


AP - 087

**GENERAL
CORRESPONDENCE**

2008 - 2007



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop

Cabinet Secretary

Reese Fullerton

Deputy Cabinet Secretary

Mark Fesmire

Division Director

Oil Conservation Division



April 25, 2008

Mr. Dennis Newman

OXY USA, Inc.

P.O. Box 4294

Houston, TX 77210-4294

**RE: REQUIREMENT TO SUBMIT ABATEMENT PLAN
OXY USA, INC. - E.C. HILL "B" ATB AT WELL NO. 24
SECTION 34, TOWNSHIP 23 SOUTH, RANGE 37 EAST
LEA COUNTY, NEW MEXICO
OCD CASE NO. AP087**

Dear Mr. Newman:

The Oil Conservation Division (OCD) has determined that OXY USA, Inc. (OXY) must submit a Stage 1 Abatement Plan in accordance with OCD's Rule 19 (19.15.1.19 NMAC) to investigate ground water contamination at its E.C. Hill "B" ATB At Well No. 24, located in Section 34, Township 23 South, Range 37 East, Lea County, New Mexico. The Stage 1 Abatement Plan proposal must be submitted to the OCD Santa Fe Office with a copy provided to the OCD Hobbs District Office and must meet of all the requirements specified in OCD Rule 19 (19.15.1.19 NMAC), including, but not limited to, the public notice and participation requirements specified in Rule 19G. The Stage 1 Abatement Plan is due sixty (60) days from the receipt by OXY of this written notice.

OXY's Stage 1 Abatement Plan must specifically meet all of the requirements specified in OCD Rule 19E.3, including, but not limited to, a site investigation work plan and monitoring program that will enable it to characterize the release using an appropriate number of isoconcentration maps and cross sections and to provide the data necessary to select and design an effective abatement option. OXY's proposal must include the installation of at least one monitor well beneath the site of the tank battery screened below the water table to determine whether "plume diving" is occurring. OXY may, if it chooses, concurrently submit a Stage 2 Abatement Plan that proposes appropriate proactive abatement options.

Oil Conservation Division * 1220 South St. Francis Drive

* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>



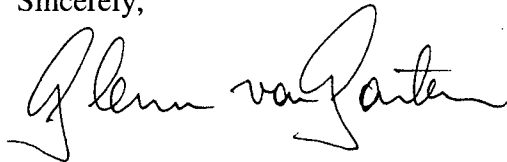
Mr. Dennis Newman

April 25, 2008

Page 2

OXY should submit one paper copy with and an electronic copy on CD of all future workplans and/or reports. Please refer to **OCD Case No. AP087** on all future correspondence. If you have any questions, please contact Glenn von Gonten of my staff at (505) 476-3488.

Sincerely,



Bo Wayne Price
Environmental Bureau Chief

WP/gvg

cc: Chris Williams
Larry Johnson



Occidental Permian Ltd.

A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521
P.O. Box 4294, Houston, Texas 77210-4294
Phone 713.215.7000
www.oxy.com

2008 MAR 17 PM 2 00

VIA REGULAR MAIL AND EMAIL

March 11, 2008

Mr. Glenn von Gonten
New Mexico Energy, Mineral and Natural Resources Department
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RE: Submission of Form C-141 – Release Notification and Corrective Action and OXY USA
Inc. Authorized Representative
Todd ATB#1
State L-2 Tank Battery
E. M. Elliott Tank Battery
Todd Water Injection Station
Todd Hobbs R #10 Tank Battery
E. C. Hill "B" ATB at Well #24
E. C. Hill B-D Tank Battery
E. C. Hill Federal #7 Tank Battery

Dear Mr. von Gonten:

OXY USA Inc. ("Oxy") appreciates the time you and Wayne Price with the Oil Conservation Division ("OCD") spent meeting with Oxy representatives (Rick Passmore with Glenn Springs Holding, Inc., Tim Reed with Highlander Environmental, and myself) on February 27, 2008 to discuss Oxy's role as the new operator for the subject sites effective March 1, 2008.

Per your request, attached are Form C-141s for the eight (8) referenced sites. Note Rule 116 letter notifications for these sites were sent to the OCD on June 25, 2007 by Latigo Petroleum Inc. ("Latigo"). Pogo Producing ("Pogo") acquired Latigo in 2006 followed by Plains Exploration and Production ("PXP") acquiring Pogo in November 2007. Oxy has recently acquired majority interest in these sites from PXP and is the new operator.

OXY's remediation company, Glenn Springs Holding, Inc. ("GSH") will be responsible for managing the referenced sites; GSH is a subsidiary of Occidental Petroleum Corporation. OXY's authorized project manager for the referenced sites will be:

Mr. Rick Passmore
Glenn Springs Holding, Inc.
5005 LBJ Freeway, Suite 1350
Dallas Texas 75244
Office: 972-687-7504
Mobile: 859-221-7616
Rick_passmore@oxy.com

March 11, 2008
Page 2

If you or District I have any questions concerning the C-141s for the referenced sites, please contact Mr. Passmore. Again, we thank you for your time meeting with us.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Newman', with a stylized, elongated horizontal stroke at the end.

Dennis L. Newman, P.E.

cc: New Mexico Energy, Mineral and Natural Resources Department
Oil Conservation Division
District I
1625 N. French Dr.
Hobbs, New Mexico 88240

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	OXY USA, Inc.	Contact	Rick Passmore
Address	P.O. Box 4294, Houston, Texas 77210-4294	Telephone No.	972-687-7504
Facility Name	E.C. Hill "B" ATB at Well # 24	Facility Type	Abandoned Tank Battery

Surface Owner	Mineral Owner	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	34	23 South	37 East					Lea

Latitude 32.26104 Longitude 103.14377

NATURE OF RELEASE

Type of Release	Oil and /or produced water	Volume of Release	Unknown	Volume Recovered	None
Source of Release	Historic oil and produced water spills	Date and Hour of Occurrence	Unknown	Date and Hour of Discovery	
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	N/A		
By Whom?		Date and Hour	N/A		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	N/A		

If a Watercourse was Impacted, Describe Fully.*

N/A

Describe Cause of Problem and Remedial Action Taken.*

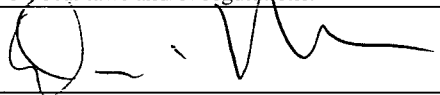
Historic spills.

