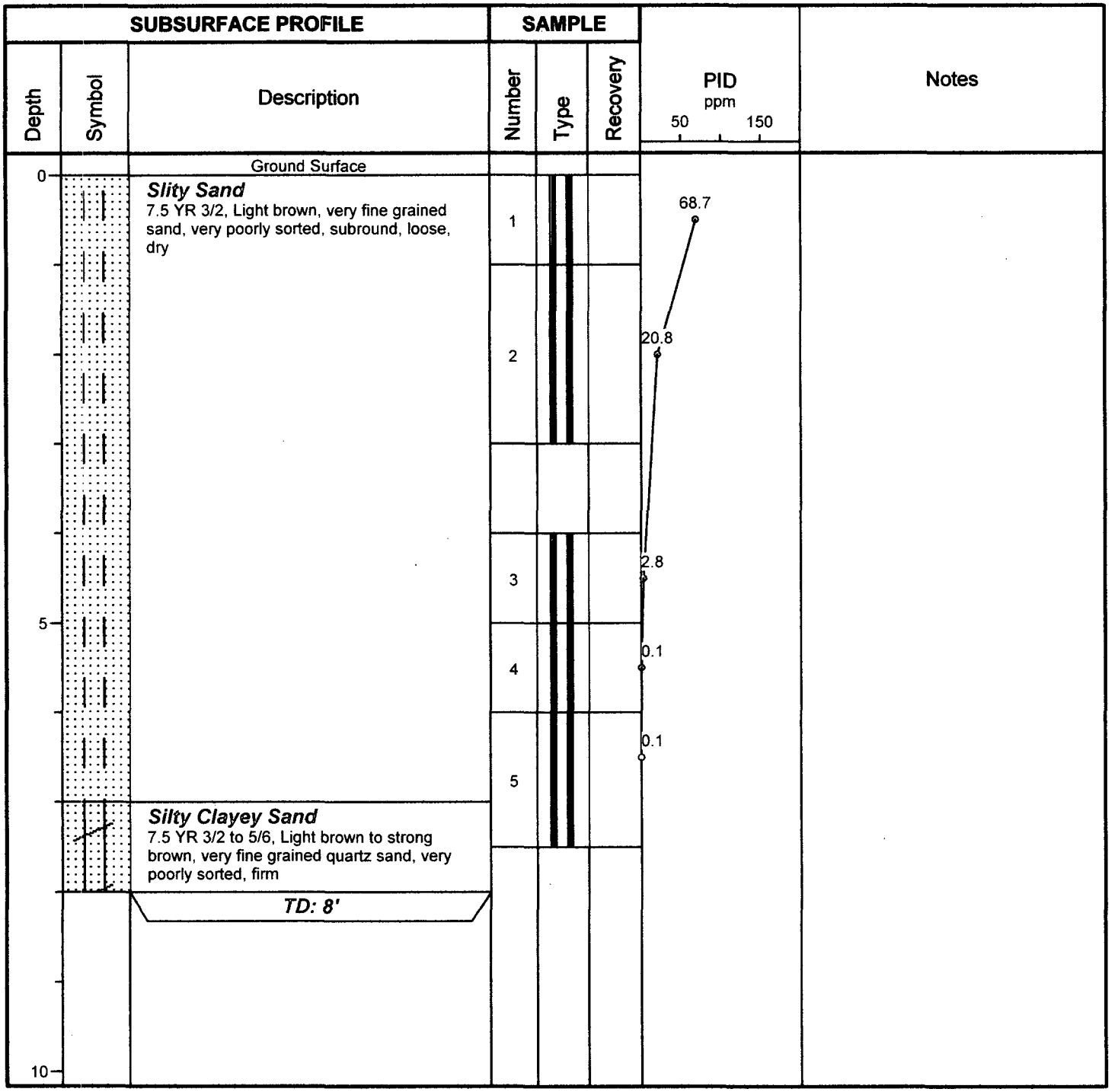
Project No: 5-0124

Location: Lea County, New Mexico

Log: SP - 5

Page: 1 of 1

Geologist: Mark Larson



Drill Method: Direct Push

Drill Date: 9/12/05

Hole Size: 0.25'

Larson and Associates, Inc
507 N. Marienfeld, Suite 202
Midland, Texas 79701
(432) 687-0901

