



Highlander Environmental Corp.

Midland, Texas

July 16, 2007

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

RE: Latigo Petroleum, Inc. – Project Summary
Todd West Spill Area
Section 30, Township 7 South, Range 36 East, Unit P
Roosevelt County, New Mexico
33.6767427° N, 103.29169° W

Mr. Johnson:

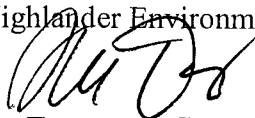
On behalf of Latigo Petroleum, Inc. (Latigo), Highlander Environmental Corp. (Highlander) performed a limited subsurface investigation at the Latigo Todd Water Injection Station, Section 30, Township 7 South, Range 36 East, Roosevelt County, New Mexico. The site location is shown on Figure 1. The soil investigation consisted of placement of hand auger holes and boreholes to assess the subsurface soils. Based on the soil assessment, a well was installed to assess the groundwater qualities at the Site.

The spill area is located approximately 1,800' west of the Todd #1 tank battery. The spill was found by the landowner, who notified the Bureau of Land Management (BLM). According to the BLM, the line appeared to be disconnected or broken, and the majority of the spill appeared to be produced water. The spill area measured approximately 125' x 163'. Several boreholes were installed to define the horizontal extents of the impact. Two boreholes were installed in the spill area and showed a chloride impact, exceeding the state regulatory levels, to a depth of 60 feet to 70 feet below surface. The hand auger and borehole locations are shown on Figure 2. The analytical results are shown in Table 1 and Table 2.

Based on the results, borehole (BH-2) was converted to a temporary 2-inch monitor well (TMW-2). In addition, TMW-1 was installed approximately 150 feet east southeast of the spill area on the southwest corner of a well pad. Groundwater was encountered at approximately 83 feet (TMW-2) and 86 feet (TWM-1). On September 6, 2006 and May 15, 2007, Highlander purged and sampled the well per OCD guidelines for analyses of chlorides and BTEX. Chloride concentrations in TMW-2 exceeded the New Mexico Water Quality Control Commission (NMWQCC) standards, while hydrocarbon constituents (BTEX) were detected at levels below the NMWQCC action levels. TMW-1 showed chloride concentration slightly above the NMWQCC standards. The analytical results are shown in Table 3.

Should you have any questions or concerns regarding this site, please do not hesitate to contact me at (432) 682-4559.

Highlander Environmental Corp.



Ike Tavarez, P.G.

