Highlander Environmental Corp.

Midland, Texas

March 14, 2006

Mr. Larry Johnson
Environmental Engineer Specialist
Oil Conservation Division- District I
1625 N. French Drive
Hobbs, New Mexico 88240

RE: Closure Report for the Arch Petroleum, Inc. (Pogo Producing Company), E.A. Stitcher Tank Battery located in Section 4, Township 22 South, Range 37 East, Unit Letter N, Lea County, New Mexico

Dear Mr. Johnson:

Highlander Environmental Corp. (Highlander) was contacted by Pogo Producing Company (Pogo) to assess and remediate a spill on the E.A. Stitcher Tank Battery located in Unit letter N, Section 4, Township 22 South, Range 37 East, Lea County, New Mexico (Site). The State of New Mexico C-141 (Initial) is shown in Appendix C. The Site is shown in Figure 1.

Groundwater and Regulatory

According to the New Mexico State Engineer Office W.A.T.E.R.S. database, Average Depth to Water Report, wells in Sections 5 and 9, Township 22 South, Range 37 East, had average water levels of 80' to 90', respectively. The Average Depth to Water Report is included in Appendix A.

A risk-based evaluation was performed for the Site in accordance with the New Mexico Oil Conservation Division (NMOCD) Guidelines for Remediation of Leaks, Spills and Releases, dated August 13, 1993. The guidelines require a risk-based evaluation of the site to determine recommended remedial action levels (RRAL) for benzene, toluene, ethylbenzene and xylene (collectively referred to as BTEX) and total petroleum hydrocarbons (TPH) in soil. The proposed RRAL for benzene was determined to be 10 parts per million (ppm) or milligrams per kilogram (mg/kg) and 50 ppm for total BTEX (sum of benzene, toluene, ethylbenzene and xylene). Based upon the depth to groundwater, the proposed RRAL for TPH is 1,000 mg/kg.

RP # 461
application - pPAC0603838250

1910 N. Big Spring • Midland, Texas 79705 • (432) 682-4559 • Fax (432) 682-3946

Background

According to the State of New Mexico C-141 report, the spill occurred on November 20, 2003 from an overflow of an oil tank. The 2" check valve on the saltwater line to Rice Engineering water disposal malfunctioned, allowing water to flow back into the heater treater, which then filled and flowed oil and water to the oil tank. The oil tank overflowed as a result of this malfunction. The overflow released an unknown quantity of fluid, which flowed around the tanks, breached the dike and flowed east down the pipeline right-of-way (road) approximately 60' feet. In the right-of-way, the fluid pooled in an area measuring approximately 8' x 30'. Pogo reportedly recovered 80 barrels of water and 40 barrels of oil. The spill areas are shown on Figure 2. The spill areas in the pipeline right-of-way were scraped and backdragged to aid in remediation of the soils.

On November 21, 2003, Highlander personnel installed a total of five (5) auger holes using a stainless steel bucket-type hand auger to evaluate and attempt to delineate the extent of impacted soil. Three auger (3) holes (AH-1, AH-2, and AH-3) were placed inside the tank battery and two (2) auger holes (AH-4 and AH-5) were placed in the pipeline right-of-way.

As reported in the December 19, 2003, "Assessment and Closure Report for the Arch Petroleum, Inc. (Pogo Producing Company), E.A. Stitcher Tank Battery located in Section 4, Township 22 South, Range 37 East, Unit Letter N, Lea County, New Mexico", TPH concentrations exceeded the RRAL in the surface soils (0-1') in auger holes AH-1, AH-2, AH-3 and AH-4. The deeper soils below 1' were all below the RRAL. The total BTEX levels only exceeded the RRAL in the 0-1' sample from AH-2. The BTEX levels from AH-2 (1'-2') were all below method detection limits. Chloride impact was limited and did not appear to pose an imminent threat to groundwater. Based upon the results of the investigation, it was proposed in the December 19, 2003 report that the area in the tank battery be tilled to promote degradation of hydrocarbons.

Remediation

The subsurface investigation showed TPH and BTEX (AH-2) concentrations exceeding the RRAL for surficial soils only in the vicinity of auger holes AH-1, AH-2, AH-3 and AH-4. Deeper soil samples at 1'-2' were below the RRAL for TPH and BTEX.

The soils were tilled and re-sampled, however, while TPH concentrations did decline, they were still elevated above the RRAL. It was decided that the shallow soils would be excavated and removed for disposal. On February 17-20, 2006, the impacted soils were excavated and a total of 156 cubic yards of soil were hauled to Sundance Services, Inc. in Eunice, New Mexico for disposal. Once excavation was completed, three (3) confirmatory soil samples were taken and submitted to the laboratory for TPH analysis. The results showed no TPH concentrations detected at or above reporting limits. The laboratory reports and the chain of custody documentation are included in Appendix B.

