

August 31, 2004

Mr. Paul Sheeley Environmental Engineer New Mexico Oil Conservation Division – District 1 1625 North French Drive Hobbs, NM 88240

RE: ADDENDUM TO SITE CLOSURE REPORT

Caprock Exploration, Inc. Saunders 28 B, State No. 001 Section 28, T14S, R33E Lea County, New Mexico

Mr. Sheeley:

BNC Environmental Services, Inc. (BNC) is pleased to present the New Mexico Oil Conservation Division (NMOCD) the following Addendum to the August 12, 2004 Site Closure Report on behalf of Caprock Exploration, Inc. (Caprock), regarding the above referenced site. The site is located west of Lovington, Lea County, New Mexico.

Site activities were performed as proposed in the July 22, 2004 Soil Assessment and Closure Workplan submitted to the NMOCD by BNC on behalf of Caprock. Soil samples were collected by BNC personnel during a site visit conducted on July 26, 2004 and analyzed for Total Petroleum Hydrocarbons (TPH) and Benzene, Toluene, Ethylbenzene, Total Xylenes (BTEX). The NMOCD was notified in advance of the approved closure activities to witness the sampling event. These samples were submitted to TraceAnalysis, Inc. in Lubbock, Texas. Analyses for chlorides on these samples (collected on July 26, 2004) were requested after a Denial of Closure letter was received on August 13, 2004.

Laboratory results indicated chloride concentrations ranging from 204 to 977 mg/Kg in the borehole samples and 546 mg/Kg in the five-point composite sample (a copy of the certified laboratory report is attached).

As a result of these findings, BNC, on behalf of Caprock Exploration, Inc., respectfully requests a written determination of "no further action" for this site. Please forward all communications to Ms. Gail Dixon, Caprock Exploration, Inc., P. O. Box 7288, Odessa, TX 79760.

Sincerely,

BNC Environmental Services, Inc.

Will Murley

Project Manager

Thomas C. Larson Operations Manager

Attachments: TABLE I

Copy of Certified Laboratory Report

Cc: Mark Dehlinger, consultant for Caprock Exploration, Inc.

Gail Dixon, Caprock Exploration, Inc.

Table I Soil BTEX and TPH Analytical Results Caprock Exploration, Inc. Saunders 28 B, State No. 001

				: ' .	ETHYL-		TOTAL	TPI	lified)	,	
SAMPLE	DATE	DEPTH	BENZENE	TOLUENE	BENZENE	XYLENES	BTEX	TPH DRO	TPH GRO	TPH (GRO/DRO)	Chloride
ID		(feet)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)
	New Mo	exico Oli Con	servation Div	sion Recomn	ended Remed	liation Action	Levels (Tol	al Ranking	Score >10)		*
			10				50.0			1,000	
			mg/Kg				mg/Kg			mg/Kg	
Saunders Composite	7/26/2004		<0.0100	<0.0100	<0.0100	<0.0100	<0.0100	307	<1.00	307	546
Saunders 0-1'	7/26/2004	0-1	<0.0100	<0.0100	<0.0100	<0.0100	<0.0100	247	<1.00	247	204
	7/26/2004	1-2		<0.0100	<0.0100	<0.0100	<0.0100	117	13.6	130.6	977

Report Date: August 25, 2004 1660

Work Order: 4072807 Saunders 28B

Page Number: 1 of 1 Lovington, New Mexico

Summary Report

Will Murley

Report Date: August 25, 2004

BNC Midland

Work Order: 4072807

2135 South Loop 250 West

Midland, TX 79703

Project Location: Lovington, New Mexico

Project Name:

Saunders 28B

Project Number: 1660

			Date	Time	Date
Sample	Description	Matrix	Taken	Taken	Received
39903	Saunders Composite	soil	2004-07-26	12:05	2004-07-28
39904	Saunders 0-1	soil	2004-07-26	12:12	2004-07-28
39905	Saunders 1-2	soil	2004-07-26	12:20	2004-07-28

Sample: 39903 - Saunders Composite

Param	Flag	Result	Units	RL
Chloride		546	mg/Kg	1.00

Sample: 39904 - Saunders 0-1

Param	Flag	Result	Units	RL
Chloride		204	mg/Kg	1.00

Sample: 39905 - Saunders 1-2

Param	Flag	Result	Units	RL
Chloride	•	977	mg/Kg	1.00

E-Mail: lab@traceanalysis.com

6701 Aberdeen Avenue, Suite 9 155 McCutcheon, Suite H Lubbock, Texas 79424 El Paso, Texas 79932 800 • 378 • 1296 888 • 588 • 3443 806 • 794 • 1296 915 • 585 • 3443 FAX 806 • 794 • 1298 FAX 915 • 585 • 4944