Sr. Geologist/Project Manager



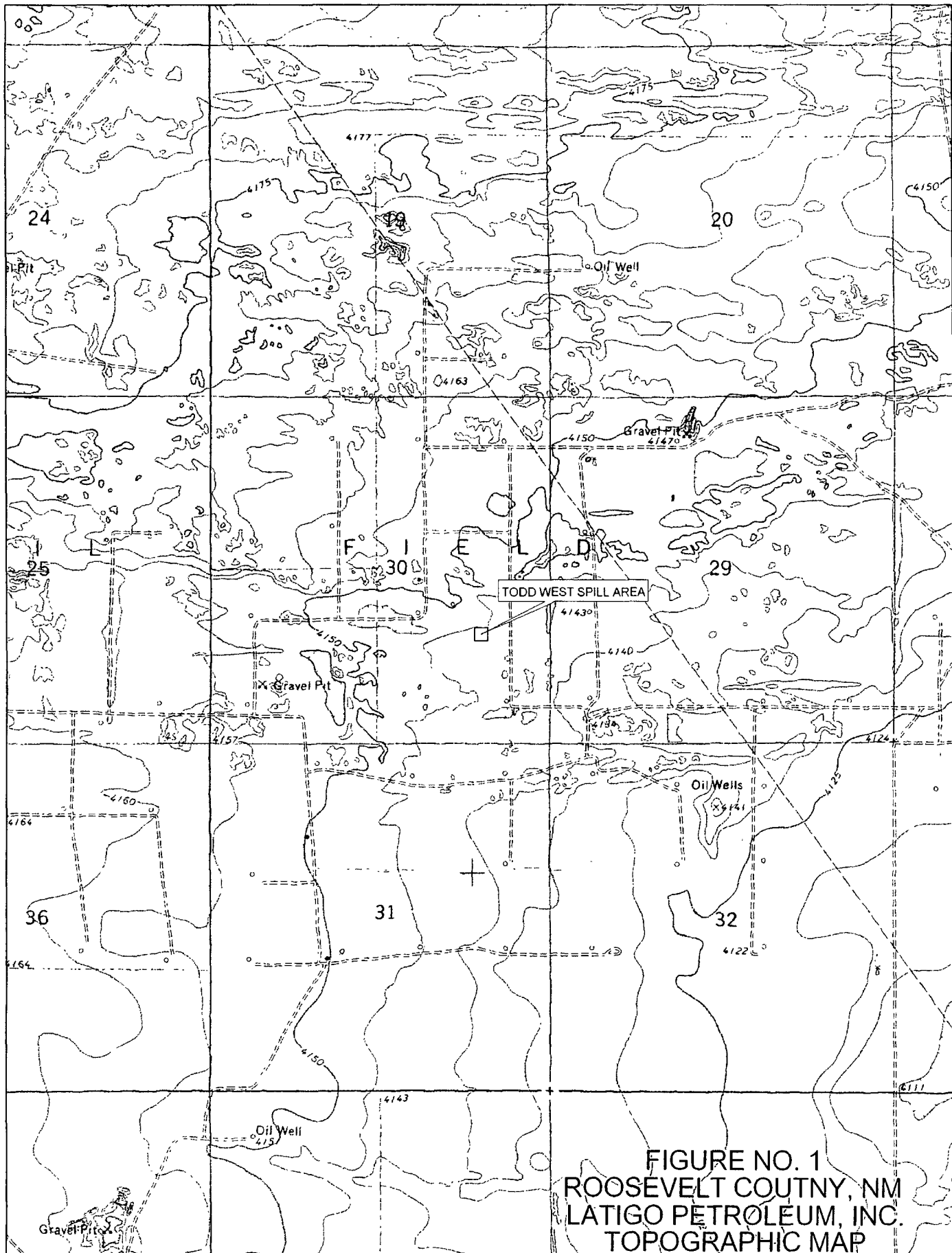


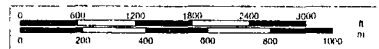
FIGURE NO. 1
ROOSEVELT COUNTY, NM
LATIGO PETROLEUM, INC.
TOPOGRAPHIC MAP

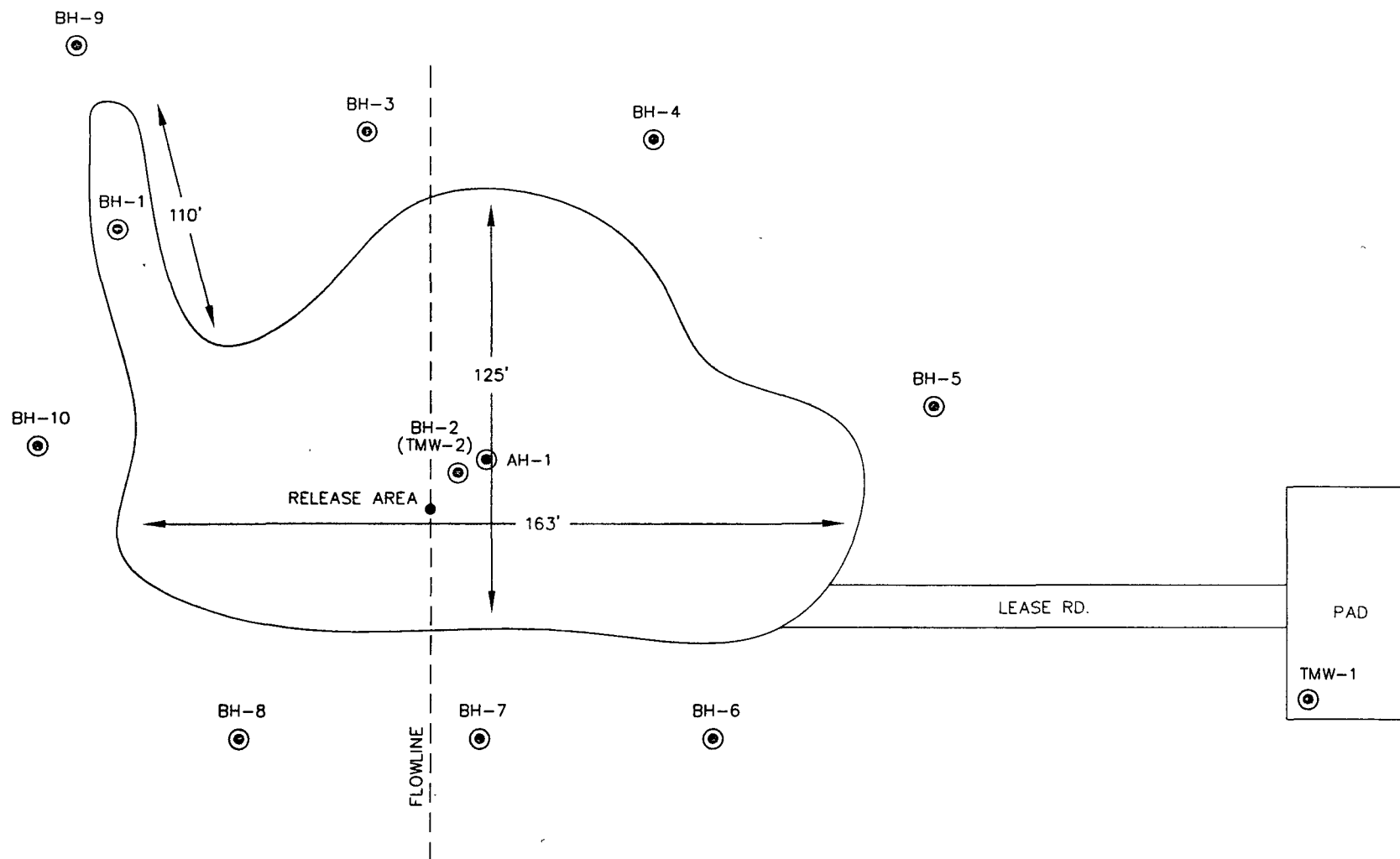


© 2002 DeLorme. 3-D TopoQuads ®. Data copyright of content owner.
www.delorme.com

Scale 1 : 24,000

1" = 2000 ft





- SPILL AREA
- BOREHOLE LOCATIONS
- AUGER HOLE

NOT TO SCALE

FIGURE NO. 2

ROOSEVELT COUNTY, NEW MEXICO

LATIGO PETROLEUM, INC.
TODD WEST SPILL AREA -
WEST OF TODD #1 TB

HIGHLANDER ENVIRONMENTAL CORP.
MIDLAND, TEXAS

DATE:
11/7/06
OWN. BY:
JJ
FILE:
C:\POGO\2817\TODD WEST SPILL AREA

Table 1
Latigo Petroleum, Inc.
TODD WEST SPILL AREA - WEST OF TODD #1 TANK BATTERY
Roosevelt County, New Mexico

Sample ID	Date Sampled	Sample Depth (ft)	TPH (mg/kg)			Benzene (mg/kg)	Toluene (mg/kg)	Ethlybenzene (mg/kg)	Xylene (mg/kg)	Chloride (mg/kg)
			C6-C12	C12-C35	Total					
AH-1	7/20/06	0-1	<1.00	815	815	<0.0100	<0.0100	<0.0100	<0.0100	3620
	7/20/06	1-1.5	<1.00	<50.0	<50.0	<0.0100	<0.0100	<0.0100	0.0189	7940
	7/20/06	2-2.5	<1.00	<50.0	<50.0	<0.0100	<0.0100	<0.0100	0.0126	6770
	7/20/06	3-3.5	-	-	-	-	-	-	-	7650
	7/20/06	4-4.5	-	-	-	-	-	-	-	6820
	7/20/06	5-5.5	-	-	-	-	-	-	-	6300
	7/20/06	6-6.5	-	-	-	-	-	-	-	3800
	7/20/06	7-7.5	-	-	-	-	-	-	-	3340
	7/20/06	8-8.5	-	-	-	-	-	-	-	2000
	7/20/06	9-9.5	-	-	-	-	-	-	-	11400
	7/20/06	10-10.5	-	-	-	-	-	-	-	11400

(-) not analyzed

Table 2
Latigo Petroleum, Inc.
TODD WEST SPILL AREA - WEST OF TODD #1 TANK BATTERY
Roosevelt County, New Mexico

Sample ID	Date Sampled	Sample Depth (ft)	TPH (mg/kg)			Benzene (mg/kg)	Toluene (mg/kg)	Ethlybenzene (mg/kg)	Xylene (mg/kg)	Chloride (mg/kg)
			C6-C12	C12-C35	Total					
BH-1	8/28/06	0-2'	<1.00	<50.0	<50.0	-	-	-	-	256
	8/28/06	5-7'	-	-	-	-	-	-	-	352
	8/28/06	10-12'	-	-	-	-	-	-	-	1150
	8/28/06	15-17'	-	-	-	-	-	-	-	2060
	8/28/06	20-22'	-	-	-	-	-	-	-	5130
	8/28/06	30-32'	-	-	-	-	-	-	-	2990
	8/28/06	40-42'	-	-	-	-	-	-	-	2350
	8/29/06	50-52'	-	-	-	-	-	-	-	1110
	8/29/06	60-62'	-	-	-	-	-	-	-	413
	8/29/06	70-72'	-	-	-	-	-	-	-	2040
BH-2	8/29/06	0-2'	<1.00	<50.0	<50.0	-	-	-	-	6620
	8/29/06	5-7'	-	-	-	-	-	-	-	3870
	8/29/06	10-12'	-	-	-	-	-	-	-	11000
	8/29/06	15-17'	-	-	-	-	-	-	-	6010
	8/29/06	20-22'	-	-	-	-	-	-	-	9520
	8/29/06	30-32'	-	-	-	-	-	-	-	6000
	8/29/06	40-42'	-	-	-	-	-	-	-	6090
	8/29/06	50-52'	-	-	-	-	-	-	-	4860
	8/29/06	60-62'	-	-	-	-	-	-	-	3860

Table 2
Latigo Petroleum, Inc.
TODD WEST SPILL AREA - WEST OF TODD #1 TANK BATTERY
Roosevelt County, New Mexico

[illegible]

Table 2
Latigo Petroleum, Inc.
TODD WEST SPILL AREA - WEST OF TODD #1 TANK BATTERY
Roosevelt County, New Mexico

Sample ID	Date Sampled	Sample Depth (ft)	TPH (mg/kg)			Benzene (mg/kg)	Toluene (mg/kg)	Ethlybenzene (mg/kg)	Xylene (mg/kg)	Chloride (mg/kg)
			C6-C12	C12-C35	Total					
BH-8	8/30/06	0-2'	<1.00	<50.0	<50.0	-	-	-	-	<50.0
	8/30/06	5-7'	-	-	-	-	-	-	-	<50.0
	8/30/06	10-12'	-	-	-	-	-	-	-	<50.0
	8/30/06	15-17'	-	-	-	-	-	-	-	56.9
	8/30/06	20-22'	-	-	-	-	-	-	-	56.9
	8/30/06	30-32'	-	-	-	-	-	-	-	<50.0
	8/30/06	40-42'	-	-	-	-	-	-	-	<50.0
	8/30/06	50-52'	-	-	-	-	-	-	-	<50.0
BH-9	8/30/06	0-2'	<1.00	<50.0	<50.0	-	-	-	-	<50.0
	8/30/06	5-7'	-	-	-	-	-	-	-	172
	8/30/06	10-12'	-	-	-	-	-	-	-	183
	8/30/06	15-17'	-	-	-	-	-	-	-	78.4
	8/30/06	20-22'	-	-	-	-	-	-	-	73.1
	8/30/06	30-32'	-	-	-	-	-	-	-	83.6
	8/30/06	40-42'	-	-	-	-	-	-	-	73.1
	8/30/06	50-52'	-	-	-	-	-	-	-	78.4