Conclusions and Closure Request

Based upon the investigation and remediation performed at this facility, and the results of confirmatory sampling, Pogo Producing Company requests closure for the site. A copy of the C-141 (Final) is included in Appendix C. If you require any additional information or have any questions or comments concerning the assessment report, please call.

HIGHLANDER ENVIRONMENTAL CORP,

Tim Reed

Timothy M. Reed, P.G.
Vice President

cc: Pat Ellis – Pogo Producing Company
Don Riggs - Pogo Producing Company

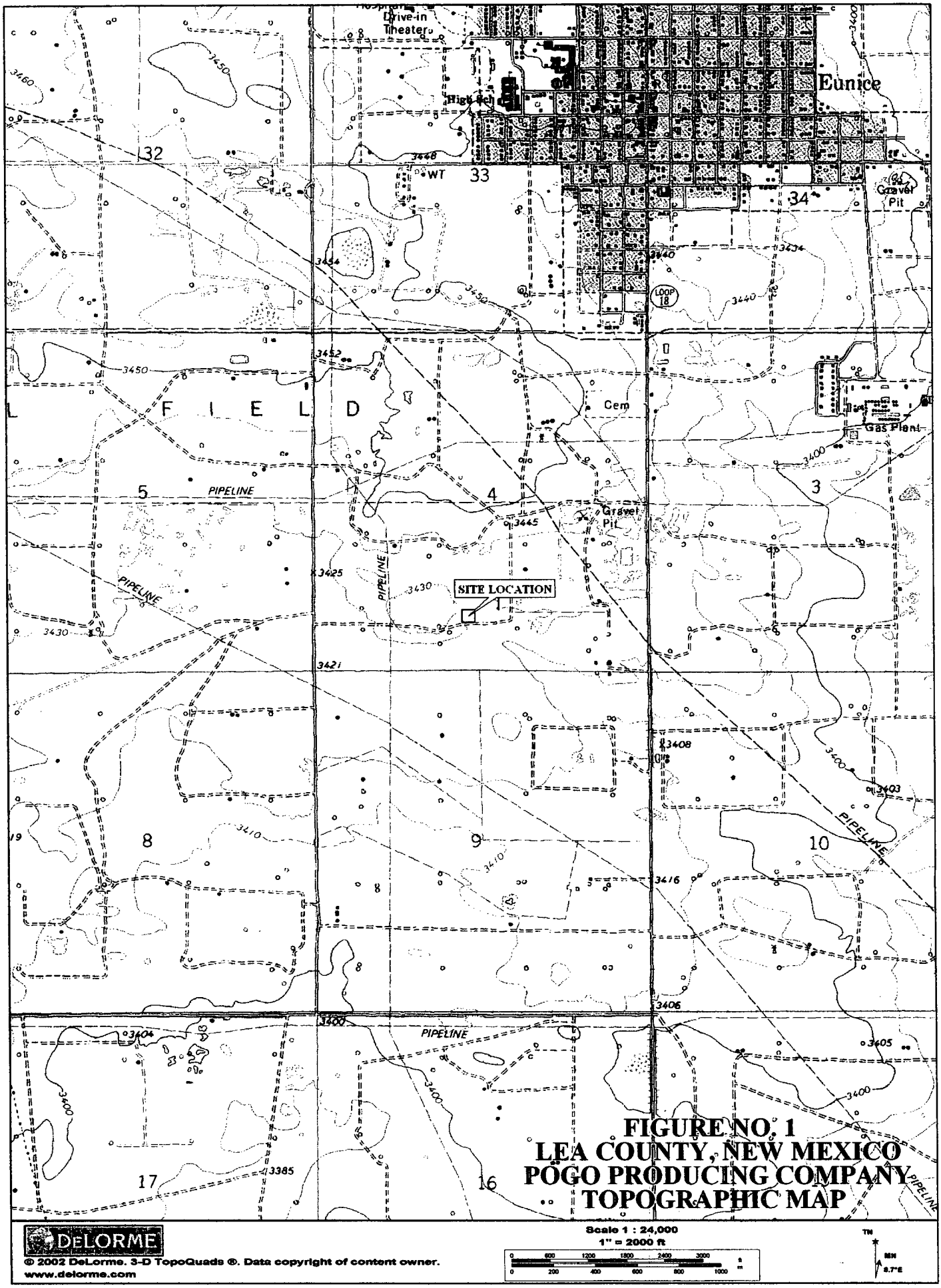
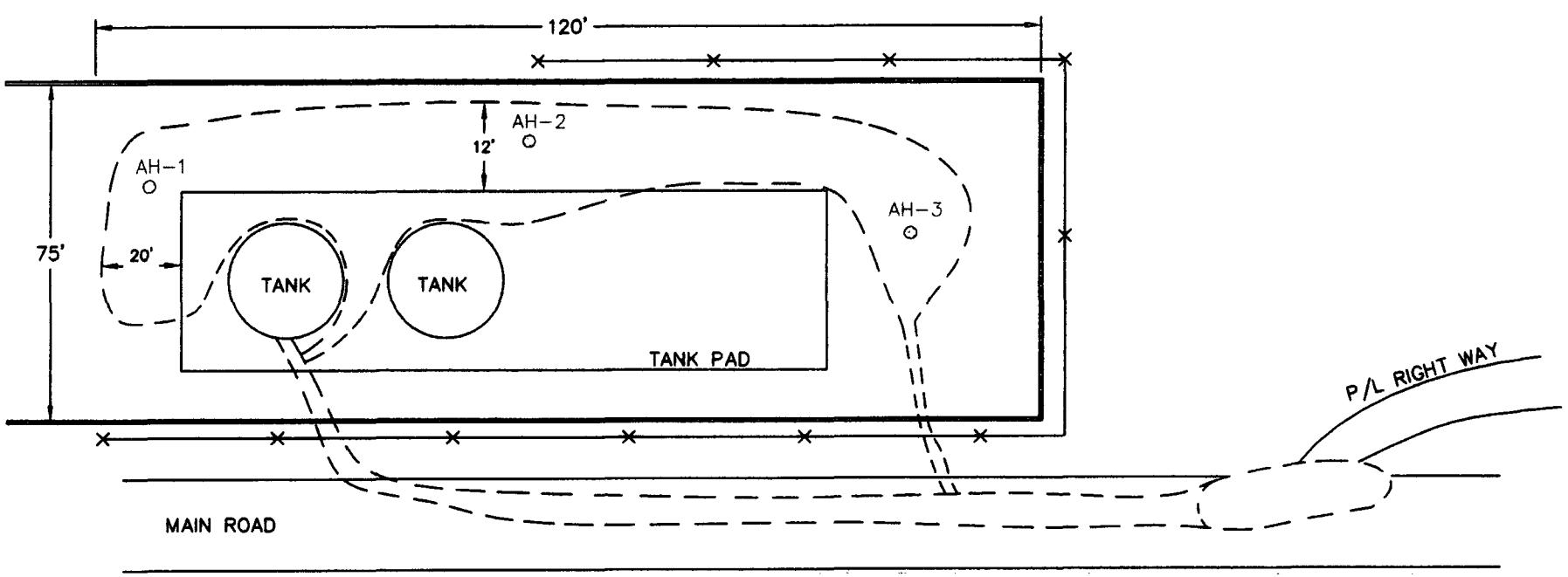