Latigo Petroleum, Inc. made initial notification to the NMOCD on June 25, 2007, based on due diligence. Latigo was bought by Pogo Producing in 2006. Plains Exploration and Production (PXP) bought Pogo Producing in 2007, and finally OXY, USA Inc. purchased a majority interest in the PXP New Mexico assets on February 29, 2008 and became the operator on March 1, 2008.

Describe Area Affected and Cleanup Action Taken.*

Site Investigation and Characterization is in progress.

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

Signature:				OIL CONSERVATION DIVISION	
Printed Name: Dennis Newman				Approved by District Supervisor:	
Title: Senior Environmental Consultant				Approval Date:	Expiration Date:
E-mail Address: dennis_newman@oxy.com				Conditions of Approval:	Attached <input type="checkbox"/>
Date: March 7, 2008	Phone: 713-366-5485				

* Attach Additional Sheets If Necessary



AP087

Highlander Environmental Corp.

Midland, Texas

February 18, 2008

Mr. Glenn von Gonten
New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau
1220 S. St. Francis Drive
Santa Fe, New Mexico 87504

RE: **Latigo Petroleum, Inc. – Project Summary**
E.C. Hill “B” ATB at Well #24
Section 34, Township 23 South, Range 37 East, Unit Letter I
Lea County, New Mexico
32.26104° N, 103.14377° W

Mr. von Gonten:

On behalf of Latigo Petroleum, Inc. (Latigo), Highlander Environmental Corp. (Highlander) performed a limited subsurface investigation at the Latigo, E.C. Hill “B” ATB Well #24, Section 34, Township 23 South, Range 37 East, Unit Letter I, Lea County, New Mexico. The site location is shown on Figure 1. The soils 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 impacted area assessed measured approximately 75' x 75' and 12' x 12'. The subsurface soils were found to be impacted with total petroleum hydrocarbons from surface to a maximum depth of 60 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 of the field sampling, borehole (BH-1) was converted to a temporary 2-inch monitor well. Groundwater was encountered at approximately 84 feet (TOC). On September 25, 2006 and September 29, 2006, Highlander purged and sampled the well per NMOCD guidelines for analyses of chlorides and BTEX. Chloride concentrations did not exceed New Mexico Water Quality Control Commission (NMWQCC) standards, while hydrocarbon constituents (BTEX) were detected at levels below the NMWQCC action levels.

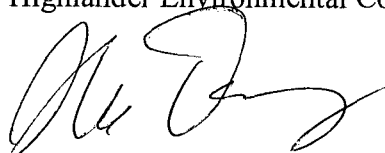
On October 4, 2006, the well was purged and sampled for TPH, BTEX and chloride. The

chloride and BTEX were all below the NMWQCC standards, however there was detectable TPH. On May 16, 2007, the well was inspected for PSH. The well exhibited a PSH thickness of 2.68' in the well. The analytical results are shown in Table 3.

A total of four (4) monitor wells have been installed at this site for delineation purposes, but have not yet been surveyed, gauged or sampled.

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.
Senior Geologist/Project Manager



FIGURES

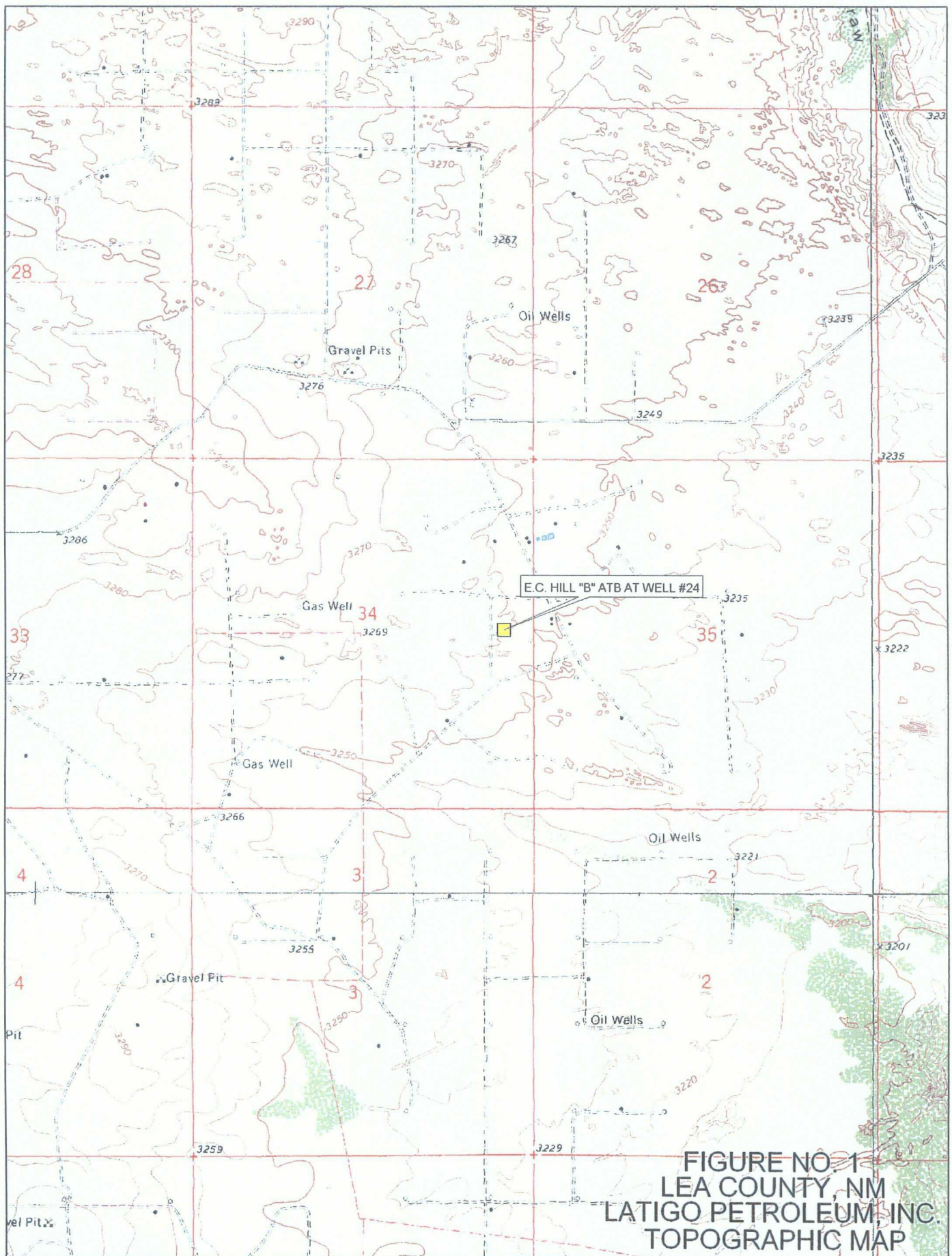
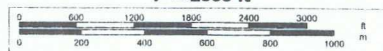