Elevation: N/A

Checked by: MJL

Drilled by: LA

Client: John Hendrix Corporation

Project: Walter Lynch # 1

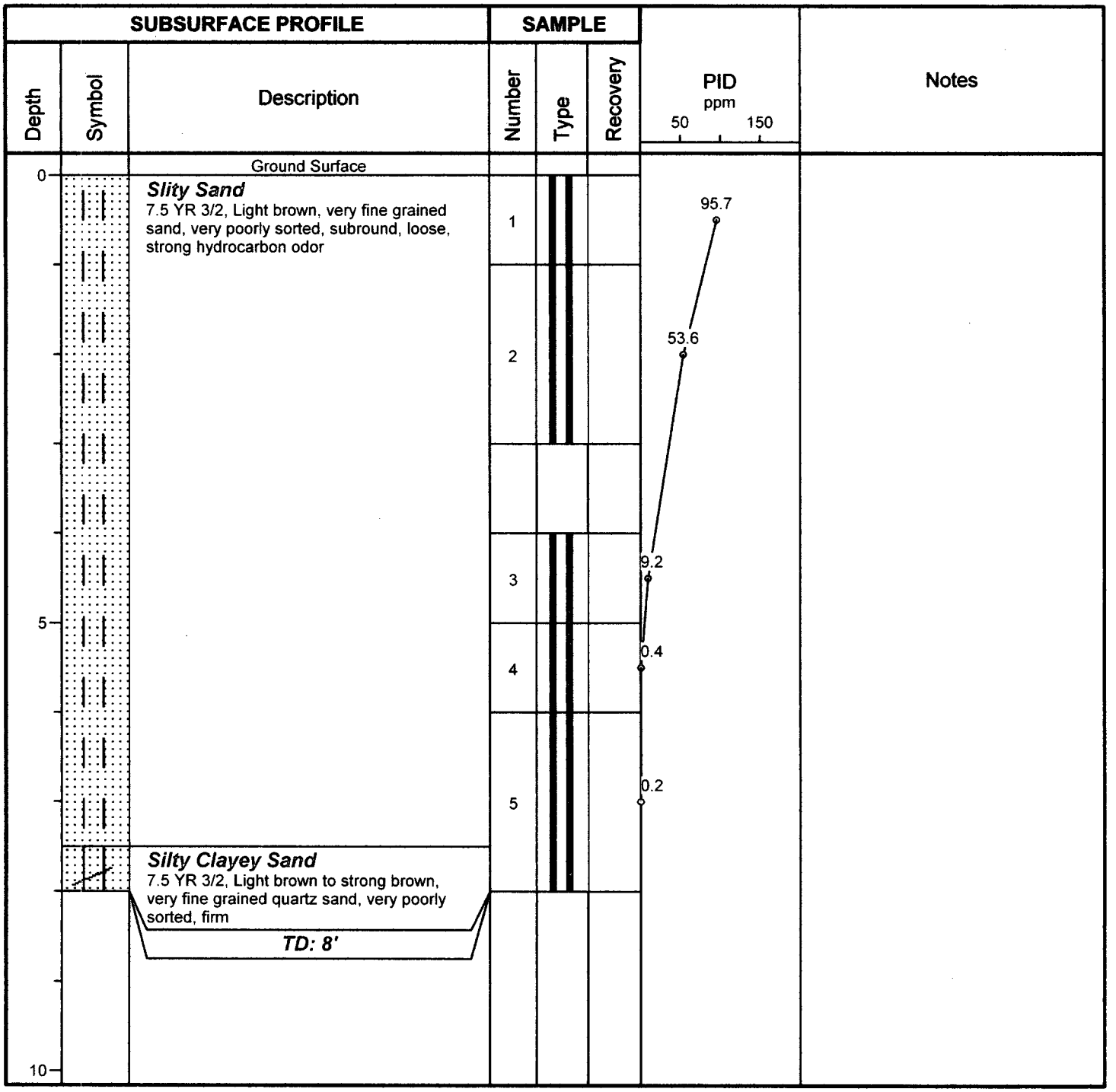
Project No: 5-0124

Location: Lea County, New Mexico

Log: SP - 6

Page: 1 of 1

Geologist: Mark Larson



Drill Method: Direct Push

Drill Date: 9/12/05

Hole Size: 0.25'

Larson and Associates, Inc
507 N. Marienfeld, Suite 202
Midland, Texas 79701
(432) 687-0901

Elevation: N/A

Checked by: MJL

Drilled by: LA

APPENDIX C

Laboratory Reports

ENVIRONMENTAL LAB OF

12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

Mark Larson

Larson & Associates, Inc.