FIGURE NO. 1
LEA COUNTY, NEW MEXICO
POGO PRODUCING COMPANY
TOPOGRAPHIC MAP

DeLORME
© 2002 DeLorme. 3-D TopoQuads ®. Data copyright of content owner.
www.delorme.com

Scale 1 : 24,000
1" = 2000 ft



O AUGER HOLE LOCATIONS

NOT TO SCALE

FIGURE NO. 2

LEA COUNTY, NEW MEXICO

POGO PRODUCING COMPANY

E.A. STITCHER TB SPILL

HIGHLANDER ENVIRONMENTAL CORP. MIDLAND, TEXAS

DATE: 3/21/06
DWG. BY: JJ
FILE: C:\POGO\2003\FIG-2

APPENDIX A

Well Reports

New Mexico Office of the State Engineer
Well Reports and Downloads

Township: 22S Range: 37E Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ○ Non-Domestic ○ Domestic
◉ All

Well / Surface Data Report | Avg Depth to Water Report | Water Column Report | Clear Form | WATERS Menu | Help

AVERAGE DEPTH OF WATER REPORT 12/29/2003

							(Depth Water in Feet)		
Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	Min	Max	Avg
CP	22S	37E	05				2	79	90	84
CP	22S	37E	09				2	85	94	89
CP	22S	37E	14				1	65	65	65
CP	22S	37E	15				7	75	185	125
CP	22S	37E	18				1	190	190	190
CP	22S	37E	21				1	65	65	65
CP	22S	37E	24				1	60	60	60
CP	22S	37E	26				1	65	65	65
CP	22S	37E	34				1	60	60	60

Record Count: 17

APPENDIX B

Analytical Report

ENVIRONMENTAL LAB OF

12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

Ike Tavarez

Highlander Environmental Corp.

