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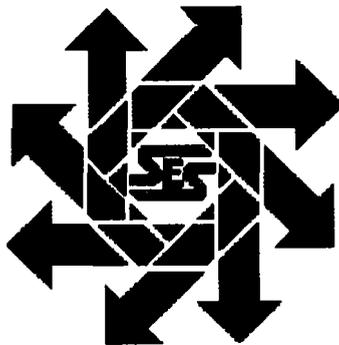
SEP 29 2010

NMOC D ARTESIA

Range Operating New Mexico, Inc.
South Culebra Bluff 23 Well #7
Section 23, Township 23 South, Range 28 East
Eddy County, New Mexico

Closure Report

September 3, 2010



Prepared for:

Range Operating New Mexico, Inc.
281 North New Mexico Highway 248/PO Box 1570
Eunice, New Mexico 88231

By:

Safety & Environmental Solutions, Inc.
703 East Clinton Street
Hobbs, New Mexico 88240
(575) 397-0510

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TABLE OF CONTENTS

I. COMPANY CONTACTS.....1

II. BACKGROUND.....1

III. SURFACE AND GROUND WATER.....1

IV. WORK PERFORMED.....1

V. ACTION PLAN.....3

VI. FIGURES & APPENDICES3

 Figure 1 - Vicinity Map.....3

 Figure 2 - Site Plan.....4

 Appendix A- Analytical Results.....5

 Appendix B- Site Photos.....6

I. Company Contacts

Representative	Company	Telephone	E-mail
Steve Almager	Range Operating NM, Inc.	575-394-1485	salmager@rangeresources.com
Sergio Contreras	SESI	575-397-0510	scontreras@sesi-nm.com

II. Background

Safety and Environmental Solutions, Inc. (SESI) was engaged by Range Operating NM, Inc. to perform a site assessment at the South Culebra Bluff 23 Well #7. This is an active battery located in Unit J, Section 23, Township 23 South, and Range 28 East.

III. Surface and Ground Water

According to the temporary monitor well installed on August 18, 2009 located in the northwest corner of the location the depth to water is approximately 21.11' below ground level (bgl).

IV. Work Performed

On July 9, 2009 SESI was onsite to assess the affected area. The area was mapped using a Trimble Geo XM GPS. SESI observed an excavated area, approximately one (1) foot in depth, located north of the well head.

SESI was onsite with M& J Backhoe Services to attempt to delineate the spill area. A total of three (3) test trenches were installed within the affected area. Grab samples were collected within each of the three (3) trenches to determine the vertical extent of the contamination. Due to the limited reach of the backhoe, the affected area was unable to be fully delineated.

The first trench installed indicated a significant increase in chloride concentration at a depth of five (5) feet bgl, in which, a clay layer was encountered that contained heavy deposits of calcium sulfate. A comparative sample was collected from Test Trench #1 at a depth of nine (9) feet bgl. The sample was transported under chain of custody to Cardinal Labs of Hobbs, New Mexico to be analyzed for Chlorides (EPA Method 4500-Cl⁻B).

The results of the analysis are as follows:

Lab ID	Sample ID	Cl ⁻ (mg/kg)
Analysis Date:		7/10/09
H17780-1	TT#1 9' BGL	5,040

Field grab samples were collected from the second and third test trenches and indicated a decrease in chloride concentrations.

The results of the field sampling are as follows:

Field Sample ID	Field Cl-
TT#2. 2'bgl	7,068
TT#2. 5'bgl	1,852
TT#2. 9'bgl	2,496
TT#3. 2'bgl	252
TT#3. 5'bgl	252

At this point, it was suspected that the elevated chloride levels may be naturally occurring.

On July 18, 2009, SESI was onsite with Eco-Enviro Drilling and installed a temporary monitor well on the northwest corner of the location. SESI collected a water sample from the temporary well on July 20, 2009. The sample was transported under chain of custody to Cardinal Labs of Hobbs, New Mexico for TDS (EPA Method 600/4-79-020) and Chloride (Method SM4500-Cl-B).

The results of the analysis are as follows:

Lab ID	Sample ID	Cl-(mg/L)	Total Dissolved Solids (mg/L)
Analysis Date:			8/24/09
H-18067-1	TMW	2,120	6,050

On September 24, 2009 SESI conducted a background sampling investigation to determine the chloride concentrations of the surrounding area. Soil samples were collected from the adjacent fields at the Range 4B, 23-11 and 23-7 locations. A water sample was also collected from and irrigation system in the adjacent field from the Range 23-6 location. The samples were transported under chain of custody to Cardinal Labs of Hobbs, New Mexico for Chloride (Method 4500-Cl⁻B).