P.O. Box 50685

Midland, TX 79710

Project: John H. Hendrix/ Walter Lynch #1

Project Number: 5-0124

Location: None Given

Lab Order Number: 5I29001

Report Date: 10/06/05

Larson & Associates, Inc.	Project: John H. Hendrix/ Walter Lynch #1	Fax: (432) 687-0456
P.O. Box 50685	Project Number: 5-0124	**Reported:**
Midland TX, 79710	Project Manager: Mark Larson	10/06/05 14:36

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
SP-3, 6-7'	5I29001-01	Soil	09/12/05 12:00	09/13/05 08:45
SP-3, 8-9'	5I29001-02	Soil	09/12/05 12:15	09/13/05 08:45
SP-3, 9-11'	5I29001-03	Soil	09/12/05 12:15	09/13/05 08:45
SP-4, 6-8'	5I29001-04	Soil	09/12/05 13:15	09/13/05 08:45
SP-5, 5-6'	5I29001-05	Soil	09/12/05 12:44	09/13/05 08:45
SP-5, 6-7.8'	5I29001-06	Soil	09/12/05 12:44	09/13/05 08:45
SP-6, 5-6'	5I29001-07	Soil	09/12/05 13:37	09/13/05 08:45
SP-6, 6-8'	5I29001-08	Soil	09/12/05 13:37	09/13/05 08:45

12600 West I-20 East - Odessa, Texas 79705 - (432) 563-1800 - Fax (432) 563-1713

Larson & Associates, Inc.	Project: John H. Hendrix/ Walter Lynch #1	Fax: (432) 687-0456
P.O. Box 50685	Project Number: 5-0124	**Reported:**
Midland TX, 79710	Project Manager: Mark Larson	10/06/05 14:36

General Chemistry Parameters by EPA / Standard Methods

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
SP-3, 6-7' (5I29001-01) Soil									
Chloride	**7530**	100	mg/kg	200	EJ50402	09/30/05	10/04/05	EPA 300.0	
SP-3, 8-9' (5I29001-02) Soil									
Chloride	**4140**	50.0	mg/kg	100	EJ50402	09/30/05	10/04/05	EPA 300.0	
SP-3, 9-11' (5I29001-03) Soil									
Chloride	**622**	10.0	mg/kg	20	EJ50402	09/30/05	10/04/05	EPA 300.0	
SP-4, 6-8' (5I29001-04) Soil									
Chloride	**292**	10.0	mg/kg	20	EJ50402	09/30/05	10/04/05	EPA 300.0	
SP-5, 5-6' (5I29001-05) Soil									
Chloride	**450**	10.0	mg/kg	20	EJ50402	09/30/05	10/04/05	EPA 300.0	
SP-5, 6-7.8' (5I29001-06) Soil									
Chloride	**1460**	20.0	mg/kg	40	EJ50402	09/30/05	10/04/05	EPA 300.0	
SP-6, 5-6' (5I29001-07) Soil									
Chloride	**389**	10.0	mg/kg	20	EJ50402	09/30/05	10/04/05	EPA 300.0	
SP-6, 6-8' (5I29001-08) Soil									
Chloride	**709**	10.0	mg/kg	20	EJ50402	09/30/05	10/04/05	EPA 300.0	

12600 West I-20 East - Odessa, Texas 79705 - (432) 563-1800 - Fax (432) 563-1713

Larson & Associates, Inc.	Project: John H. Hendrix/ Walter Lynch #1	Fax: (432) 687-0456
P.O. Box 50685	Project Number: 5-0124	**Reported:**
Midland TX, 79710	Project Manager: Mark Larson	10/06/05 14:36

General Chemistry Parameters by EPA / Standard Methods - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EJ50402 - Water Extraction										
Blank (EJ50402-BLK1)				Prepared: 09/30/05 Analyzed: 10/04/05						
Chloride	ND	0.500	mg/kg							
LCS (EJ50402-BS1)				Prepared: 09/30/05 Analyzed: 10/04/05						
Chloride	8.09		mg/L	10.0		80.9	80-120			
Calibration Check (EJ50402-CCV1)				Prepared: 09/30/05 Analyzed: 10/04/05						
Chloride	8.60		mg/L	10.0		86.0	80-120			
Duplicate (EJ50402-DUP1)		**Source: 5I29004-07**		Prepared: 09/30/05 Analyzed: 10/04/05						
Chloride	217	10.0	mg/kg		206			5.20	20	

