

## WHITE BUFFALO ENVIRONMENTAL SERVICES

July 3, 2006

NMOCD District 2 Office  
Oil Conservation Division  
Mike Bratcher  
1301 West Grand  
Artesia, New Mexico 88210

*ROCKCLIFF #371115*

RECEIVED  
JUL 10 2006  
OPERATIONS

*#227588*  
RE: Letter of Violation for Range Operating New Mexico, Inc. Inspection  
#ICLB0534948599, South Culebra Bluff (SCB) 23 No. 004

### Chronology

On December 16, 2005 a letter of violation was issued to Range Operating New Mexico, Inc. (Range) for violations identified during a random / periodic inspection on December 15, 2005. The letter was received by the Range office on December 27, 2005. White Buffalo Environmental Services, Inc (WBESI) was notified via fax of this violation on December 27, 2005. Greg Swindle of WBESI contacted Rudy Garcia field foreman for Range -Loving office to discuss response actions. Mr. Swindle went to the field and reviewed activities in the field on January 5, 2006. The site was assessed for a formal work plan and specific site information obtained.

The site was visited and assessed again on January 11, 2006. The results of this sampling event revealed that further excavation was required. The results are in attachment #2 to this letter.

On March 29, 2006 after receiving notice from Tony Tucker, Range Resources Production Foreman Loving New Mexico Area., of completion of excavation and remediation; Ronnie Taylor of White Buffalo Environmental Services Inc arrived on site to perform final sampling. Samples were collected from the floor area, South wall, and West wall of the spill site. These samples were immediately placed on ice for transportation and shipment to ASK Laboratories in Amarillo, Texas. The samples were analyzed for BTEX, TPH (NM 8015N), and Chloride content.

On April 10, 2006 the sample results were received from the laboratory. The results revealed that the BTEX, and TPH concentrations were above remediation limits. Further excavation will be performed and a future sampling date will be coordinated with you. See attachment #3 for the results of this sampling.

On April 13, 2006 the site was again visited after further excavation. The results of this sampling was obtained and revealed again that limits were exceeded and further sampling would be required. See attachment #4 for the results of this sampling.

On May 17, 2006 the site was again visited after further sampling. The analytical results revealed that the limits were obtained and no further excavation was required. See attachment # 5 for these results.

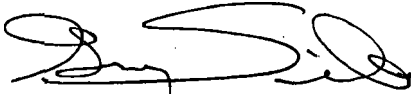
*2RP-3983*

Tony Tucker of Range was notified that the limits had been obtained and that site closure was now warranted. Tony utilized the services of several trucking firms in the Loving area to transport the spoils of the excavation to Controlled Recovery, Inc.; PO Box 388; Hobbs, New Mexico, 88241-0388 (CRI). CRI was the final disposal place of all of the contaminated soils numbering approximately 380 cubic yards based upon the Manifest enclosed in Attachment #6 of this letter.

Please consider this NOV action item complete and send Range Operating Company your concurrence of final closure on this NOV action item.

Please review the attached results and notify me via letter or email if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Greg Swindle', with a stylized flourish at the end.

Greg Swindle,  
President  
WBESI

Enclosures:

- Attachment #1 Filed Remediation Work plan
- Attachment #2 01/11/06 Sampling Results and Documentation
- Attachment #3 03/29/06 Sampling Results and Documentation
- Attachment #4 04/13/06 Sampling Results and Documentation
- Attachment #5 05/17/06 Sampling Results and Documentation
- Attachment #6 Disposal Manifest.