FIGURE NO. 1
LEA COUNTY, NM
LATIGO PETROLEUM, INC.
TOPOGRAPHIC MAP



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www.delorme.com

Scale 1 : 24,000
1" = 2000 ft



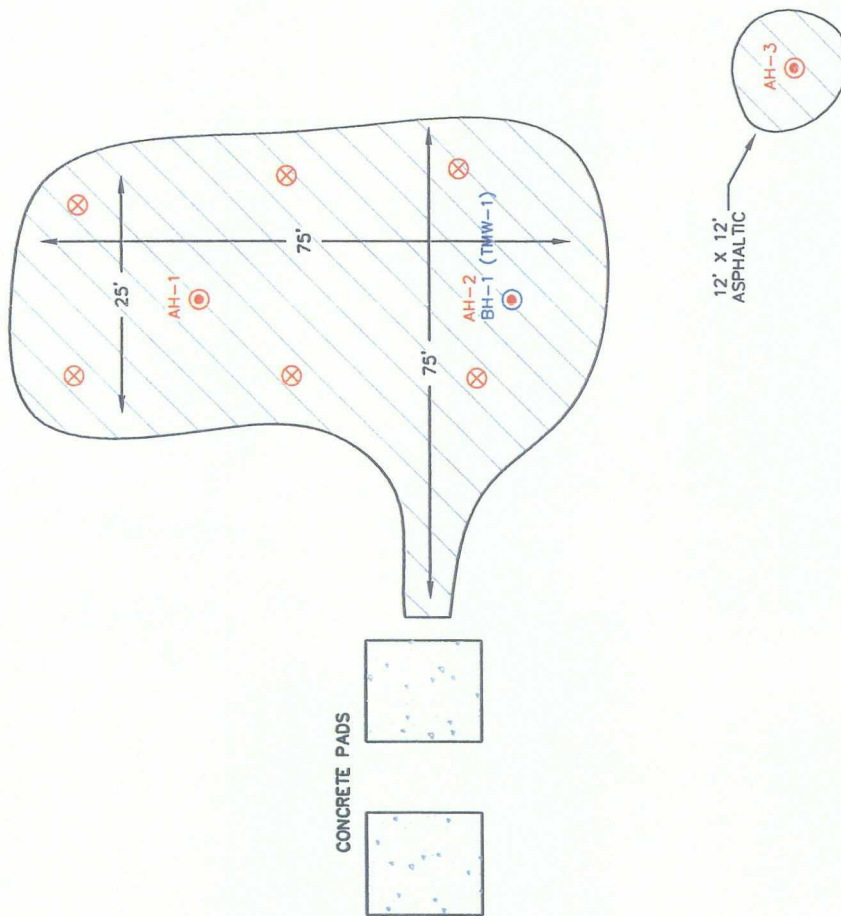


FIGURE NO. 2

LEA COUNTY, NEW MEXICO

LATIGO PETROLEUM, INC.
E.C. HILL "B" ATB AT WELL #24

HIGHLANDER ENVIRONMENTAL CORP.
MIDLAND, TEXAS

DATE:
11/30/06

DWN. BY:
JJ

FILE:
EC-V000V2817A
E.C. HILL B ATB

NOT TO SCALE

- BORE HOLES
- SPILL AREAS
- SAMPLE LOCATIONS

TABLES

Table 1
Pogo Producing Company
E.C. HILL B ATB AT #24 WELL
Lea 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					
AH-1										
	8/10/2006	0-1	<20.0		763	<0.200	<0.200	<0.200	<0.200	<50.0
	8/10/2006	1-1.5	<20.0		912	-	-	-	-	<50.0
	8/10/2006	2-2.5	<20.0		1780	-	-	-	-	<50.0
	8/10/2006	4-4.5	<20.0		9300	<0.200	<0.200	<0.200	<0.200	<50.0
	8/10/2006	6-6.5	39.5		648	-	-	-	-	<50.0
AH-2	8/10/2006	8-8.5	43.7		522	-	-	-	-	<50.0
	8/10/2006	10-10.5	<20.0		85.6	<0.200	<0.200	<0.200	0.331	<50.0
	8/10/2006	0-1	<20.0		627	<0.200	<0.200	<0.200	<0.200	<50.0
	8/10/2006	1-1.5	<20.0		700	-	-	-	-	<50.0
	8/10/2006	2-2.5	<20.0		2800	-	-	-	-	<50.0
AH-3	8/10/2006	4-4.5	<20.0		5670	<0.200	<0.200	<0.200	<0.200	<50.0
	8/10/2006	6-6.5	56.7		726	-	-	-	-	<50.0
	8/10/2006	8-8.5	406		4820	-	-	-	-	<50.0
	8/10/2006	10-10.5	408		3290	<0.200	<0.200	2.88	5.64	<50.0
	8/10/2006	0-1	27.6		636	<0.200	<0.200	<0.200	<0.200	<50.0
AH-4	8/10/2006	1-1.5	<20.0		197	-	-	-	-	<50.0
	8/10/2006	2-2.5	<1.00		74.4	<0.0100	<0.0100	<0.0100	<0.0100	<50.0
	10/25/2007	0-1	5.73		287	-	-	-	-	-
	10/25/2007	2-2.5	5.26		2740	-	-	-	-	-
	10/25/2007	4-4.5	14.90		3750	-	-	-	-	-
	10/25/2007	6-6.5	260		4260	-	-	-	-	-

Table 1
Pogo Producing Company
E.C. HILL B ATB AT #24 WELL
Lea 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					
	10/25/2007	8-8.5	88.20	135	223.20	-	-	-	-	-
	10/25/2007	10-10.5	787	761	1548	-	-	-	-	-
AH-5	10/25/2007	0-1	7.78	<50.0	7.78	-	-	-	-	-
	10/25/2007	2-2.5	1.86	<50.0	1.86	-	-	-	-	-
	10/25/2007	4-4.5	<1.00	900	900	-	-	-	-	-
	10/25/2007	6-6.5	230	4060	4290	-	-	-	-	-
	10/25/2007	8-8.5	227	2790	3017	-	-	-	-	-
	10/25/2007	10-10.5	258	1470	1728	-	-	-	-	-
AH-6	10/25/2007	0-1	4.45	116	120.45	-	-	-	-	-