Table 2
Latigo Petroleum, Inc.
TODD WEST SPILL AREA - WEST OF TODD #1 TANK BATTERY
Roosevelt County, New Mexico

Sample ID	Date Sampled	Sample Depth (ft)	TPH (mg/kg)			Benzene (mg/kg)	Toluene (mg/kg)	Ethlybenzene (mg/kg)	Xylene (mg/kg)	Chloride (mg/kg)
			C6-C12	C12-C35	Total					
BH-10	8/30/06	0-2'	<1.00	<50.0	<50.0	-	-	-	-	<50.0
	8/30/06	5-7'	-	-	-	-	-	-	-	<50.0
	8/30/06	10-12'	-	-	-	-	-	-	-	83.8
	8/30/06	15-17'	-	-	-	-	-	-	-	94.2
	8/30/06	20-22'	-	-	-	-	-	-	-	120
	8/30/06	30-32'	-	-	-	-	-	-	-	162
	8/30/06	40-42'	-	-	-	-	-	-	-	62.8
	8/30/06	50-52'	-	-	-	-	-	-	-	<50.0

(-) not analyzed

Table 3
Latigo Petroleum, Inc.
TODD WEST SPILL AREA - WEST OF TODD #1 TANK BATTERY
Roosevelt County, New Mexico

Sample ID	Date Sampled	Sample No.	TPH (mg/kg)			Benzene (mg/L)	Toluene (mg/L)	Ethylbenzene (mg/L)	Xylene (mg/L)	Chloride (mg/L)
			C6-C12	C12-C35	Total					
TMW-1	9/6/06	102410	-	-	-	<0.00100	<0.00100	<0.00100	<0.00100	439
	5/15/07	124636	-	-	-	<0.00100	<0.00100	<0.00100	<0.00100	452
TMW-2	9/6/06	102411	-	-	-	<0.00100	<0.00100	<0.00100	<0.00100	29600
	5/15/07	124637	-	-	-	<0.00100	<0.00100	<0.00100	<0.00100	98,700

(-) not analyzed



Highlander Environmental Corp.

Midland, Texas

July 16, 2007

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

RE: Latigo Petroleum, Inc. – Project Summary
Todd ATB #1 (Section 36)
Section 36, Township 7 South, Range 35 East
Roosevelt County, New Mexico
33.66878° N, 103.30985° W

Mr. Johnson:

On behalf of Latigo Petroleum, Inc. (Latigo), Highlander Environmental Corp. (Highlander) performed a limited subsurface investigation at the Latigo Todd ATB #1 (Section 36) Section 36, Township 7 South, Range 35 East, Roosevelt County, New Mexico. The site location is shown on Figure 1. The soil investigation consisted of placement of hand auger holess and boreholes to assess the subsurface soils. Based on the soil assessment, a well was installed to assess the groundwater qualities at the Site.

Impacted areas were investigated around the ATB pad and south of the ATB. In the area of AH-3 and AH-7, the subsurface soils were impacted with total petroleum hydrocarbons from surface to maximum depths of 4 feet to 10 feet below surface, respectively. In addition, elevated chloride concentrations were noted from surface to depths of 20 feet to 70 feet below surface. The hand auger and borehole locations are shown on Figure 2. The analytical results are shown in Table 1 and Table 2.

Based on the results, borehole (BH-2) was converted to a temporary 2-inch monitor well. Groundwater was encountered at approximately 63 feet below top of casing (TOC). On September 6, 2006 and May 15, 2007, Highlander purged and sampled the well per OCD guidelines for analyses of chlorides and BTEX. Chloride concentrations exceeded New Mexico Water Quality Control Commission (NMWQCC) standards, while hydrocarbon constituents (BTEX) were detected at levels below the NMWQCC action levels. The analytical results are shown in Table 3.

Should you have any questions or concerns regarding this site, please do not hesitate to contact me at (432) 682-4559.

Highlander Environmental Corp.



Ike Tavarez, P.G.
Sr. Geologist/Project Manager



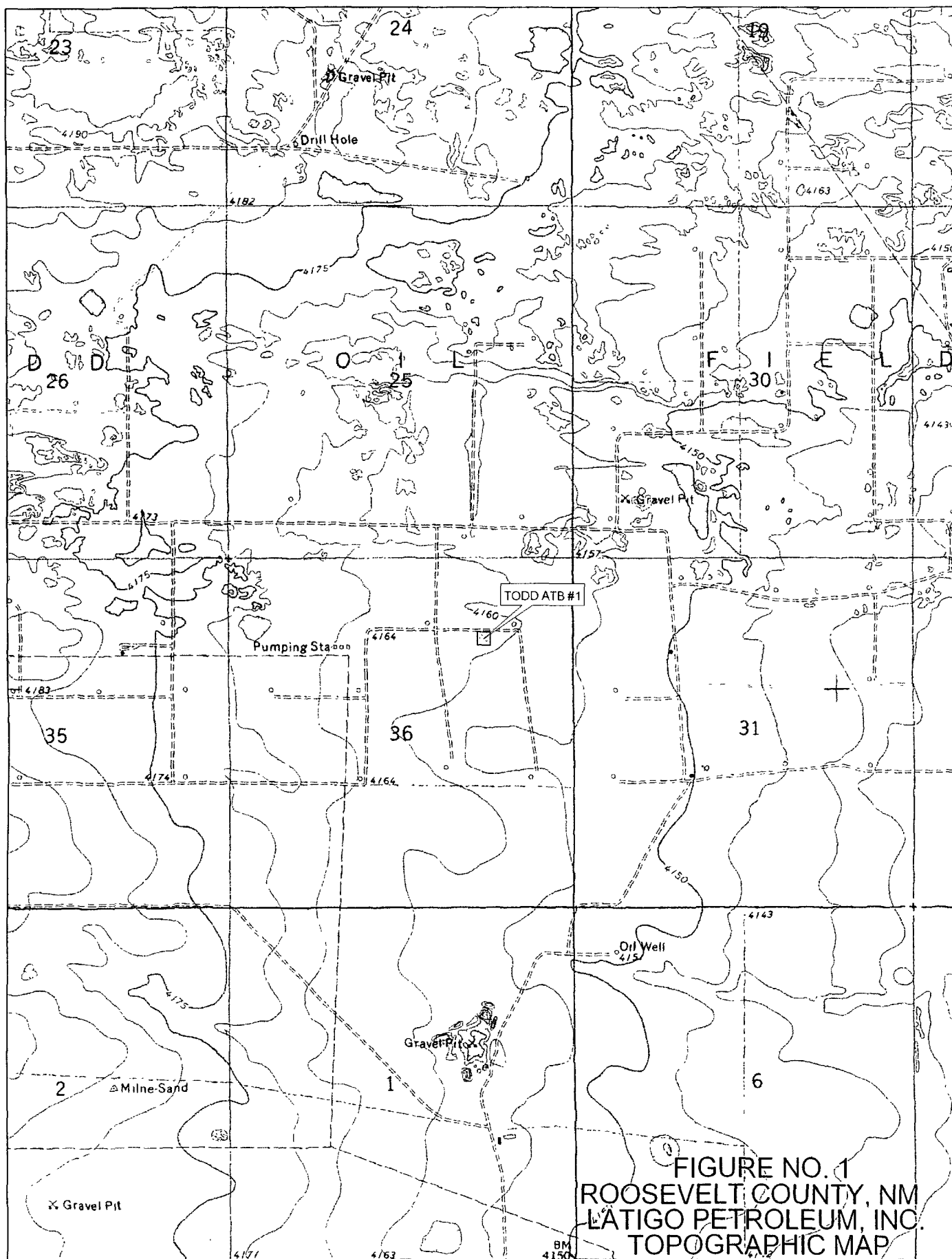
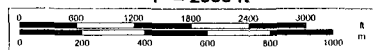