The results of the analysis are as follows:

Lab ID	Sample ID	Cl-(ppm)
Analysis Date:		7/10/09
H18344-2	4B	6,320
H18344-3	23-11	3,280
H18344-6	23-7	8,000
H18344-7	23-6	3,040

On January 14, 2010, SESI was onsite to collect background samples per Mr. Mike Bratcher, New Mexico Oil Conservation Division (NMOCD) request. Mr. Bratcher requested that the samples are collected at 25' and 50' to the North and South of the location pad. He also requested that at all four spots samples are collected at a depth of 6" and 1' below ground level.

A hand auger was utilized to collect the samples. A sandy loam soil was observed at all four points. All samples were transported under chain of custody to Cardinal Laboratories in Hobbs, New Mexico for analysis. The samples were analyzed for Chlorides (EPA Method 4500-Cl-B).

The results of the analysis are as follows:

Lab ID	Sample ID	Cl-(mg/kg)
Analysis Date:		1/15/10
H19065-1	Background #1 6" bgl	<16
H19065-2	Background #1 1' bgl	16
H19065-3	Background #2 6" bgl	32
H19065-4	Background #2 1' bgl	<16
H19065-5	Background #3 6" bgl	<16
H19065-6	Background #3 1' bgl	96
H19065-7	Background #4 6" bgl	32
H19065-8	Background #4 1' bgl	32

On August 17, 2010, SESI met with Mr. Mike Bratcher, New Mexico Oil Conservation Division (NMOCD) regarding plugging the temporary monitor well. Request was granted and on August 25, 2010 SESI was onsite to plug temporary monitor well.

V. Conclusion

It is requested that no further action is required.

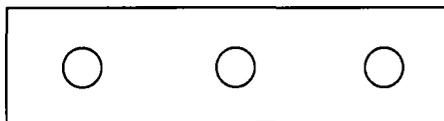
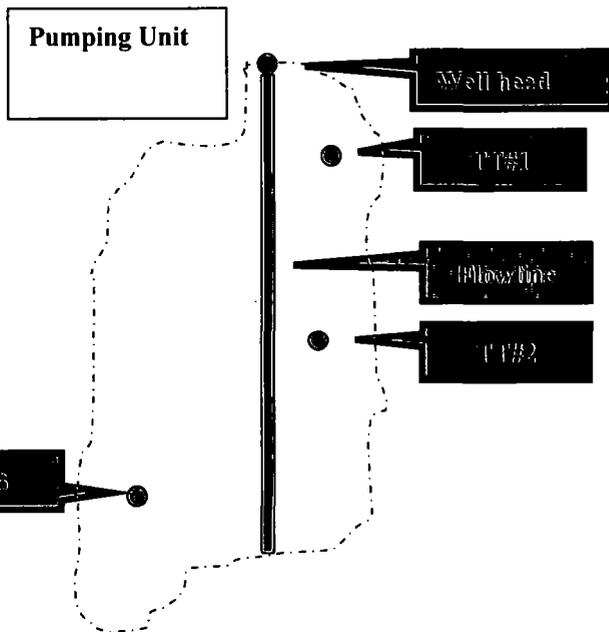
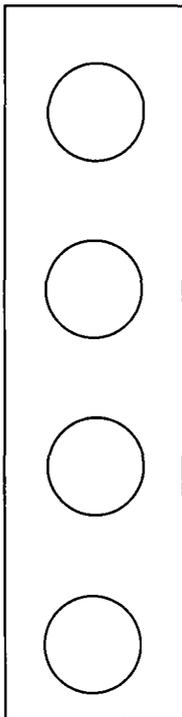
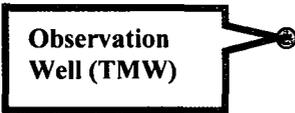
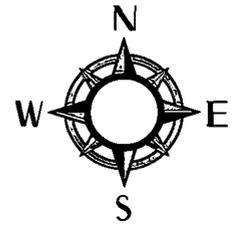
VI. Figures & Appendices

- Figure 1 – Vicinity Map
- Figure 2 – Site Plan
- Appendix A – Analytical Results
- Appendix B – Site Photos