	10/25/2007	2-2.5	<1.00	359	359	-	-	-	-	-
	10/25/2007	4-4.5	13.30	16500	16513.30	-	-	-	-	-
	10/25/2007	6-6.5	49.90	1710	1759.90	-	-	-	-	-
	10/25/2007	8-8.5	68.90	926	994.90	-	-	-	-	-
	10/25/2007	10-10.5	73.20	482	555.20	-	-	-	-	-
AH-7	10/25/2007	0-1	4.02	1420	1424.02	-	-	-	-	-
	10/25/2007	2-2.5	1.24	409	410.24	-	-	-	-	-
	10/25/2007	4-4.5	4.54	6110	6114.54	-	-	-	-	-
	10/25/2007	6-6.5	44.70	150	194.70	-	-	-	-	-
	10/25/2007	8-8.5	32.40	70.70	103.10	-	-	-	-	-
	10/25/2007	10-10.5	132	304	436	-	-	-	-	-
AH-8	10/25/2007	0-1	4.93	<50.0	4.9	-	-	-	-	-

Table 1
Pogo Producing Company
E.C. HILL B ATB AT #24 WELL
Lea 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					
	10/25/2007	2-2.5	1.96	318	319.96	-	-	-	-	-
	10/25/2007	4-4.5	12	6200	6212	-	-	-	-	-
	10/25/2007	6-6.5	143	430	573	-	-	-	-	-
	10/25/2007	8-8.5	258	1280	1538	-	-	-	-	-
	10/25/2007	10-10.5	10.10	<50.0	10.1	-	-	-	-	-
AH-9	10/25/2007	0-1	3.49	439	442.49	-	-	-	-	-
	10/25/2007	2-2.5	1.20	439	440.20	-	-	-	-	-
	10/25/2007	4-4.5	3.14	4170	4173.14	-	-	-	-	-
	10/25/2007	6-6.5	290	1240	1530	-	-	-	-	-
	10/25/2007	8-8.5	745	5980	6725	-	-	-	-	-
	10/25/2007	10-10.5	134	316	450	-	-	-	-	-

(-) not analyzed

Table 2
Pogo Producing Company
E.C. HILL B ATB AT WELL #24
Lea 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	9/13/2006	10-12'	414	5300	5714	<0.200	<0.200	3.18	6.62	-
	9/13/2006	15-17'	563	8000	8563	<0.200	<0.200	4.88	9.80	-
	9/13/2006	20-22'	679	10500	11179	<0.200	<0.200	5.94	13.4	-
	9/13/2006	30-32'	569	4760	5329	<0.200	<0.200	3.85	9.18	-
	9/13/2006	40-42'	506	3900	4406	<0.200	<0.200	4.35	9.83	-
	9/13/2006	50-52'	504	7590	8094	<0.200	0.284	4.48	2.83	-
	9/13/2006	60-62'	253	7670	7923	<0.200	0.390	3.53	3.81	-
	9/13/2006	70-72'	<20.0	<50.0	<50.0	<0.200	<0.200	<0.200	0.585	-

(-) not analyzed

Table 3
Pogo Producing Company
E.C. Hill B ATB AT WELL #24
Lea County, New Mexico

Sample ID	Date Sampled	Sample Number	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	9/22/2006	104311	-	-	-	<0.00100	<0.00100	0.0310	0.0669	138
TMW-1	9/29/2006	104831	-	-	-	0.00120	<0.00100	0.0143	0.0386	111
TMW-1	10/4/2006	105191	12.0	61.7	73.7	<0.00100	<0.00100	0.0175	0.0970	119
* TMW-1	5/16/2007	124888	* PSH in well (2.68')							