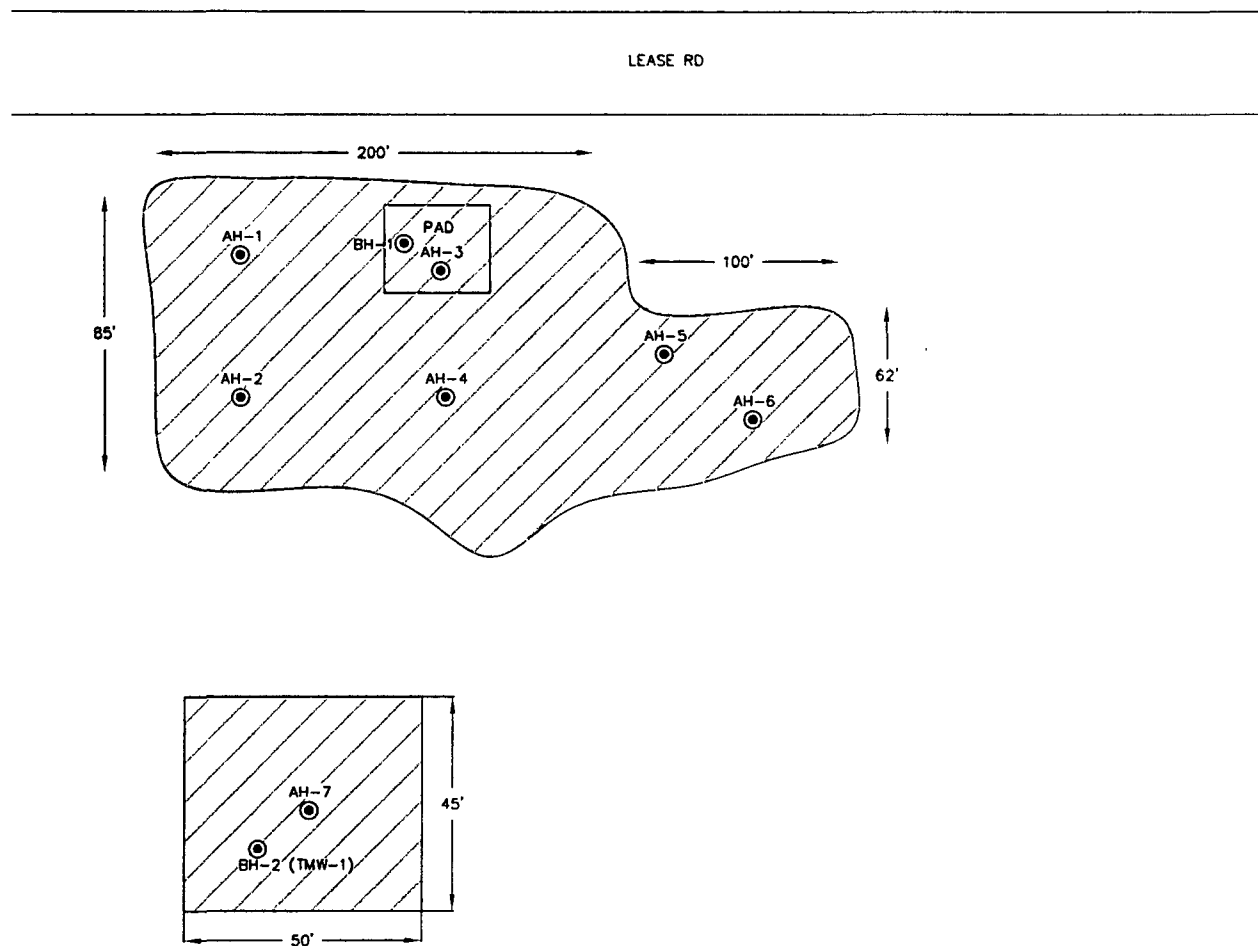
FIGURE NO. 1
ROOSEVELT COUNTY, NM
LATIGO PETROLEUM, INC.
TOPOGRAPHIC MAP



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

Scale 1 : 24,000
1" = 2000 ft





- ⊙ BORE HOLES
- ▨ SPILL AREAS
- ⊙ SAMPLE LOCATIONS

NOT TO SCALE

DATE:
7/20/07
DWN. BY
RC
FILE:
c:\p000\2617\1
TODD ATB #1

FIGURE NO. 2

ROOSEVELT COUNTY, NEW MEXICO

LATIGO PETROLEUM, INC.
TODD UT ATB #1 (SECTION 36)

HIGHLANDER ENVIRONMENTAL CORP.
MIDLAND, TEXAS

Table 1
Latigo Petroleum, Inc.
TODD UT ATB #1 (SECTION 36)
Roosevelt County, New Mexico

Sample ID	Date Sampled	Sample Depth (ft)	TPH (mg/kg)			Benzene (mg/kg)	Toluene (mg/kg)	Ethlybenzene (mg/kg)	Xylene (mg/kg)	Chloride (mg/kg)
			C6-C12	C12-C35	Total					
AH-1	7/25/06	0-1	<2.00	1260	1260	<0.0200	<0.0200	<0.0200	<0.0200	67.4
	7/25/06	1-1.5	<1.00	158	158	-	-	-	-	<10.0
	7/25/06	2-2.5	<1.00	<50.0	<50.0	-	-	-	-	83.7
AH-2	7/25/06	0-1	<2.00	726	726	<0.0200	<0.0200	<0.0200	<0.0200	22.1
	7/25/06	1-1.5	<1.00	61.6	61.6	-	-	-	-	23.2
	7/25/06	2-2.5	<1.00	<50.0	<50.0	-	-	-	-	43.0
AH-3	7/25/06	0-1	1180	969	2149	<0.100	<0.100	0.213	0.817	5780
	7/25/06	1-1.5	1530	9310	10840	<0.200	<0.200	<0.200	1.41	3860
	7/25/06	2-2.5	578	6710	7288	-	-	-	-	1760
	7/25/06	4-4.5	29.7	1010	1039.7	-	-	-	-	2690
	7/25/06	5-5.5	<1.00	98.7	98.7	-	-	-	-	3320
	7/25/06	6-6.5	-	-	-	-	-	-	-	4030
	7/25/06	7-7.5	2.29	63.9	66.19	-	-	-	-	3180
AH-4	7/25/06	0-1	869	2270	3139	<0.0500	<0.0500	0.408	1.02	126
	7/25/06	1-1.5	<1.00	<50.0	<50.0	-	-	-	-	172
	7/25/06	2-2.5	<1.00	<50.0	<50.0	-	-	-	-	102
AH-5	7/25/06	0-1	<1.00	157	157	-	-	-	-	14.5
	7/25/06	1-1.5	<1.00	131	131	-	-	-	-	49.2
	7/25/06	2-2.5	<1.00	<50.0	<50.0	-	-	-	-	22.3

Latigo Petroleum, Inc.
TODD UT ATB #1 (SECTION 36)
Roosevelt County, New Mexico

Sample ID	Date Sampled	Sample Depth (ft)	TPH (mg/kg)			Benzene (mg/kg)	Toluene (mg/kg)	Ethlybenzene (mg/kg)	Xylene (mg/kg)	Chloride (mg/kg)
			C6-C12	C12-C35	Total					
AH-6	7/25/06	0-1	<5.00	1250	1250	<0.0500	<0.0500	<0.0500	<0.0500	12.3
	7/25/06	1-1.5	<1.00	95.4	95.4	-	-	-	-	62.6
	7/25/06	2-2.5	<1.00	52.7	52.7	-	-	-	-	12.5
AH-7	7/25/06	0-1	14.0	4960	4974.0	<0.100	<0.100	0.735	0.292	163
	7/25/06	1-1.5	229	7420	7649	<0.0500	<0.0500	2.81	1.55	895
	7/25/06	2-2.5	75.6	20400	20475.6	-	-	-	-	2040
	7/25/06	3-3.5	154	12800	12954	-	-	-	-	1980
	7/25/06	4-4.5	234	11300	11534	-	-	-	-	4190
	7/25/06	5-5.5	218	7850	8068	-	-	-	-	2960
Area AH-1,2	8/25/06	0-.5'	14.9	6710	6724.9	-	-	-	-	-
Area AH-4	8/25/06	0-.5'	<5.00	3770	3770	-	-	-	-	-
Area AH-6	8/25/06	0-.5'	<5.00	4080	4080	-	-	-	-	-