1910 N. Big Spring St.

Midland, TX 79705

Project: Pogo/ E.A. Stitcher TB

Project Number: 2093

Location: Lea County, NM

Lab Order Number: 6B23026

Report Date: 03/02/06

Highlander Environmental Corp.	Project: Pogo/ E.A. Stitcher TB	Fax: (432) 682-3946
1910 N. Big Spring St.	Project Number: 2093	**Reported:**
Midland TX, 79705	Project Manager: Ike Tavarez	03/02/06 15:28

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
#1 0-1.0' BEB	6B23026-01	Soil	02/17/06 00:00	02/23/06 15:40
#2 0-1.0' BEB	6B23026-02	Soil	02/17/06 00:00	02/23/06 15:40
#3 0-1.0' BEB	6B23026-03	Soil	02/17/06 00:00	02/23/06 15:40

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

Highlander Environmental Corp.	Project: Pogo/ E.A. Stitcher TB	Fax: (432) 682-3946
1910 N. Big Spring St.	Project Number: 2093	**Reported:**
Midland TX, 79705	Project Manager: Ike Tavarez	03/02/06 15:28

Organics by GC

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
#1 0-1.0' BEB (6B23026-01) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EB62313	02/28/06	03/01/06	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		*92.6 %*	*70-130*		"	"	"	"	
Surrogate: 1-Chlorooctadecane		*86.6 %*	*70-130*		"	"	"	"	
#2 0-1.0' BEB (6B23026-02) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EB62313	02/28/06	03/01/06	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		*119 %*	*70-130*		"	"	"	"	
Surrogate: 1-Chlorooctadecane		*111 %*	*70-130*		"	"	"	"	
#3 0-1.0' BEB (6B23026-03) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EB62313	02/28/06	03/01/06	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		*84.4 %*	*70-130*		"	"	"	"	
Surrogate: 1-Chlorooctadecane		*79.0 %*	*70-130*		"	"	"	"	

The results in this report apply to the samples analyzed in accordance with the samples received in the laboratory. This analytical report must be reproduced in its entirety, with written approval of Environmental Lab of Texas.

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

Highlander Environmental Corp.	Project: Pogo/ E.A. Stitcher TB	Fax: (432) 682-3946
1910 N. Big Spring St.	Project Number: 2093	**Reported:**
Midland TX, 79705	Project Manager: Ike Tavarez	03/02/06 15:28

General Chemistry Parameters by EPA / Standard Methods

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
#1 0-1.0' BEB (6B23026-01) Soil									
% Moisture	**9.1**	0.1	%	1	EB62402	02/23/06	02/24/06	% calculation	
#2 0-1.0' BEB (6B23026-02) Soil									
% Moisture	**9.8**	0.1	%	1	EB62402	02/23/06	02/24/06	% calculation	
#3 0-1.0' BEB (6B23026-03) Soil									
% Moisture	**7.1**	0.1	%	1	EB62402	02/23/06	02/24/06	% calculation	