(-) not analyzed

SAMPLE LOG

SAMPLE LOG

Boring/Well: MW-1
Project Number: 2617
Client: Pogo Production Inc.
Site Location: E.C. Hill "B" ATB at Well #24
Location: Lea County, New Mexico
Total Depth: 98
Date Installed: 09/21/06

DEPTH (Ft)	OVM	SAMPLE DESCRIPTION
0-5	--	Dark brown silty fine grain sand
5-10	--	Dark brown to dark gray silty fine grain sand
10-15	--	Dark brown to dark gray silty fine grain sand
15-20	--	Dark and light gray silty fine grain sand
20-30	--	Tan fine to very fine grain silty sand
30-35	--	Tan/gray very fine silty sand with sandstone at 38 feet
40-50	--	Buff/tan sandstone
50-55	--	Tan sandstone with very fine silty sand
55-60	--	Tan/brown very fine silty sand
60-70	--	Tan very fine silty sand
70-75	--	Tan very fine silty sand
75-80	--	Tan very fine silty sand
80-90	--	Tan very fine silty sand
90-98	--	Tan very fine silty sand

Total Depth is 98 feet

Groundwater encountered at 82 feet below ground surface.

SAMPLE LOG

Boring/Well: MW-2
Project Number: 2617
Client: Pogo Production Inc.
Site Location: E.C. Hill "B" ATB at Well #24
Location: Lea County, New Mexico
Total Depth: 95
Date Installed: 12/11/04

DEPTH (Ft)	OVM	SAMPLE DESCRIPTION
0-5	--	Brown medium grain sand (sugar sand)
5-10	--	Brown medium grain sand (sugar sand)
10-15	--	Brown medium grain sand (sugar sand)
15-20	--	Brown/buff medium grain calcareous sand (70% S)
20-25	--	Yellow/buff calcareous sand (50/50)
25-30	--	Yellow/buff calcareous sand (50/50)
30-35	--	Tan calcareous sand with some sandstone intermixed (70% S)
35-40	--	Tan calcareous sand
40-45	--	Tan calcareous sand with some sandstone intermixed
45-50	--	Tan calcareous sand with some sandstone intermixed
50-55	--	Tan calcareous sand with some sandstone intermixed
55-60	--	Tan calcareous sand with some sandstone intermixed
60-65	--	Tan fine grain sand
65-70	--	Tan fine grain sand
70-75	--	Tan fine to medium grain sand
75-80	--	Tan fine to medium grain sand (beach sand)
80-85	--	Tan fine to medium grains sand (beach sand)
85-90	--	Tan fine to medium grain sand (beach sand)
90-95	--	Tan fine to medium grain sand (beach sand)

Total Depth is 95 feet

Groundwater encountered at 85 feet below ground surface.

SAMPLE LOG

Boring/Well: MW-3
Project Number: 2617
Client: Pogo Production Inc.
Site Location: E.C. Hill "B" ATB at Well #24
Location: Lea County, New Mexico
Total Depth 93
Date Installed: 12/12/07

DEPTH (Ft)	OVM	SAMPLE DESCRIPTION
0-5	--	Tan fine to medium grain well sorted sand
5-10	--	Brown medium grain well sorted sand
10-15	--	Tan fine grain sand
15-20	--	Tan fine grain sand
20-25	--	Tan fine grain sand
25-30	--	Tan fine grain sand
30-35	--	Tan fine grain sand with some limestone (90% sand)
35-40	--	Tan fine grain sand with some limestone (90% sand)
40-45	--	Tan fine grain sand with sandstone intermixed
45-50	--	Tan fine grain sand
50-55	--	Tan fine grain sand with sandstone intermixed
55-60	--	Tan fine grain sand with sandstone intermixed
60-65	--	Tan fine grain sand
65-70	--	Tan fine grain sand
70-75	--	Tan fine grain sand
75-80	--	Tan medium grain sand
80-85	--	Tan medium grain sand
85-90	--	Tan medium grain sand
90-95	--	Tan medium grain sand

Total Depth is 94 feet

Groundwater encountered at 85 feet below ground surface.