(-) not analyzed

Table 2
Latigo Petroleum, Inc.
TODD UT ATB #1 (SECTION 36)
Roosevelt County, New Mexico

Sample ID	Date Sampled	Sample Depth (ft)	TPH (mg/kg)			Benzene (mg/kg)	Toluene (mg/kg)	Ethlybenzene (mg/kg)	Xylene (mg/kg)	Chloride (mg/kg)
			C6-C12	C12-C35	Total					
BH-1	9/1/06	10-12'	110	770	880	-	-	-	-	1960
	9/1/06	15-17'	47.1	<50.0	47.1	-	-	-	-	693
	9/1/06	20-22'	17.7	<50.0	17.7	-	-	-	-	289
BH-2	9/1/06	10-12'	81.9	136	217.9	-	-	-	-	770
	9/1/06	15-17'	22.7	242	264.7	-	-	-	-	250
	9/1/06	20-22'	-	-	-	-	-	-	-	1670
	9/1/06	30-32'	-	-	-	-	-	-	-	5400
	9/1/06	40-42'	-	-	-	-	-	-	-	5730
	9/1/06	50-52'	-	-	-	-	-	-	-	1710
	9/1/06	60-62'	-	-	-	-	-	-	-	3460
	9/1/06	70-72'	-	-	-	-	-	-	-	<200

(-) not analyzed

Table 3
Latigo Petroleum, Inc.
TODD UT ATB #1 (SECTION 36)
Roosevelt County, New Mexico

Sample ID	Date Sampled	TPH (mg/kg)			Benzene (mg/L)	Toluene (mg/L)	Ethlybenzene (mg/L)	Xylene (mg/L)	Chloride (mg/L)
		C6-C12	C12-C35	Total					
TMW-1	9/6/06	-	-	-	0.00200	<0.00100	0.00180	<0.00100	23,700
	5/15/07	-	-	-	<0.00100	<0.00100	<0.00100	<0.00100	100,000

(-) not analyzed



Highlander Environmental Corp.

Midland, Texas

July 16, 2007

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

RE: Latigo Petroleum, Inc. – Project Summary
Todd UT Hobbs R #10 ATB
Section 31, Township 7 South, Range 36 East
Roosevelt County, New Mexico
33.66906° N, 103.30061° W

Mr. Johnson:

On behalf of Latigo Petroleum, Inc. (Latigo), Highlander Environmental Corp. (Highlander) performed a limited subsurface investigation at the Latigo Todd UT Hobbs R #10 ATB, Section 31, Township 7 South, Range 36 East, Roosevelt County, New Mexico. The site location is shown on Figure 1. The soil investigation consisted of placement of hand auger holes and boreholes to assess the subsurface soils. Based on the soil assessment, a well was installed to assess the groundwater qualities at the Site.

Several impacted areas were investigated around the ATB. One borehole was installed north of the ATB in an area measuring 45' x 60'. Elevated chloride concentrations were found from the surface to a depth of 70 feet below surface. The hand auger and borehole locations are shown on Figure 2. The analytical results are shown in Table 1 and Table 2.

Based on the results, borehole (BH-1) was converted to a temporary 2-inch monitor well. Groundwater was encountered at approximately 72 feet below top of casing (TOC). On September 6, 2006 and May 15, 2007, Highlander purged and sampled the well per OCD guidelines for analyses of chlorides and BTEX. Chloride concentrations exceed New Mexico Water Quality Control Commission (NMWQCC) standards, while hydrocarbon constituents (BTEX) were detected at levels below the NMWQCC action levels. The analytical results are shown in Table 3.

Should you have any questions or concerns regarding this site, please do not hesitate to contact me at (432) 682-4559.

Highlander Environmental Corp.

Ike Tavarez, P.G.
Sr. Geologist/Project Manager

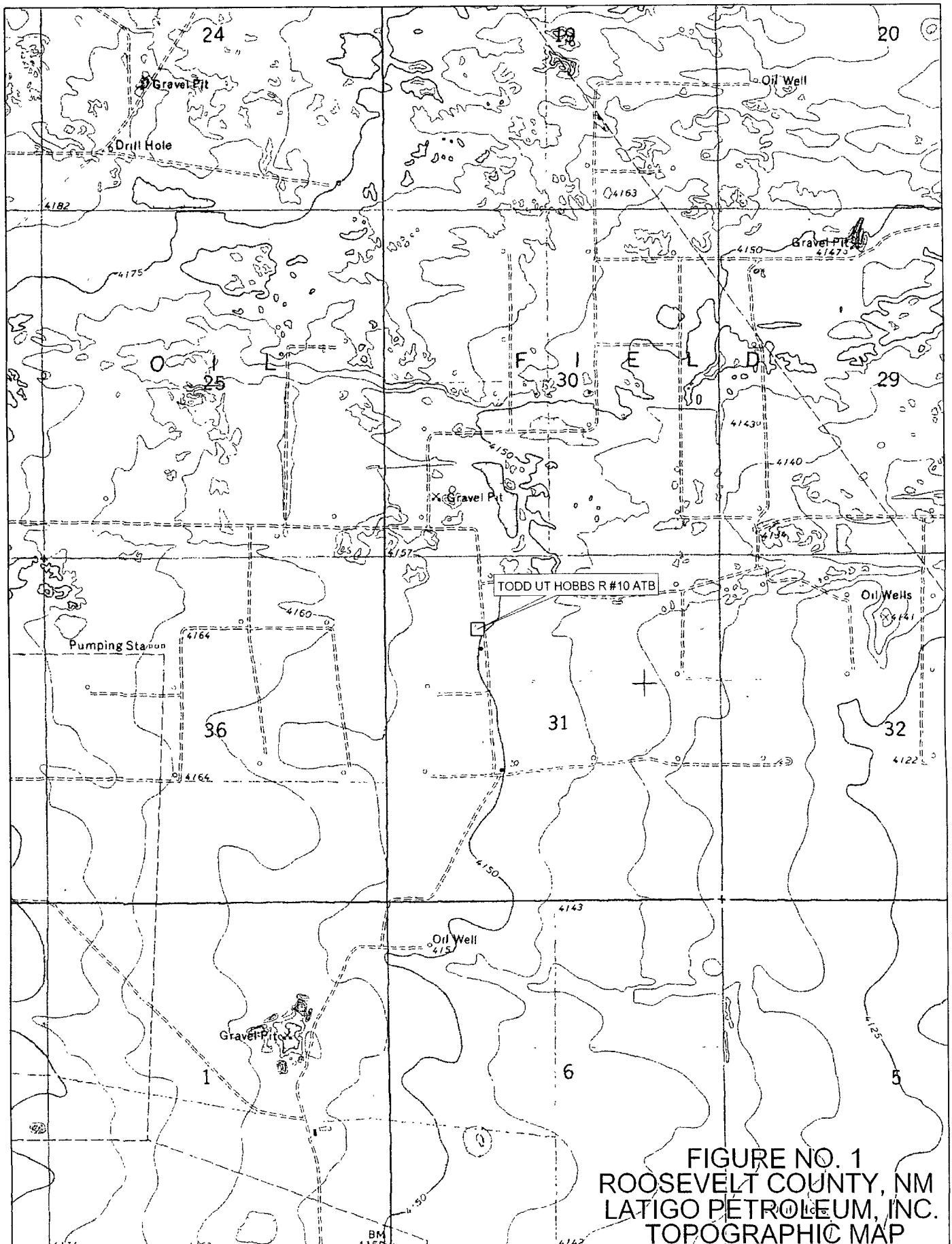
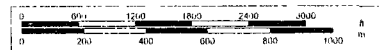


