BLAGG ENGINEERING, INC. (BEI)

P.O. Box 87. Bloomfield, New Mexico 87413

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July 28, 2003

Mr. William C. Olson
Hydrologist
State of New Mexico Oil Conservation Division (NM)
1220 St. Francis Drive

Santa Fe, New Mexico 87505

RE:

Potential Groundwater Impact

XTO Energy Inc. (XTO)

30-045-25509

Romero GC A # 1 Well site

Legal Description: Unit K, Sec. 27, T29N, R10W

San Juan County, New Mexico

Dear Mr. Olson:

Apparent groundwater impact at the above referenced well site was observed during removal/reinstallation of a below grade steel tank pit associated with the separator unit on July 14, 2003. A verbal notification was made to your office the following day (July 15, 2003) by BEI. XTO has conducted aggressive remediation of both impacted soil and groundwater by way of excavation and pumping via water hauling truck, initiated on July 17, 2003. Depth to groundwater is estimated at seven (7) feet below grade. Monitor well installations will be conducted upon completion of the excavation, backfilling, and surface equipment reinstallation.

If you have any questions concerning this information, please do not hesitate to contact Nelson Velez or myself at (505) 632-1199. Thank you for your cooperation.

Respectfully submitted,

Blagg Engineering, Inc.

Jeffrey C. Blagg, P.E.

President

cc:

Denny Foust, Environmental Geologist, NMOCD, Aztec, NM Terry Matthews, Production Superintendent, XTO, Farmington, NM Darrin Steed, Environmental & Safety Manager, XTO, Farmington, NM