SAMPLE LOG

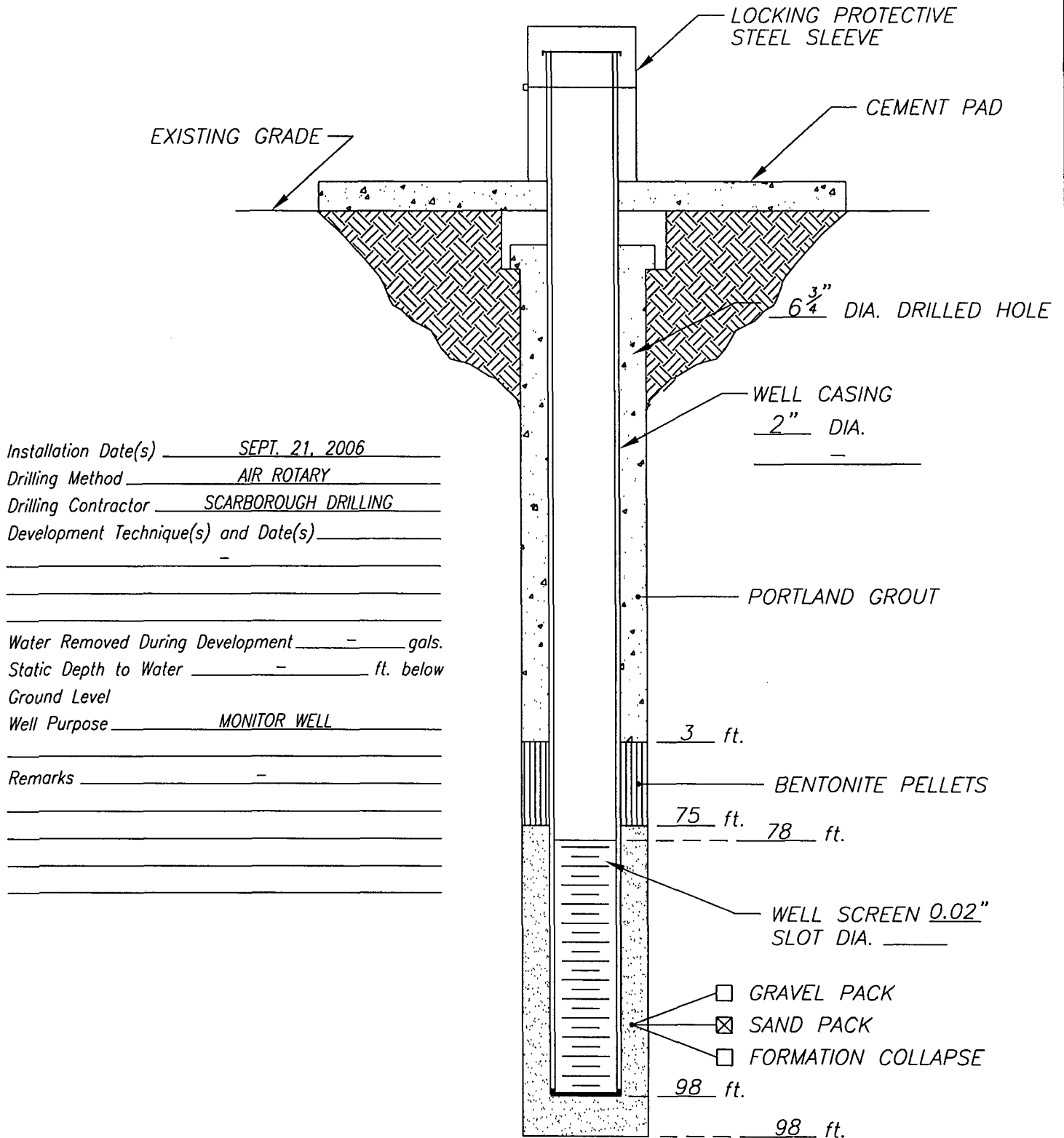
Boring/Well: MW-4
Project Number: 2617
Client: Pogo Production Inc.
Site Location: E.C. Hill "B" ATB at Well #24
Location: Lea County, New Mexico
Total Depth 93
Date Installed: 12/12/07

DEPTH (Ft)	OVM	SAMPLE DESCRIPTION
0-5	--	Brown fine to medium grain sand
5-10	--	Brown fine to medium grain sand
10-15	--	Brown fine to medium grain sand with some clay intermixed
15-20	--	Buff to tan calcareous sand (50/50)
20-25	--	Tan fine grain well sorted sand
25-30	--	Tan fine grain well sorted sand
30-35	--	Tan to buff calcareous sand (70% sand)
35-40	--	Tan/yellow fine grain sand with sandstone intermixed
40-45	--	Tan/buff calcareous sand (80% sand)
45-50	--	Tan fine grain sand with small amounts of sandstone
50-55	--	Tan fine grain sand with small amounts of sandstone
55-60	--	Tan fine grain well sorted sand
60-65	--	Tan fine grain well sorted sand with small amounts of sandstone
65-70	--	Tan fine grain well sorted sand
70-75	--	Tan fine grain well sorted sand
75-80	--	Tan fine grain well sorted sand
80-85	--	Tan fine grain well sorted sand
85-90	--	Tan fine grain well sorted sand
90-95	--	Tan fine grain well sorted sand

Total Depth is 93 feet

Groundwater encountered at 85 feet below ground surface.