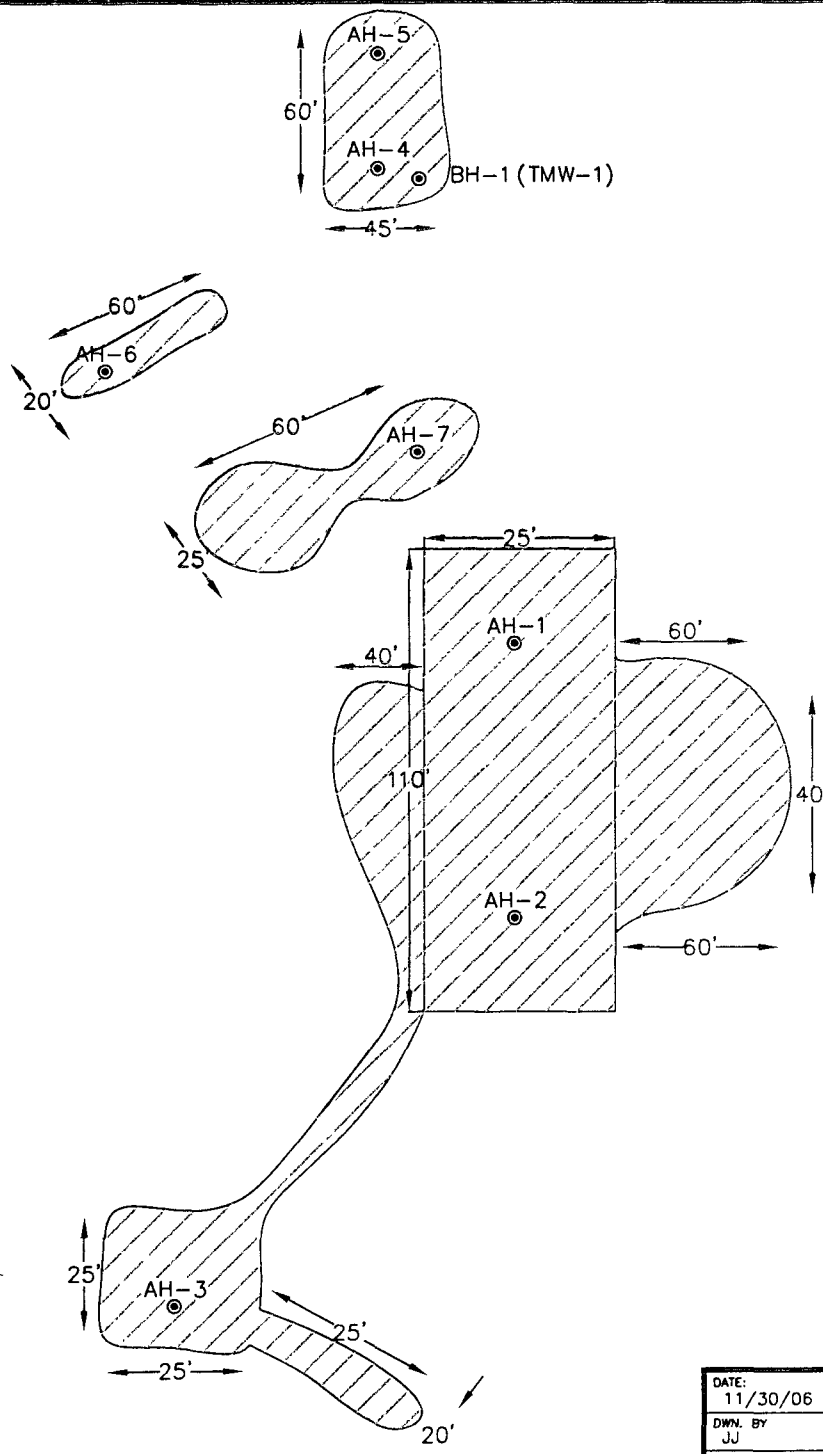
FIGURE NO. 1
ROOSEVELT COUNTY, NM
LATIGO PETROLEUM, INC.
TOPOGRAPHIC MAP



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

Scale 1 : 24,000
1" = 2000 ft





- BORE HOLE
- SPILL AREAS
- SAMPLE LOCATIONS

NOT TO SCALE

FIGURE NO. 2

ROOSEVELT COUNTY, NEW MEXICO

LATIGO PETROLEUM, INC.
TODD UT HOBBS R #10 ATB

HIGHLANDER ENVIRONMENTAL CORP.
MIDLAND, TEXAS

DATE:
11/30/06
DWN. BY
JJ
FILE:
C:\POGO\2617\
HOBBS R #10 ATB

Table 1
Latigo Petroleum, Inc.
TODD UT HOBBS R #10 ATB
Roosevelt County, New Mexico

Sample ID	Date Sampled	Sample Depth (ft)	TPH (mg/kg)			Benzene (mg/kg)	Toluene (mg/kg)	Ethlybenzene (mg/kg)	Xylene (mg/kg)	Chloride (mg/kg)
			C6-C12	C12-C35	Total					
AH-1	7/20/06	0-1	20.3	304	324.3	<0.0200	<0.0200	<0.0200	<0.0200	51.8
	7/20/06	1-1.5	<1.00	<50.0	<50.0	-	-	-	-	20.3
	7/20/06	2-2.5	<1.00	<50.0	<50.0	-	-	-	-	39.6
AH-2	7/20/06	0-1	14.6	1610	1624.6	<0.0500	<0.0500	<0.0500	<0.0500	79.5
	7/20/06	1-1.5	<1.00	<50.0	<50.0	-	-	-	-	222
	7/20/06	2-2.5	<1.00	<50.0	<50.0	-	-	-	-	429
	7/20/06	3-3.5	<1.00	<50.0	<50.0	-	-	-	-	316
AH-3	7/20/06	0-1	271	2880	3151	<0.100	<0.100	0.110	0.426	17.6
	7/20/06	1-1.5	591	3490	4081	-	-	-	-	67.5
	7/20/06	2-2.5	336	2230	2566	-	-	-	-	<10.0
AH-4	7/20/06	1-1.5	589	5340	5929	<0.100	<0.100	0.501	1.32	
	7/20/06	2-2.5	236	1200	1436	-	-	-	-	1820
	7/20/06	3-3.5	589	3540	4129	-	-	-	-	2320
	7/20/06	4-4.5	<1.00	81.40	81.40	-	-	-	-	5290
	7/20/06	5-5.5	<1.00	<50.0	<50.0	-	-	-	-	4810

Latigo Petroleum, Inc.
TODD UT HOBBS R #10 ATB
Roosevelt County, New Mexico

Sample ID	Date Sampled	Sample Depth (ft)	TPH (mg/kg)			Benzene (mg/kg)	Toluene (mg/kg)	Ethlybenzene (mg/kg)	Xylene (mg/kg)	Chloride (mg/kg)
			C6-C12	C12-C35	Total					
AH-5	7/20/06	0-1	<1.00	315	315	-	-	-	-	26.5
	7/20/06	1-1.5	3.23	1180	1183.23	<0.0200	<0.0200	<0.0200	<0.0200	<10.0
	7/20/06	2-2.5	43	4280	4323	-	-	-	-	254
	7/20/06	3-3.5	<1.00	<50.0	<50.0	-	-	-	-	187
AH-6	7/20/06	0-1	<2.00	1050	1050	<0.0200	<0.0200	<0.0200	<0.0200	110
	7/20/06	1-1.5	<1.00	206	206	-	-	-	-	48.9
AH-7	7/20/06	0-1	<5.00	1170	1170	<0.0500	<0.0500	<0.0500	<0.0500	<2.00
	7/20/06	1-1.5	<1.00	96.0	96.0	-	-	-	-	<2.00
Area AH-3	8/25/06	0-5'	35.4	6870	6905.4	-	-	-	-	-

(-) not analyzed

Table 2
Latigo Petroleum, Inc.
TODD UT HOBBS R #10 ATB
Roosevelt County, New Mexico

