

July 27, 2006



VIA EMAIL

Mr. Larry Johnson
Environmental Engineer
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1625 N. French Drive
Hobbs, New Mexico 88240

Re: Groundwater Investigation Work Plan, Range Resources Corporation, Elliott "B" Tank Battery, Unit Letter I (NE/4, SE/4), Section 6, Township 22 South, Range 37 East, Lea County, New Mexico (Latitude: N 32°, 24.871', Longitude: W 103°, 11.981')

Dear Mr. Johnson:

Range Resources Corporation (Range) has retained Ocotillo Environmental, LLC (Ocotillo) to remediate impacts to soil from a spill that occurred at the Elliott "B" Tank Battery on July 18, 2006. Approximately 63 barrels of oil and produced water were spilled from the tank battery located in the northeast quarter (NE/4) of the southeast quarter (SE/4), Section 6, Township 22 South, Range 37 East, Lea County, New Mexico, and approximately 50 bbl was recovered from the site. The spill was contained within the firewall. A C-141 was submitted to the New Mexico Oil Conservation Division (NMOCD) on July 18, 2006, a copy of which is attached.

Based on published literature (1961), well records of the New Mexico State Engineer (NMSE), and well records from the United States Geological Service (USGS) database, groundwater occurs at approximately 48 feet below ground surface (bgs) at the nearest well, located in UL-N of Section 5. No data is available for Section 6 or Section 7. One well in Section 31, T21S, R37E (immediately north of Section 6), reports a depth to groundwater of approximately 104' bgs, and one well in Section 1, T22S, R36E (immediately west of Section 6), reports a depth to groundwater of approximately 137' bgs.

Proposal

Range proposes to install one (1) background soil boring, approximately 15 to 20 feet upgradient (north) of the tank battery, in order to obtain a definitive depth to groundwater at the tank battery. An air rotary drilling rig will be used to install the soil boring. Soil samples will be collected at approximate five (5) foot intervals from a depth of five (5) feet bgs to a depth of approximately 50 feet bgs, and submitted to Environmental Lab of Texas (ELOT), located in Odessa, Texas, for chloride analysis. The soil boring will be advanced approximately 10 feet deeper than the depth at which groundwater is initially encountered.

RP #979
facility - FPAC0620928473
incident - nPAC0620928554
application - pPAC0620928678

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No less than 24 hours after installation, a static depth to groundwater measurement will be obtained, and a groundwater sample will be collected using a dedicated disposable polyethylene bailer. After carefully pouring the sample into laboratory-prepared containers, the sample containers will be labeled, immediately chilled in an ice chest, and transferred under chain-of-custody control to ELOT for analysis of BTEX using EPA method SW-846-8021B and chloride by EPA method 325.3. The field observations will be documented in a bound field notebook, and a geologic log will be prepared for the soil boring.

Notification will be given to the NMOCD at least 48 hours prior to installation of the soil boring, in order that a representative may be present during investigation activities. A Remediation Work Plan for the tank battery area, including a summary of the groundwater investigation, will be prepared following completion of the proposed activities.

If you should have any questions, please contact Mr. Steve Almager with Range at (505) 394-1485 or myself at (505) 441-7244. I can also be reached by e-mail at cindy.crain@gmail.com.

Sincerely,
Ocotillo Environmental, LLC.

Cindy K. Crain, P.G.
Environmental Manager

CC: Ms. Linda Stiles, Range/Fort Worth, TX
Mr. Steve Almager, Range/Eunice, NM
Mr. Wayne Price, OCD/Santa Fe, NM

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 October 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: Range Operating, New Mexico	Contact: Steve Almager
Address: Po Box 2510, Hobbs, NM 88240	Telephone No. 505-394-1485
Facility Name: Elliot B Federal Battery	Facility Type: Battery

Surface Owner Range Operating	Mineral Owner See Attachment	Lease No.
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
I	6	22S	37E	1650	South	990	East	Lea

48'

Latitude N 32 deg. 24.871' Longitude W 103 deg. 11.981'

NATURE OF RELEASE

Type of Release: H2O/Skim Oil	Volume of Release: 63 bbls	Volume Recovered: 50 Bbls
Source of Release: Water Tank	Date and Hour of Occurrence: 7-18-06 11:30 AM MST	Date and Hour of Discovery: 7-18-06 11:30 AM MST
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Bryan Surles and Linda Stiles	
By Whom? Chris Garcia	Date and Hour 7-18-06 11:30 AM MST	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Rerouted flowlines from Elliot B Federal Battery and Grizzell Battery From Simmons Battery to Rice Operating pipeline. Overlooked one checkvalve and check valve was not turned the proper way. High tank level alarm float failed and answering service did not receive phone call for high tank level. Called for Vacuum truck. Sucked water out of firewall. Replaced High tank level alarm system w/ double float system.

Describe Area Affected and Cleanup Action Taken.*

63 bbls of H2O and oil was contained inside firewall and removed with a vacuum truck. Recovered 50 bbls. 43'x46' Oil & 43'x111' H2O. Approx. 4" deep. Called and talked w/ Pat Caperton w/ NM OCD and she said to Dig out area affected and sample after digging is complete. Cindy Crain - Environmentalist for Ocotillo is visiting w/ NM OCD about plan of action.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCDD 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 NMOCDD 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, NMOCDD 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.

OIL CONSERVATION DIVISION

Signature: Linda C. Stiles	Approved by District Supervisor:	
Printed Name: Linda C. Stiles		
Title: Sr Engineering Tech	Approval Date:	Expiration Date:
E-mail Address: lstyles@rangeresources.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 7-18-2006 Phone: (817) 810-1908		

* Attach Additional Sheets If Necessary