Figure 1
Vicinity Map

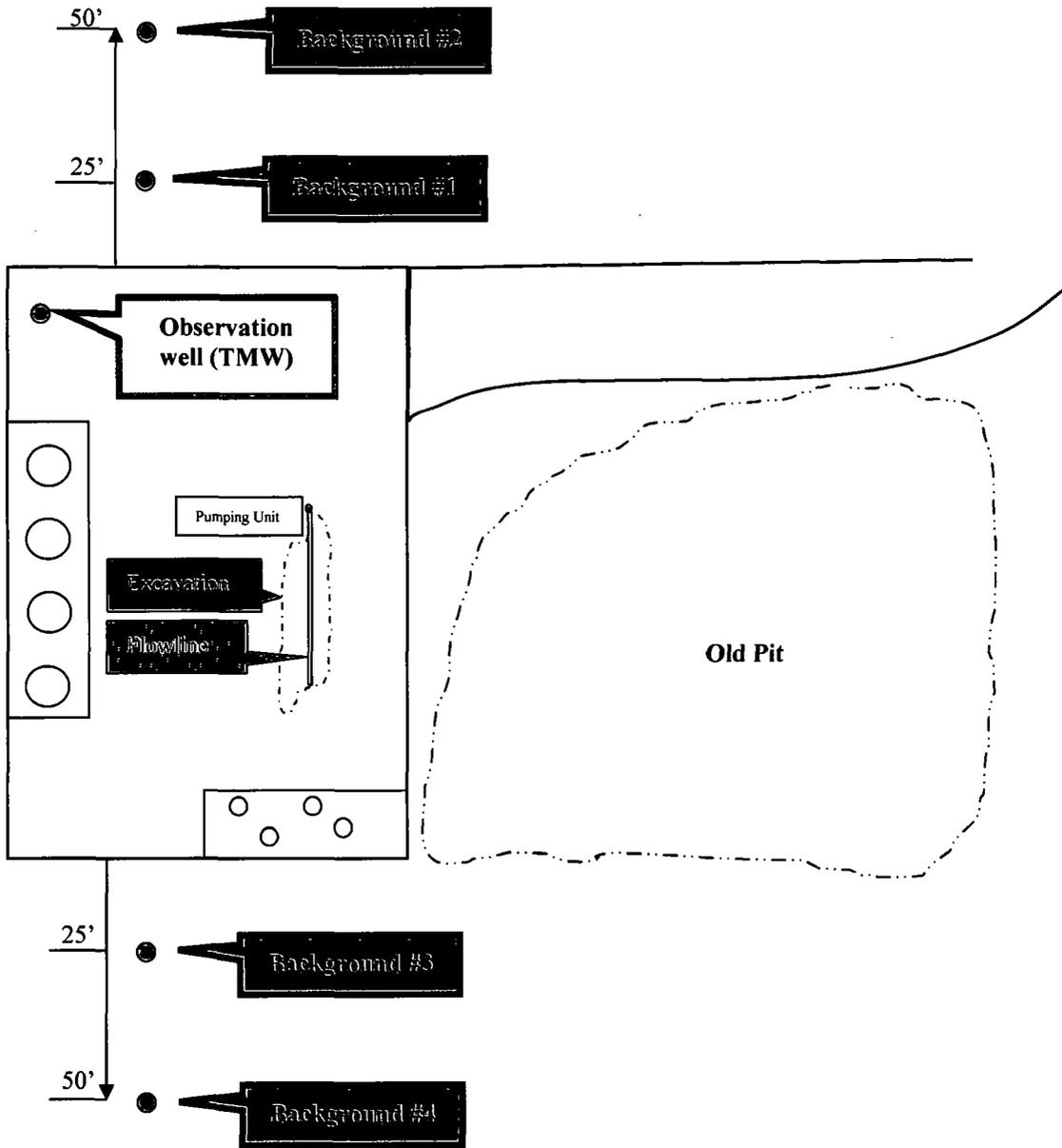
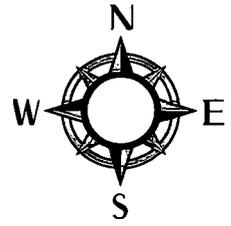
Figure 2
Site Plan

South Culebra Battery 23-7
Township 23 South, Range 28 East, Section 23
Eddy County, New Mexico



*Not to scale

South Culebra Battery 23-7
Township 23 South, Range 28 East, Section 23
Eddy County, New Mexico



*Not to scale

Appendix A
Analytical Results



ARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

January 15, 2010

Bob Allen
Safety & Environmental Solutions, Inc.
703 East Clinton, #102
Hobbs, NM 88240

Re: South Culebra 23-7 (RAN-09-002)

Enclosed are the results of analyses for sample number H19065, received by the laboratory on 01/14/10 at 4:00 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,

Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.