Sample ID	Date Sampled	Sample Depth (ft)	TPH (mg/kg)			Benzene (mg/kg)	Toluene (mg/kg)	Ethylbenzene (mg/kg)	Xylene (mg/kg)	Chloride (mg/kg)
			C6-C12	C12-C35	Total					
BH-1	8/31/06	10-12'	-	-	-	-	-	-	-	6090
	8/31/06	15-17'	-	-	-	-	-	-	-	4580
	8/31/06	20-22'	<1.00	<50.0	<50.0	<0.0100	<0.0100	<0.0100	<0.0100	4780
	8/31/06	30-32'	-	-	-	-	-	-	-	1380
	8/31/06	40-42'	-	-	-	-	-	-	-	1120
	8/31/06	50-52'	-	-	-	-	-	-	-	2260
	8/31/06	60-62'	-	-	-	-	-	-	-	4250
	8/31/06	70-72'	<1.00	<50.0	<50.0	<0.0100	<0.0100	<0.0100	<0.0100	1120

(-) not analyzed

Table 3
Latigo Petroleum, Inc.
TODD UT HOBBS R #10 ATB
Roosevelt County, New Mexico

Sample ID	Date Sampled	Sample No.	TPH (mg/kg)			Benzene (mg/L)	Toluene (mg/L)	Ethlybenzene (mg/L)	Xylene (mg/L)	Chloride (mg/L)
			C6-C12	C12-C35	Total					
TMW-1	9/6/06	102409	-	-	-	<0.00100	0.00120	0.00110	<0.00100	40,800
	5/15/07	124622	-	-	-	<0.00100	<0.00100	<0.00100	<0.00100	120,000

(-) not analyzed



Highlander Environmental Corp.

Midland, Texas

July 16, 2007

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

RE: Latigo Petroleum, Inc. – Project Summary
Todd Water Injection Station
Section 31, Township 7 South, Range 36 East
Roosevelt County, New Mexico
33.67111° N, 103.29191° W

Mr. Johnson:

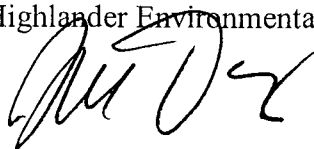
On behalf of Latigo Petroleum, Inc. (Latigo), Highlander Environmental Corp. (Highlander) performed a limited subsurface investigation at the Latigo Todd Water Injection Station, Section 31, Township 7 South, Range 36 East, Roosevelt County, New Mexico. The site location is shown on Figure 1. The soil investigation consisted of placement of hand auger holes and boreholes to assess the subsurface soils. Based on the soil assessment, a well was installed to assess the groundwater qualities at the Site.

Several impacted areas were investigated around the water injection station. In the area outside of the north and east facility fence line, the chloride impact in some of these areas was not defined due an underground line in the area. One borehole was installed east of the facility in an area measuring 45' x 50'. The hydrocarbon impact was found from the surface to a depth of 15 feet below surface, elevated chloride concentrations to 70' below surface. The hand auger and borehole locations are shown on Figure 2. The analytical results are shown in Table 1 and Table 2.

Based on the results, borehole (BH-1) was converted to a temporary 2-inch monitor well. Groundwater was encountered at approximately 69 feet below top of casing (TOC). On September 6, 2006 and May 15, 2007, Highlander purged and sampled the well per OCD guidelines for analyses of chlorides and BTEX. Chloride concentrations exceed New Mexico Water Quality Control Commission (NMWQCC) standards, while hydrocarbon constituents (BTEX) were detected at levels below the NMWQCC action levels. The analytical results are shown in Table 3.

Should you have any questions or concerns regarding this site, please do not hesitate to contact me at (432) 682-4559.

Highlander Environmental Corp.



Ike Tavarez, P.G.