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Larson & Associates, Inc.	Project: John H. Hendrix/ Walter Lynch #1	Fax: (432) 687-0456
P.O. Box 50685	Project Number: 5-0124	**Reported:**
Midland TX, 79710	Project Manager: Mark Larson	10/06/05 14:36

Notes and Definitions

DET	Analyte DETECTED
ND	Analyte NOT DETECTED at or above the reporting limit
NR	Not Reported
dry	Sample results reported on a dry weight basis
RPD	Relative Percent Difference
LCS	Laboratory Control Spike
MS	Matrix Spike
Dup	Duplicate

Report Approved By: Raland K Tuttle Date: 10/6/2005

Raland K. Tuttle, Lab Manager
Celey D. Keene, Lab Director, Org. Tech Director
Peggy Allen, QA Officer
Jeanne Mc Murrey, Inorg. Tech Director
LaTasha Cornish, Chemist
Sandra Sanchez, Lab Tech.

12600 West I-20 East - Odessa, Texas 79705 - (432) 563-1800 - Fax (432) 563-1713

CHAIN—OF—CUSTODY RECORD

CLIENT NAME: John H. Hendrix
SITE MANAGER: M. Larson
PROJECT NO.: 5-0124
PROJECT NAME: Walton Lynch #1
PAGE 1 OF 2
LAB. PO #

PARAMETERS/METHOD NUMBER

DATE	TIME	WATER	SOIL	OTHER	SAMPLE IDENTIFICATION	NUMBER OF CONTAINERS	BTEX (8021B)	TPH (8015)	BOD, COD	Chlorides						LAB. I.D. NUMBER (LAB USE ONLY)	REMARKS (I.E., FILTERED, UNFILTERED, PRESERVED, UNPRESERVED, GRAB COMPOSITE)
9/9/05	0856		X		SP-1, 0-1'	1		✓		✓						ST29001-01	Resubmit
	0856				SP-1, 1-2.8'	1		✓		✓							-02
	0915				SP-1, 4-6'	1		✓		✓					✓	ML	-03
↓	0915				SP-1, 6-7.8'	1				✓					✓		-04
9/26/05	1138				SP-2, 0-1'	1	✓	✓		✓							-05
	1138				SP-2, 1-2.8'	1		✓		✓							-06
	1140				SP-2, 4-5'	1		✓		✓					✓	ML	-07
	1140				SP-2, 5-6'	1									✓		-08
	1140				SP-2, 6-8'	1									✓		-09
	1150				SP-3, 0-1'	1	✓	✓		✓							-10
	1150				SP-3, 1-3'	1	✓	✓		✓							-11
	1200				SP-3, 4-5'	1	✓	✓		✓							-12
	1200				SP-3, 5-6'	1		✓		✓							-13
	1200				SP-3, 6-7'	1				X					✓		-01a
	1215				SP-3, 8-9'	1				X					✓		-02a
	1215				SP-3, 9-11'	1				X					✓		-03a
	1308				SP-4, 0-1'	1	✓	✓		✓							-14
↓	1308		↓		SP-4, 1-2.8'	1		✓		✓							-15

SAMPLED BY: (Signature) DATE: 9/26/05 TIME: 1337
RELINQUISHED BY: (Signature) DATE: TIME:
RECEIVED BY: (Signature) DATE: TIME:

RELINQUISHED BY: (Signature) DATE: 9/15/05 TIME: 0800
RECEIVED BY: (Signature) DATE: TIME:

SAMPLE SHIPPED BY: (Circle)
FEDEX BUS AIRBILL #:
HAND DELIVERED UPS OTHER:

COMMENTS:

TURNAROUND TIME NEEDED

RECEIVING LABORATORY: Env. Lab of Texas
ADDRESS: 12600 W I-20 E
CITY: Odessa STATE: TX ZIP: 79765
CONTACT: Kelly Tuttle PHONE: (432) 563-1800

RECEIVED BY: (Signature)
DATE: 9/13/05 TIME: 8:45

WHITE – RECEIVING LAB
YELLOW – RECEIVING LAB (TO BE RETURNED TO LA AFTER RECEIPT)
PINK – PROJECT MANAGER
GOLD – QA/QC COORDINATOR

SAMPLE CONDITION WHEN RECEIVED:
Iced 1.0

LA CONTACT PERSON: Mark Larson

SAMPLE TYPE: Soil

COPY

Larson & Associates, Inc.
Environmental Consultants
Fax: 432-687-0456
432-687-0901
507 N. Marienfeld, Ste. 202 • Midland, TX 79701