**ARDINAL
LABORATORIES**

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
SAFETY & ENVIRONMENTAL SOLUTIONS
ATTN: BOB ALLEN
703 E. CLINTON, #102
HOBBS, NM 88240
FAX TO: (575) 393-4388

Receiving Date: 01/14/10
Reporting Date: 01/15/10
Project Number: RAN-09-002 (RANGE)
Project Name: SOUTH CULEBRA 23-7
Project Location: LOVING, NM

Analysis Date: 01/15/10
Sampling Date: 01/14/10
Sample Type: SOIL
Sample Condition: COOL & INTACT @ 3°C
Sample Received By: JH
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H19065-1	BACKGROUND #1. 6" BGL	< 16
H19065-2	BACKGROUND #1. 1' BGL	16
H19065-3	BACKGROUND #2. 6" BGL	32
H19065-4	BACKGROUND #2. 1' BGL	< 16
H19065-5	BACKGROUND #3. 6" BGL	< 16
H19065-6	BACKGROUND #3. 1' BGL	96
H19065-7	BACKGROUND #4. 6" BGL	32
H19065-8	BACKGROUND #4. 1' BGL	32
Quality Control		510
True Value QC		500
% Recovery		102
Relative Percent Difference		< 0.1

METHOD: Standard Methods 4500-ClB

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


Chemist


Date

H19065 SESI

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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

ARDINAL LABORATORIES
 101 East Marland, Hobbs, NM 88240
 (505) 393-2326 Fax (505) 393-2476

Company Name: Safety & Environmental Solutions, Inc.		P.O. #:		BILL TO		ANALYSIS REQUEST	
Project Manager: Bob Allen		Company: Same					
Address: 703 East Clinton		Attn:					
City: Hobbs State: NM Zip: 88240		Address:					
Phone #: 575-397-0510 Fax #: 575-393-4388		City:					
Project #: PAN-09-007 Project Owner: Randy		State: Zip:					
Project Name: South-Colebrook 23-7		Phone #:					
Project Location: Living, NM		Fax #:					
Sampler Name: Brian Cwell							
FOR LAB USE ONLY		MATRIX		PRESERV		SAMPLING	
Lab I.D.		# CONTAINERS		(G)RAB OR (COMP)			
Sample I.D.		GROUNDWATER		WASTEWATER			
		SLUDGE		OTHER			
		SOIL		ACID/BASE			
		OIL		ICE/COOL			
		OTHER		OTHER			
HND005-		1		X		DATE TIME	
-1 Background #1. 6" bag		G		X		11/4/10 1330	
-2 Background #1. 1" bag		G		X		1340	
-3 Background #2. 6" bag		G		X		1350	
-4 Background #2. 1" bag		G		X		1400	
-5 Background #3. 6" bag		G		X		1405	
-6 Background #3. 1" bag		G		X		1415	
-7 Background #4. 6" bag		G		X		1420	
-8 Background #4. 1" bag		G		X		1425	

Terms and Conditions: Interest will be charged on all accounts receivable 30 days past due at the rate of 2.4% per annum from the original date of invoice and all costs of collections, including attorney's fees.

PLEASE NOTE: Liability and Damages: Cardinal's liability and limits exclusive hereby for any claim arising with the client for the amount paid by the client for the analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, losses or profits incurred by client, its subsidiaries, affiliates or successors, arising out of or related to the performance of services provided by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Sampler Relinquished By: _____ Date: 11/4/10
 Time: 16:00

Relinquished By: _____ Date: 11/4/10
 Time: 16:00

Delivered By: (Circle One)
 Sampler UPS Bus Other: _____

Received By: Bob Nensen
 Date: 11/4/10 Time: 16:00

Sample Condition: Intact Damaged (Initials) _____

Checked By: Bob Nensen

Phone Result: Yes No Add'l Phone #: _____
 Fax Result: Yes No Add'l Fax #: _____

REMARKS:

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

#26

Appendix B
Site Photos