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

Organics by GC - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EB62313 - Solvent Extraction (GC)										
Blank (EB62313-BLK1)				Prepared: 02/23/06 Analyzed: 03/01/06						
Carbon Ranges C6-C12	ND	10.0	mg/kg wet							
Carbon Ranges C12-C28	ND	10.0	"							
Carbon Ranges C28-C35	ND	10.0	"							
Total Hydrocarbon C6-C35	ND	10.0	"							
Surrogate: 1-Chlorooctane	*48.2*		*mg/kg*	*50.0*		*96.4*	*70-130*			
Surrogate: 1-Chlorooctadecane	*46.8*		*"*	*50.0*		*93.6*	*70-130*			
LCS (EB62313-BS1)				Prepared: 02/23/06 Analyzed: 03/01/06						
Carbon Ranges C6-C12	467	10.0	mg/kg wet	500		93.4	75-125			
Carbon Ranges C12-C28	433	10.0	"	500		86.6	75-125			
Total Hydrocarbon C6-C35	900	10.0	"	1000		90.0	75-125			
Surrogate: 1-Chlorooctane	*60.6*		*mg/kg*	*50.0*		*121*	*70-130*			
Surrogate: 1-Chlorooctadecane	*59.7*		*"*	*50.0*		*119*	*70-130*			
Calibration Check (EB62313-CCV1)				Prepared: 02/23/06 Analyzed: 03/01/06						
Carbon Ranges C6-C12	241		mg/kg	250		96.4	80-120			
Carbon Ranges C12-C28	267		"	250		107	80-120			
Total Hydrocarbon C6-C35	508		"	500		102	80-120			
Surrogate: 1-Chlorooctane	*57.6*		*"*	*50.0*		*115*	*70-130*			
Surrogate: 1-Chlorooctadecane	*56.9*		*"*	*50.0*		*114*	*70-130*			
Matrix Spike (EB62313-MS1)	**Source: 6B23021-11**			Prepared: 02/23/06 Analyzed: 03/01/06						
Carbon Ranges C6-C12	594	10.0	mg/kg dry	518	ND	115	75-125			
Carbon Ranges C12-C28	591	10.0	"	518	ND	114	75-125			
Total Hydrocarbon C6-C35	1190	10.0	"	1040	ND	114	75-125			
Surrogate: 1-Chlorooctane	*63.0*		*mg/kg*	*50.0*		*126*	*70-130*			
Surrogate: 1-Chlorooctadecane	*57.4*		*"*	*50.0*		*115*	*70-130*			

The results in this report apply to the samples analyzed in accordance with the samples received in the laboratory. This analytical report must be reproduced in its entirety, with written approval of Environmental Lab of Texas.

Organics by GC - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EB62313 - Solvent Extraction (GC)										
Matrix Spike Dup (EB62313-MSD1)	**Source: 6B23021-11**			Prepared: 02/23/06 Analyzed: 03/01/06						
Carbon Ranges C6-C12	598	10.0	mg/kg dry	518	ND	115	75-125	0.671	20	
Carbon Ranges C12-C28	591	10.0	"	518	ND	114	75-125	0.00	20	
Total Hydrocarbon C6-C35	1190	10.0	"	1040	ND	114	75-125	0.00	20	
Surrogate: 1-Chlorooctane	*63.4*		*mg/kg*	*50.0*		*127*	*70-130*			
Surrogate: 1-Chlorooctadecane	*57.3*		*"*	*50.0*		*115*	*70-130*			

The results in this report apply to the samples analyzed in accordance with the samples received in the laboratory. This analytical report must be reproduced in its entirety, with written approval of Environmental Lab of Texas.

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 EB62402 - General Preparation (Prep)										
Blank (EB62402-BLK1)				Prepared: 02/23/06 Analyzed: 02/24/06						
% Solids	100		%							
Duplicate (EB62402-DUP1)		**Source: 6B22012-01**		Prepared: 02/23/06 Analyzed: 02/24/06						
% Solids	98.0		%		98.2			0.204	20	
Duplicate (EB62402-DUP2)		**Source: 6B23018-01**		Prepared: 02/23/06 Analyzed: 02/24/06						
% Solids	99.1		%		99.0			0.101	20	

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Highlander Environmental Corp.	Project: Pogo/ E.A. Stitcher TB	Fax: (432) 682-3946
1910 N. Big Spring St.	Project Number: 2093	**Reported:**
Midland TX, 79705	Project Manager: Ike Tavarez	03/02/06 15:28

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: Celey D. Keene Date: 3/2/2006

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

This material is intended only for the use of the individual (s) or entity to whom it is addressed, and may contain information that is privileged and confidential.

If you have received this material in error, please notify us immediately at 432-563-1800.

The results in this report apply to the samples analyzed in accordance with the samples received in the laboratory. This analytical report must be reproduced in its entirety, with written approval of Environmental Lab of Texas.

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

Analysis Request and Chain of Custody Record

PAGE: 1 OF: 1

HIGHLANDER ENVIRONMENTAL CORP.

1910 N. Big Spring St.
Midland, Texas 79705
(432) 682-4559 Fax (432) 682-3946

CLIENT NAME: POGO
SITE MANAGER: Ike Tavarez
PROJECT NO.: 2093
PROJECT NAME: POGO / E. A. Stitcher TB
Lea county, NM

ANALYSIS REQUEST (Circle or Specify Method No.): BTEX 8020/602; MTBE 8020/602; TPH 418.1 (8015 MOD) TX1005; PAH 8270; RCRA Metals Ag As Ba Cd Cr Pb Hg Se; TCLP Metals Ag As Ba Cd Cr Pd Hg Se; TCLP Volatiles; TCLP Semi Volatiles; RCI; GC.MS Vol. 8240/8260/624; GC.MS Semi. Vol. 8270/625; PCB's 8080/608; Pest. 808/608; BOD, TSS, pH, TDS, Chloride; Gamma Spec.; Alpha Beta (Air); PLM (Asbestos)