WELL CONSTRUCTION LOG



DATE: SEPT. 21, 2006

**Highlander
Environmental**

CLIENT: POGO PRODUCING INC

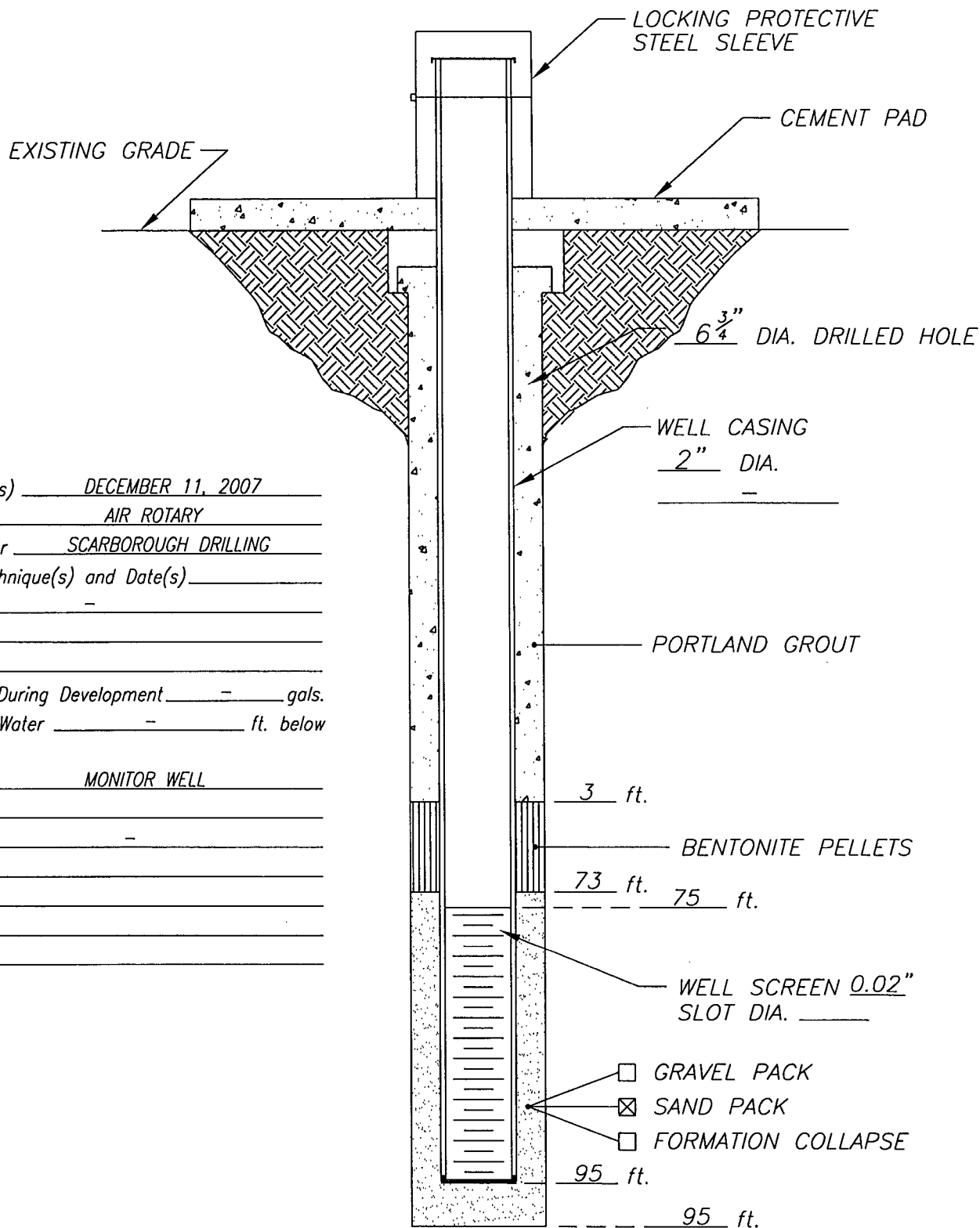
PROJECT: E.C. HILL "B" ATB AT WELL #24

LOCATION: LEA CO, NM

WELL NO.

MW-1

WELL CONSTRUCTION LOG



Installation Date(s) DECEMBER 11, 2007
 Drilling Method AIR ROTARY
 Drilling Contractor SCARBOROUGH DRILLING
 Development Technique(s) and Date(s) -

Water Removed During Development - gals.
 Static Depth to Water - ft. below
 Ground Level
 Well Purpose MONITOR WELL

Remarks -

DATE: 12/11/07

**Highlander
Environmental**

CLIENT: *POGO PRODUCING INC*

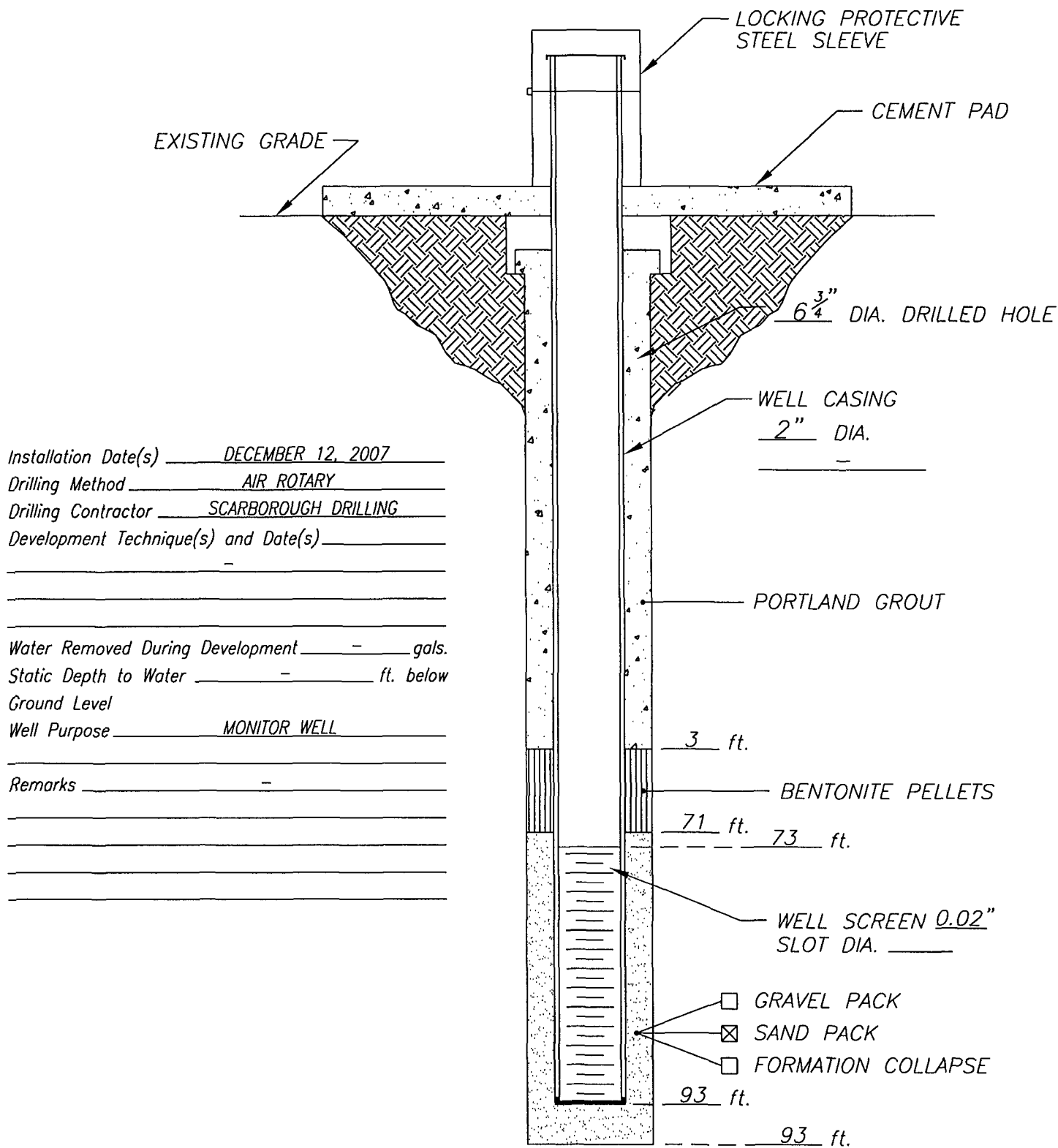
PROJECT: *E.C. HILL "B" ATB AT WELL #24*

LOCATION: *LEA CO, NM*

WELL NO.