Analytical and Quality Control Report

Will Murley

BNC Midland

2135 South Loop 250 West

Midland, TX 79703

Report Date: August 25, 2004

Work Order: 4072807

Project Location:

Lovington, New Mexico

Project Name:

Saunders 28B

Project Number:

1660

Enclosed are the Analytical Report and Quality Control Report for the following sample(s) submitted to TraceAnalysis, Inc.

Sample 39903 39904 39905			Date	Time	Date
Sample	Description	Matrix	Taken	Taken	Received
39903	Saunders Composite	soil	2004-07-26	12:05	2004-07-28
39904	Saunders 0-1	soil	2004-07-26	12:12	2004-07-28
39905	Saunders 1-2	soil	2004-07-26	12:20	2004-07-28

These results represent only the samples received in the laboratory. The Quality Control Report is generated on a batch basis. All information contained in this report is for the analytical batch(es) in which your sample(s) were analyzed.

This report consists of a total of 4 pages and shall not be reproduced except in its entirety, without written approval of TraceAnalysis, Inc.

Dr. Blair Leftwich, Director

Report Date: August 25, 2004

Work Order: 4072807 Saunders 28B

Page Number: 2 of 4 Lovington, New Mexico

Analytical Report

Sample: 39903 - Saunders Composite

10806

Analysis: QC Batch:

Prep Batch:

1660

Chloride (IC) 12231

Analytical Method: Date Analyzed:

Date Prepared:

E 300.0 2004-08-24 2004-08-24 Prep Method: N/A Analyzed By: MW Prepared By: MW

RL

Dilution RL Flag Result Units Parameter mg/Kg Chloride 546 50 1.00

Sample: 39904 - Saunders 0-1

10806

Analysis: QC Batch: Prep Batch: Chloride (IC) 12231

Analytical Method: Date Analyzed:

Date Prepared:

E 300.0 2004-08-24 2004-08-24 Prep Method: N/A Analyzed By: MW Prepared By: MW

RL

Result Units Dilution Parameter Flag RL 204 10 Chloride mg/Kg 1.00

Sample: 39905 - Saunders 1-2

Analysis: QC Batch: Prep Batch: Chloride (IC)

12231 10806 Analytical Method: Date Analyzed:

Date Prepared:

E 300.0 2004-08-24 2004-08-24 Prep Method: N/A Analyzed By: MW

MW

Prepared By:

RL

Result Parameter Flag Units Dilution RL Chloride 977 mg/Kg 100 1.00

QC Batch: 12231 Matrix Blank (1)

Parameter Flag Result Units RLChloride 6.46 mg/Kg

Laboratory Control Spike (LCS-1) QC Batch: 12231

LCS Spike **LCSD** Matrix Rec. **RPD** Amount Param Result Result Units Dil. Result RPD Rec. Limit Limit Chloride 18.0 18.2 12.5 mg/Kg 6.46 92 90 - 110 20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Matrix Spike (MS-1) QC Batch: 12231 Report Date: August 25, 2004 1660

Work Order: 4072807 Saunders 28B Page Number: 3 of 4 Lovington, New Mexico

	MS	MSD		,	Spike	Matrix			Rec.	RPD
Param	Result	Result	Units	Dil.	Amount	Result	Rec.	RPD	Limit	Limit
Chloride	94500	94500	mg/Kg	5000	12.5	37800	91	0	69.4 - 118	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Standard (ICV-1)

QC Batch: 12231

			CCVs	CCVs	CCVs	Percent	
			True	Found	Percent	Recovery	Date
Param	Flag	Units	Conc.	Conc.	Recovery	Limits	Analyzed
Chloride		mg/Kg	12.5	11.8	94	90 - 110	2004-08-24

Standard (CCV-1)

QC Batch: 12231

			CCVs	CCVs	CCVs	Percent	
			True	Found	Percent	Recovery	Date
Param	Flag	Units	Conc.	Conc.	Recovery	Limits	Analyzed
Chloride		mg/Kg	12.5	11.8	94	90 - 110	2004-08-24

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