LAB I.D. NUMBER	DATE	TIME	MATRIX	COMP.	GRAB	SAMPLE IDENTIFICATION	NUMBER OF CONTAINERS	FILTERED (Y/N)	HCL	HNO3	ICE	NONE	TPH
4B23026 -01	2/17/06		S		X	#1 0-1.0' BEB	1				X		X
-02	2/17/06		S		X	#2 0-1.0' BEB	1				X		X
-03	2/17/06		S		X	#3 0-1.0' BEB	1				X		X

RELINQUISHED BY: (Signature) [signature] Date: 2/23/06 Time: 3:40
RECEIVED BY: (Signature) Date: Time:
RELINQUISHED BY: (Signature) Date: Time:
RECEIVED BY: (Signature) Date: Time:
RELINQUISHED BY: (Signature) Date: Time:
RECEIVED BY: (Signature) Date: Time:

RECEIVING LABORATORY: ELT
ADDRESS:
CITY: Odessa STATE: TX ZIP:
CONTACT: PHONE:
RECEIVED BY: (Signature) [signature] Kelly
DATE: 2/23/06 TIME: 3:40

SAMPLED BY: (Print & Sign) Rey Tayk [signature] Date: 2/23/06 Time: 2:20
SAMPLE SHIPPED BY: (Circle) FEDEX BUS AIRBILL # OTHER: HAND DELIVERED UPS
HIGHLANDER CONTACT PERSON: Ike Tavarez
Results by:
RUSH Charges Authorized: Yes No

SAMPLE CONDITION WHEN RECEIVED:
MATRIX: W-Water A-Air SD-Solid S-Soil SL-Sludge O-Other
REMARKS: 3.0 4oz glass ~~ ~~ tube/no seals

Please Fill out all copies - Laboratory retains yellow copy - Return original copy to Highlander Enviromental Corp. - Project Manager retains pink copy - Accounting receives Gold copy.

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

Client: Highlander

Date/Time: 2/23/06 3:40

Order #: 602302C6

Initials: CK

Sample Receipt Checklist

Temperature of container/cooler?	Yes	No	3.0 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 lid
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:

_____

_____

_____

_____

_____

_____

_____

_____

APPENDIX C

New Mexico Oil Conservation Division

Form C-141 Reports

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 June 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: Pogo Producing Company	Contact: Pat Ellis
Address: 300 North Marienfeld, Suite 600, Midland TX 79701	Telephone No. (432) 685-8100
Facility Name: E.A. Stitcher	Facility Type: Tank Battery

Surface Owner	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section\	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	4	22S	37E					Lea

NATURE OF RELEASE

Type of Release Oil and produced water	Volume of Release Unknown	Volume Recovered 120 barrels
Source of Release Tank overflow	Date and Hour of Occurrence 11/20/2003	Date and Hour of Discovery 11/20/03 9am
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Sylvia Dickey	
By Whom? Gary Wells	Date and Hour 11/20/03 11am	
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.*
The check valve on a saltwater disposal line malfunctioned, allowing water to flow back into the heater treater, which then filled and flowed oil & water to the oil tank. The oil tank filled up and ran over.

Describe Area Affected and Cleanup Action Taken.*
The spill breached the facility dike and flowed east down a pipeline right of way (road). Impacted soils inside the facility dike and out in the right-of-way were scraped and backdragged. Highlander inspected the spill area, and colleted samples. The area was treated and tilled. When remediation did not appear to be proceeding quickly enough, the impacted soils were excavated and hauled to disposal. Confirmation samples were collected.

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: Patrick L. Ellis	OIL CONSERVATION DIVISION
Printed Name: Pat Ellis	Approved by District ~~Supervisor~~ ENVIRONMENTAL ENGR.
Title: Division Environmental Safety & Health Supervisor	Approval Date: 5-15-06 Expiration Date: —
E-mail Address: EllisP@pogoproducing.com	Conditions of Approval: — Attached ☐
Date: 1/18/06 Phone: (432) 685-8100	

* Attach Additional Sheets If Necessary

District I - (505) 393-6161
P. O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 South First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

State of New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Form C-141
Originated 2/13/97

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	Contact
ARCH PET INC	CARY WELLS
Address: EUNICE N.M.	Telephone No.: 432-631-0134
Facility Name: E.A. STICHER	Facility Type: TANK BATTERY