Sr. Project Manager/Project Manager



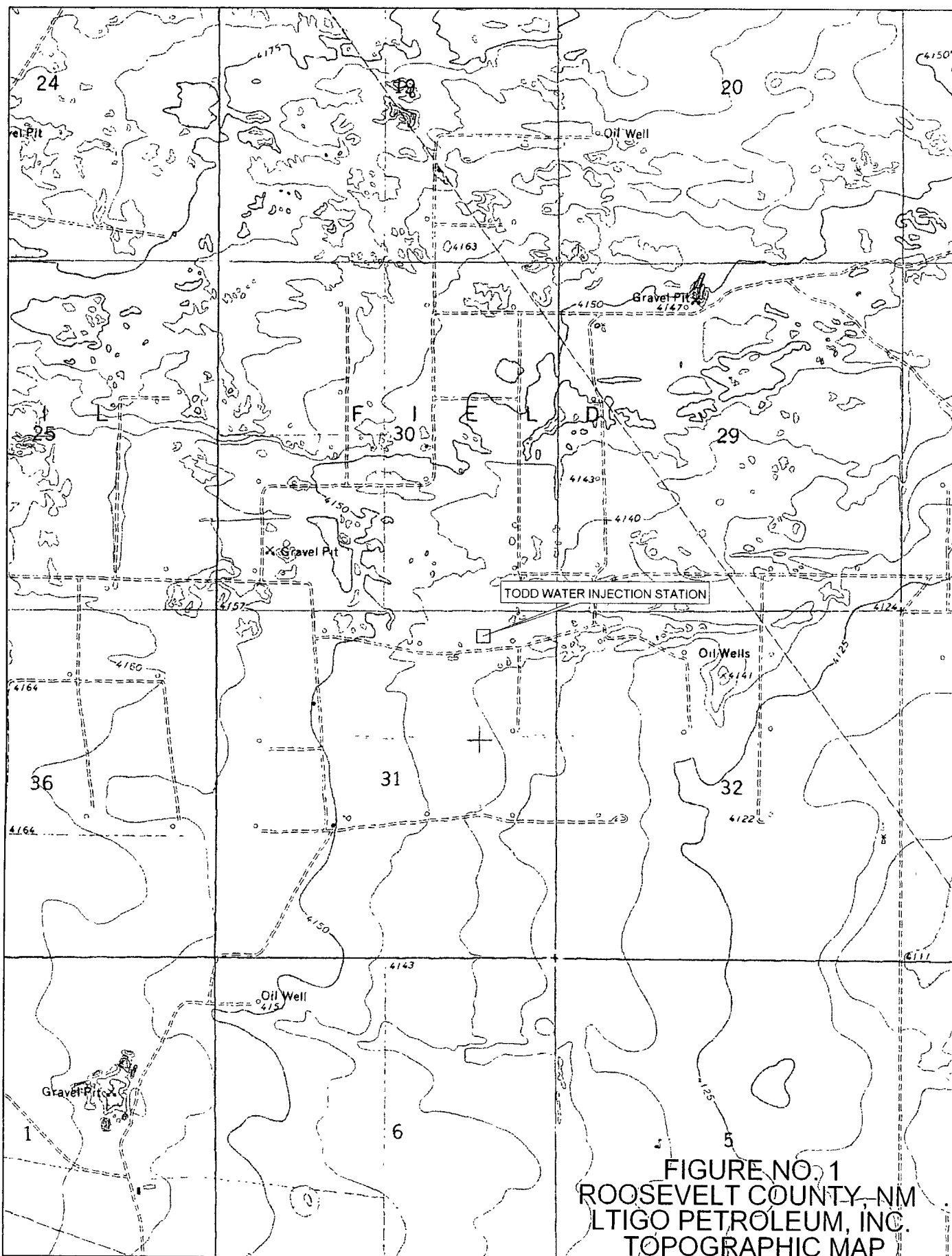


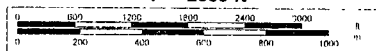
FIGURE NO. 1
ROOSEVELT COUNTY, NM
LTIGO PETROLEUM, INC.
TOPOGRAPHIC MAP

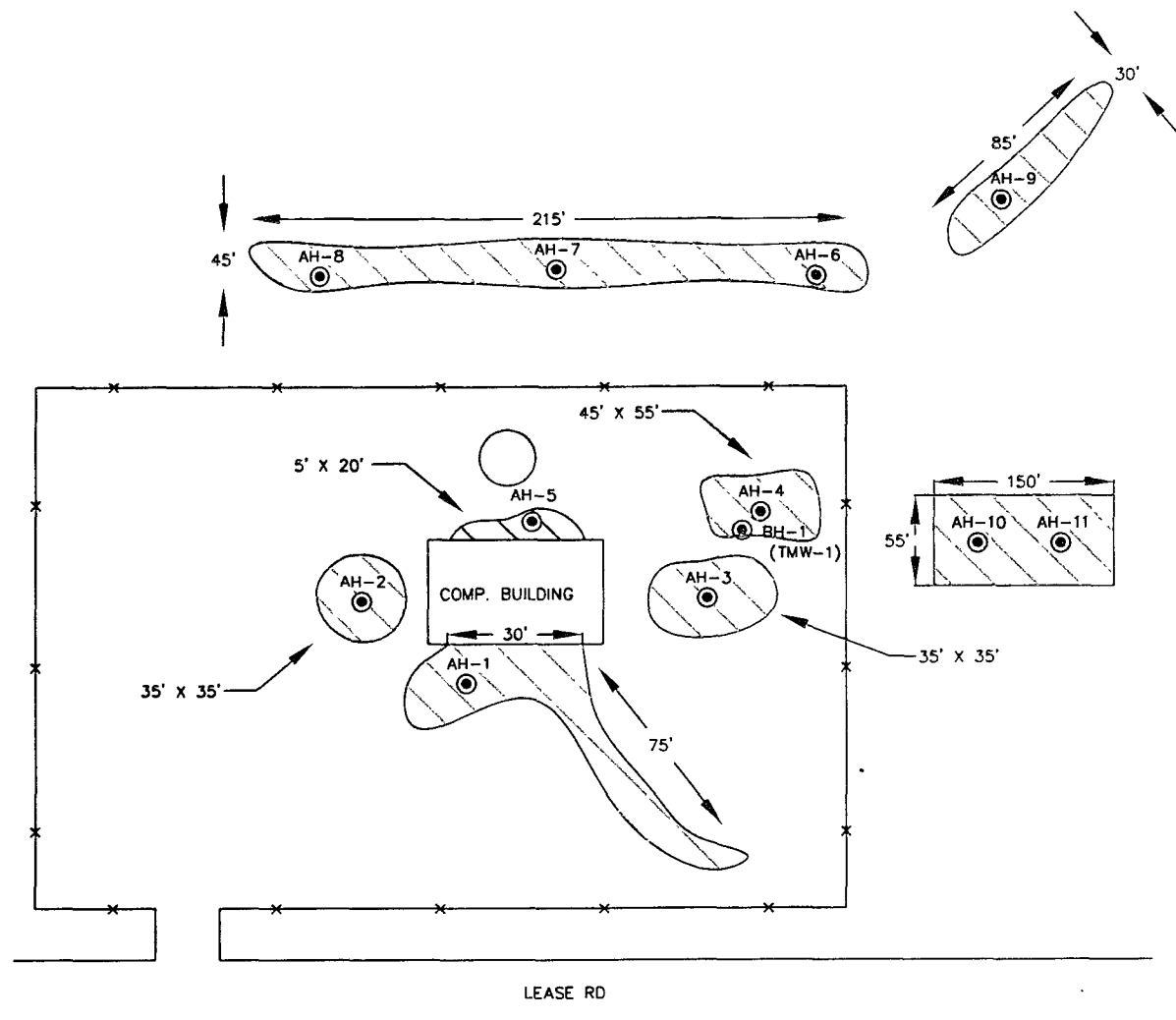


© 2002 DeLorme, 3-D TopoQuads ©. Data copyright of content owner.
www.delorme.com

Scale 1 : 24,000

1" = 2000 ft





- BORE HOLES
- ▨ SPILL AREAS
- SAMPLE LOCATIONS

NOT TO SCALE

DATE:
11/30/06
OWN BY
JJ
FILE
C:\POGO\2017\ TODD WATER STATION

FIGURE NO. 2

ROOSEVELT COUNTY, NEW MEXICO

LATIGO PETROLEUM, INC.
TODD WATER INJECTION STATION

HIGHLANDER ENVIRONMENTAL CORP.
MIDLAND, TEXAS

Table 1
Latigo Petroleum, Inc.
TODD WATER INJECTION STATION
Roosevelt County, New Mexico

Sample ID	Date Sampled	Sample Depth (ft)	TPH (mg/kg)			Benzene (mg/kg)	Toluene (mg/kg)	Ethylbenzene (mg/kg)	Xylene (mg/kg)	Chloride (mg/kg)
			C6-C12	C12-C35	Total					
AH-1	7/24/06	0-1	88.3	831	831.0	<0.0500	<0.0500	<0.0500	<0.0500	621
	7/24/06	1-1.5	<1.00	<50.0	<50.0	-	-	-	-	243
	7/24/06	2-2.5	<1.00	<50.0	<50.0	-	-	-	-	299
AH-2	7/24/06	0-1	172	4300	4472	0.0816	0.372	0.772	0.731	5010
	7/24/06	1-1.5	<1.00	82.1	82.1	-	-	-	-	670
	7/24/06	2-2.5	<1.00	<50.0	<50.0	-	-	-	-	812
AH-3	7/24/06	0-1	<1.00	288	288	<0.0100	<0.0100	<0.0100	0.0336	244
	7/24/06	1-1.5	<1.00	<50.0	<50.0	-	-	-	-	208
	7/24/06	2-2.5	<1.00	<50.0	<50.0	-	-	-	-	284
	7/24/06	4-4.5	<1.00	<50.0	<50.0	-	-	-	-	1030
AH-4	7/24/06	0-1	<1.00	<50.0	<50.0	0.0109	<0.0100	<0.0100	<0.0100	1310
	7/24/06	1-1.5	9.02	1030	1039	-	-	-	-	1360
	7/24/06	2-2.5	2150	6800	8950	24.8	54.9	72.4	57.4	2080
	7/24/06	4-4.5	1830	4900	6730	-	-	-	-	1650
	7/24/06	6-6.5	2940	8900	11840	-	-	-	-	2120
	7/24/06	7-7.5								2780
	7/24/06	8.5-9	8120	7030	15150	43.8	204	208	179	1880

Table 1
Latigo Petroleum, Inc.
TODD WATER INJECTION STATION
Roosevelt County, New Mexico

[illegible]

Table 1
Latigo Petroleum, Inc.
TODD WATER INJECTION STATION
Roosevelt County, New Mexico

[illegible]

Table 2
Latigo Petroleum, Inc.
TODD WATER INJECTION STATION
Roosevelt County, New Mexico

Sample ID	Date Sampled	Sample Depth (ft)	TPH (mg/kg)			Benzene (mg/kg)	Toluene (mg/kg)	Ethlybenzene (mg/kg)	Xylene (mg/kg)	Chloride (mg/kg)
			C6-C12	C12-C35	Total					
BH-1	8/31/06	10-12'	1290	6800	8090	30.7	65.3	71.6	55.4	1730
	8/31/06	15-17'	770	2470	3240	3.38	7.53	10.1	30.1	2850
	8/31/06	20-22'	21.7	65.9	87.60	0.0740	0.376	0.760	0.646	660
	8/31/06	30-32'	-	-	-	-	-	-	-	583
	8/31/06	40-42'	-	-	-	-	-	-	-	1610
	8/31/06	50-52'	-	-	-	-	-	-	-	1220
	8/31/06	60-62'	-	-	-	-	-	-	-	486
	8/31/06	70-72'	1.16	<50.0	1.16	<0.0100	<0.0100	<0.0100	<0.0100	609

(-) not analyzed

Table 3
Latigo Petroleum, Inc.
TODD WATER INJECTION STATION
Roosevelt County, New Mexico

Sample ID	Date Sampled	Sample No.	TPH (mg/kg)			Benzene (mg/L)	Toluene (mg/L)	Ethlybenzene (mg/L)	Xylene (mg/L)	Chloride (mg/L)
			C6-C12	C12-C35	Total					
TMW-1	9/6/06	102407	-	-	-	0.00220	0.00350	0.00390	0.00280	8,250
	5/15/07	124635	-	-	-	<0.001	<0.001	<0.001	<0.001	26,200

(-) not analyzed