CHAIN—OF—CUSTODY RECORD

LA Larson & Associates, Inc. Environmental Consultants
Fax: 432-687-0456
432-687-0901
507 N. Marienfeld, Ste. 202 • Midland, TX 79701

CLIENT NAME: John H. Hendrix
SITE MANAGER: M. Larson
PROJECT NO.: 5-0124
PROJECT NAME: Walter Lynch #1
PAGE 2 OF 2
LAB. PO #

DATE	TIME	WATER	SOIL	OTHER	SAMPLE IDENTIFICATION	NUMBER OF CONTAINERS	BTEX (8021B)	TPH (8015)	EDB + DRO	Chlorides						LAB. I.D. NUMBER (LAB USE ONLY)	REMARKS (I.E., FILTERED, UNFILTERED, PRESERVED, UNPRESERVED, GRAB COMPOSITE)
9/12/05	1315		X		SP-4, 4-5'	1	✓	✓		✓							-19
	1315				SP-4, 5-6'	1		✓		✓							-20
	1315				SP-4, 6-8'	1				X					✓		-0421
	1235				SP-5, 0-1'	1		✓		✓							-22
	1235				SP-5, 1-2.8'	1		✓		✓							-23
	1244				SP-5, 4-5'	1		✓		✓					✓		-24
	1244				SP-5, 5-6'	1				X					✓		-0525
	1244				SP-5, 6-7.8'	1				X					✓		-0626
	1332				SP-6, 0-1'	1		✓		✓							-27
	1332				SP-6, 1-2.5'	1		✓		✓							-28
	1337				SP-6, 4-5'	1		✓		✓							-29
	1337				SP-6, 5-6'	1				X					✓		-0727
	1337				SP-6, 6-8'	1				X					✓		-0828

SAMPLED BY: (Signature) DATE: 9/12/05 TIME: 1337
RELINQUISHED BY: (Signature) DATE: TIME:
RECEIVED BY: (Signature) DATE: TIME:

RELINQUISHED BY: (Signature) DATE: 9/13/05 TIME: 0800
RECEIVED BY: (Signature) DATE: TIME:
SAMPLE SHIPPED BY: (Circle)
FEDEX BUS AIRBILL #:
HAND DELIVERED UPS OTHER:

COMMENTS:
TURNAROUND TIME NEEDED: 1

RECEIVING LABORATORY: Env. Lab of Texas
ADDRESS: 12600 W I-20 E
CITY: Odessa STATE: TX ZIP: 79765
CONTACT: Roland Tuttle PHONE: (432) 563-1900
RECEIVED BY: (Signature) Dawn Kelly
DATE: 9/13/05 TIME: 8:45

WHITE - RECEIVING LAB
YELLOW - RECEIVING LAB (TO BE RETURNED TO LA AFTER RECEIPT)
PINK - PROJECT MANAGER
GOLD - QA/QC COORDINATOR

SAMPLE CONDITION WHEN RECEIVED: labels 1.0
LA CONTACT PERSON: Mark Larson
SAMPLE TYPE: Soil

COPY

Environmental Lab of Texas
Variance / Corrective Action Report – Sample Log-In

Client: Larson

Date/Time: 9/13/05 8:45

Order #: ~~511300~~ re-submit 511900

Initials: CK

COPY

Sample Receipt Checklist

Temperature of container/cooler?	Yes	No	1.0 C
Shipping container/cooler in good condition?	Yes	No	
Custody Seals intact on shipping container/cooler?	Yes	No	Not present
Custody Seals intact on sample bottles?	Yes	No	Not present
Chain of custody present?	Yes	No	
Sample Instructions complete on Chain of Custody?	Yes	No	
Chain of Custody signed when relinquished and received?	Yes	No	
Chain of custody agrees with sample label(s)	Yes	No	ID on jar
Container labels legible and intact?	Yes	No	n/a
Sample Matrix and properties same as on chain of custody?	Yes	No	
Samples in proper container/bottle?	Yes	No	
Samples properly preserved?	Yes	No	
Sample bottles intact?	Yes	No	
Preservations documented on Chain of Custody?	Yes	No	
Containers documented on Chain of Custody?	Yes	No	
Sufficient sample amount for indicated test?	Yes	No	
All samples received within sufficient hold time?	Yes	No	
VOC samples have zero headspace?	Yes	No	Not Applicable

Other observations:

Variance Documentation:

Contact Person: - Date/Time: Contacted by:

Regarding:

Corrective Action Taken:

Jeanne McMurrey

From: "Mark Larson" <mark@laenvironmental.com>
To: <jeanne@elabtexas.com>
Sent: Thursday, September 29, 2005 8:17 AM
Subject: Re: Additional Analysis for Lab Order Number 5I13002

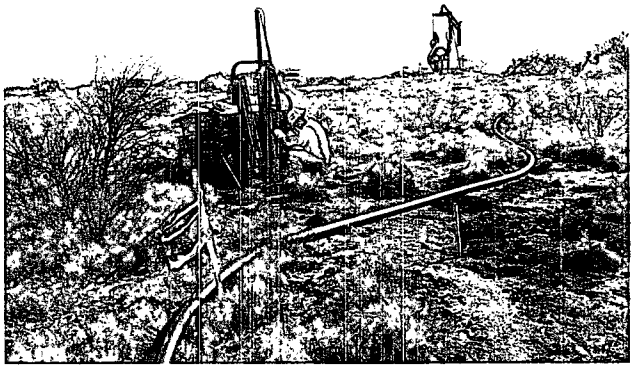
Jeanne: Per our conversation, please analyze the following samples for chloride:
SP-3, 6 - 7'
SP-3, 8 - 9'
SP-3, 9 - 11'
SP-4, 6 - 8'
SP-5, 5 - 6'
SP-5, 6 - 7.8'
SP-6, 5 - 6'
SP-6, 6 - 8'
Thanks,
Mark

--

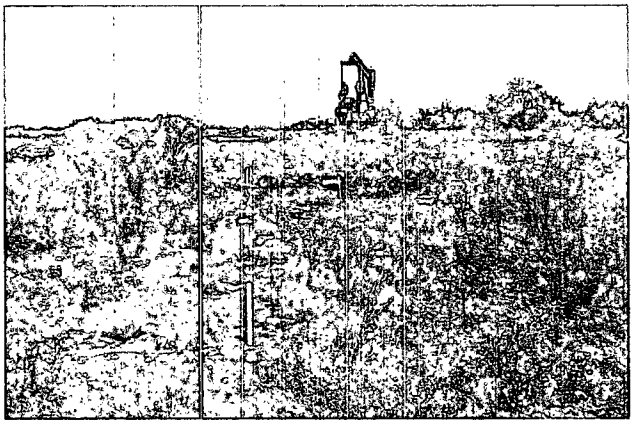
APPENDIX D

Photographs

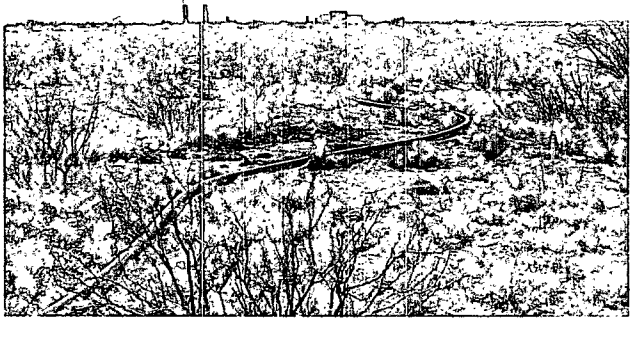
SECTION 1 T-22-S, R-37-E, LEA COUNTY, NEW MEXICO
WALTER LYNCH TANK BATTERY WELL # 1 ULK



1. Direct push sampling at line

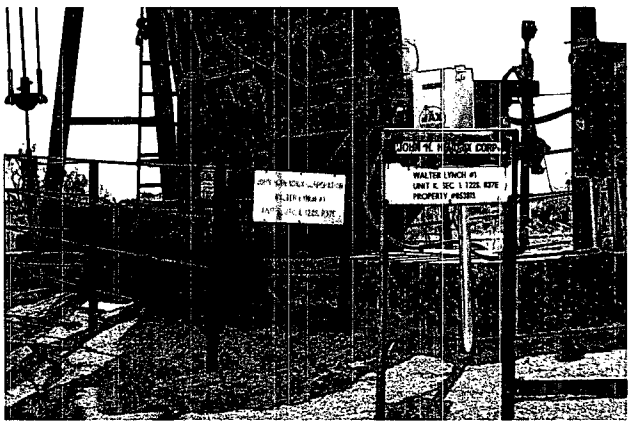


2. Flowline spill, looking northeast



3. Flowline spill, looking southwest

SECTION 1 T-22-S, R-37-E, LEA COUNTY, NEW MEXICO
WALTER LYNCH TANK BATTERY WELL # 1 ULK



4. Location sign