Surface Owner	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	4	22-S	37-E					LEA

NATURE OF RELEASE

Type of Release	Volume of Release	Volume Recovered
OIL & S/W	UNKNOWN	80 S/W 40 OIL
Source of Release	**Date and Hour of Occurrence**	**Date and Hour of Discovery**
STORAGE TANK	11/20/03	11/20/03 9:AM
Was Immediate Notice Given? ☑ Yes ☐ No ☐ Not Required	**If YES, To Whom?**	
	Sylvia Dickey	
By Whom?	**Date and Hour**	
Cary Wells	11/20/03 11:00 AM	
Was a Watercourse Reached? ☐ Yes ☑ No	**If YES, Volume Impacting the Watercourse.**	

If a Watercourse was Impacted, Describe Fully. (Attach Additional Sheets If Necessary)

Describe Cause of Problem and Remedial Action Taken. (Attach Additional Sheets If Necessary) CHOK VALVE ON S/W LINE MALFUNCTION OVER RUNNING TREATER - Pumping oil & WATER IN STOCK TANK, Filling STOCK TANK UP AND RUNNING OVER TANK.

Describe Area Affected and Cleanup Action Taken. (Attach Additional Sheets If Necessary)
P.U. All FL OFF GROUND BACKDRAG BATTERY AND ROAD.
TURNED OVER TO HighLANDER ENVIRO FOR CLEANUP PRODUCER.

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: Cary Wells	OIL CONSERVATION DIVISION
Printed Name: CARY WELLS	Approved by District Supervisor:
Title: Field Supervisor	Approval Date: / Expiration Date:
Date: 11/20/03 Phone: 432-631-0134	Conditions of Approval: / Attached ☐

Nov 20 03 02:40p

Attachment I
Incident Report

GENERAL INFORMATION (This section must be completed for all incidents)

Date of Incident: 11/20/03 Time of Incident: AM Location of Incident: 57; [illegible]

Type of Incident (Check all that apply)

- [ ] Injury
- [ ] Property Damage
- [ ] Fire or Explosion
- [x] Spill or Release
- [ ] Near Miss

ALL INCIDENTS (This section must be completed for all incidents)

Clearly describe how the incident occurred

SEE ATTACHED SHEET

List any factors that may have contributed to the incident.

EXTENDED USE OF CK VALVE

What action was or will be taken to prevent recurrence?

REPLACE CK VALVE ON TREATER - Check FLAPPER IN VALVE ON A Regular SCHEDULE

INJURY (This section must be completed for injury incidents)

Employee's Name: SSN Number: Job Title:

Employee's Address: Home Phone:

Location sent for medical treatment:

PREPARED BY:	DATE ISSUED:	SUPERCEDES ISSUE DATE:	PAGE
BAKER ENERGY	10-31-99		11 of 13

Attachment I
Incident Report

Body Part Injured:	☐ Head, Face, Eye ☐ Finger, Hand, Arm,	☐ Chest, Neck ☐ Groin, Abdomen	☐ Foot, Toes, Ankle ☐ Respiratory System ☐ Other (specify)	☐ Back ☐ Leg
Type of Injury:	☐ Amputation ☐ Fracture, Contusion ☐ Occupational Illness	☐ Burn ☐ Imbedded Body ☐ Puncture	☐ Sprain, Strain ☐ Laceration, Abrasion ☐ Other (specify)	☐ Dermatitis, Irritation ☐ Inhalation
Type of Accident:	☐ Trip, Slip, Fall ☐ Overexertion ☐ Caught in, on, or between	☐ Exposure -vapor ☐ Splash, Spray	☐ Temperature Extreme ☐ Aggravate Exist. Inj. ☐ Other (specify)	☐ Contact by or with ☐ Struck by or against
Type of first aid treatment conducted at the scene				

PROPERTY DAMAGE (This section must be completed only for property damage incidents)

Clearly describe how and to what extent the property was damaged.
See Attached Sheet

SPILL OR RELEASE INCIDENTS (This section must be completed only for spill or release incidents)

Material spilled or released	OIL & S.W.		
Volume of the spill (estimate)	UNKNOWN	Nature of the damage	SURFACE DAMAGE

ALL INCIDENTS (This section must be completed for all incidents)

LIKELIHOOD TO RECUR

✓	Rare	(Probably won't recur)
	Occasional	(Next 1-10 years)
	Frequent	(Within next year)

Witnesses:

This report prepared by: (signed)	Tracy Wells	Date	11/20/03
Print Name	Tracy Wells	Title	Field Supervisor

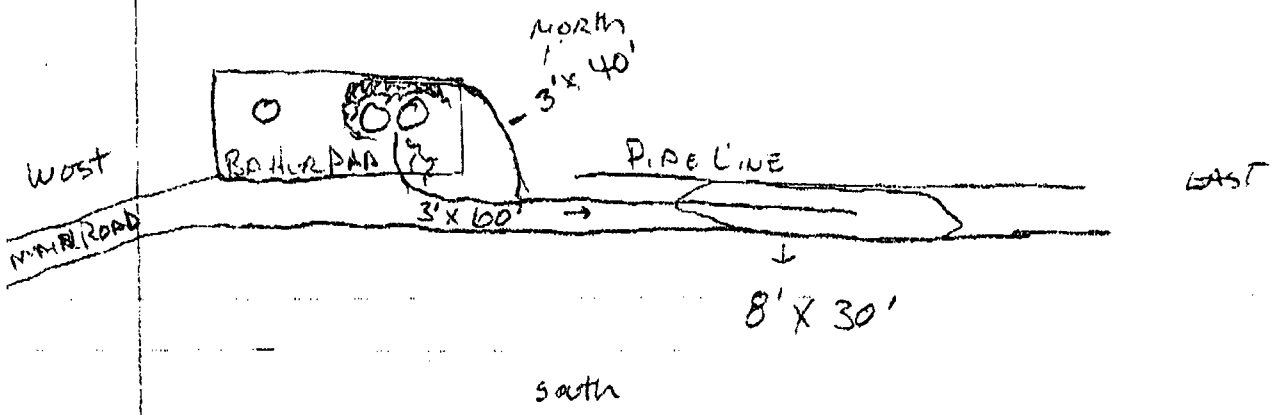
Distribution: Pogo Health, Safety and Environmental Manager

11/19/03 – EA Stichur Lse.

Hole In Fire Tube. Empty Heater. No Back Flow into heater

11/20/03

Pumper on Location - oil storage tank Running over. 2" check valve on S/w Line going to Rice Emg Water Disposal - malfunction Flapper came apart, Letting water Back Flow into Treater Filling Treater Back up and start Dumping water into oil storage tank. Running tank over - FL Ran Around Battery and Down pipe Line Right of way. - Pickedup all FL. cleaned up around Battery Backdrag Right of way. contacted Ike with Highlander to evaluate Spill for clean up.



SITE INFORMATION

General Site Information: Closure Report	
Site:	**E.A. Stitcher Tank Battery**
Company:	**Pogo Producing Company**
Section, Township and Range	**Section 4, Township 22S, Range 37E**
Unit Letter:	**N**
Lease Number:	
County:	**Lea**
GPS:	**32-24-57.4 103-10-7.0**
Surface Owner:	
Mineral Owner:	
Directions:	From Eunice intersection of Highways 176 and Loop 18, travel west for 1.0 mile. Turn south
	travel 1.4 miles, turn east onto lease road. Travel 0.5 miles to Tank Battery on left.

Release Data:	
Date Released:	11/20/2003
Type Release:	Oil & Produced Water
Source of Contamination:	Tank overflow
Fluid Released:	Unknown amount of oil and produced water
Fluids Recovered:	80 barrels oil and 40 barrels produced water

Official Communication:			
Name:	Pat Ellis	Don Riggs	Ike Tavarez
Company:	Pogo Producing Company	Pogo Producing Company	Highlander Environmental Corp.
Address:	300 N. Marienfeld St.	5 Greenway Plaza, Suite 2700	1910 N. Big Spring
P.O. Box	Box 10340		
City:	Midland Texas, 79701-7340	Houston, Texas 77046	Midland, Texas
Phone number:	(432) 685-8100	(713) 297-5045	(432) 682- 4559
Email:	EllisP@pogoproducing.com	riggsd@pogoproducing.com	itavarez@hec-enviro.com

Ranking Criteria		
Depth to Groundwater:	***Ranking Score***	***Site Data***
<50 ft	20	
50-99 ft	**10**	10
>100 ft.	0	
WellHead Protection:	***Ranking Score***	***Site Data***
Water Source <1,000 ft., Private <200 ft.	*20*	
Water Source >1,000 ft., Private >200 ft.	***0***	*0*
Surface Body of Water:	***Ranking Score***	***Site Data***
<200 ft.	*20*	
200 ft - 1,000 ft.	10	
>1,000 ft.	**0**	0
Total Ranking Score:	**10**	

Acceptable Soil RRAL (mg/kg)		
Benzene	*Total BTEX*	*TPH*
10	50	1,000