MW-2

WELL CONSTRUCTION LOG



DATE: 12/12/07

*Highlander
Environmental*

CLIENT: *POGO PRODUCING INC*

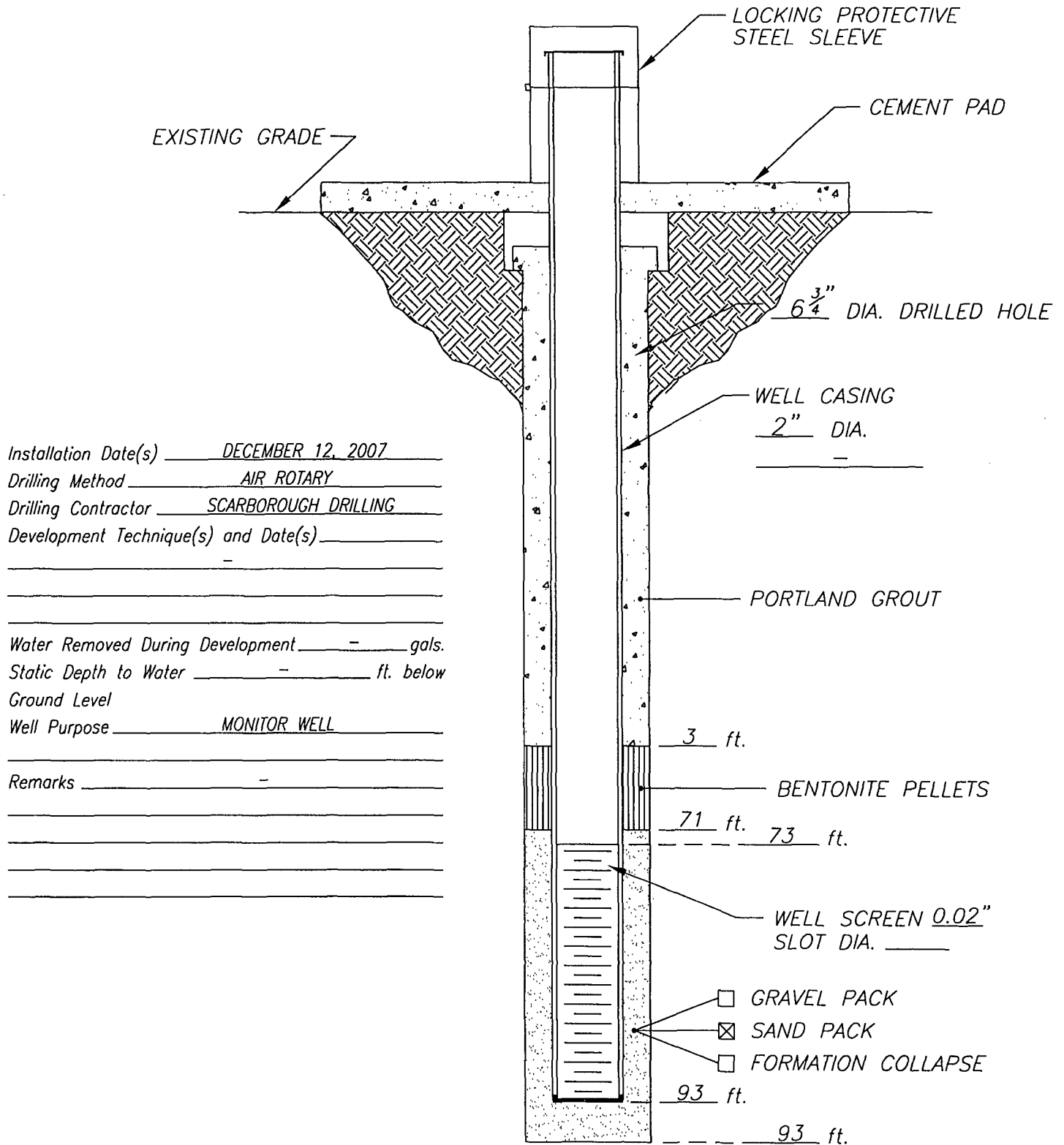
PROJECT: E.C. HILL "B" ATB AT WELL #24

LOCATION: LEA CO, NM

WELL NO.

MW-3

WELL CONSTRUCTION LOG



DATE: 12/12/07

**Highlander
Environmental**

CLIENT: *POGO PRODUCING INC*

PROJECT: *E.C. HILL "B" ATB AT WELL #24*

LOCATION: *LEA CO, NM*

WELL NO.

MW-4



Highlander Environmental Corp.

Midland, Texas

CERTIFIED MAIL

RETURN RECEIPT NO. 7005 1160 0005 3780 6047

June 25, 2007

Mr. Wayne Price
New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau
1220 S. St. Francis Drive
Santa Fe, New Mexico 87504

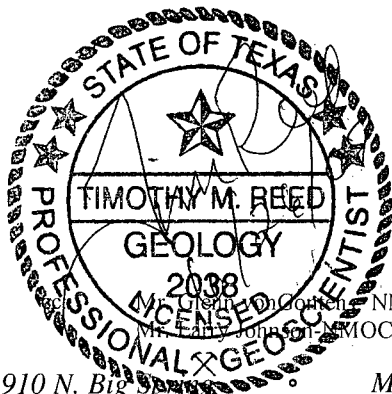
**RE: NOTIFICATION OF GROUNDWATER IMPACT
E. C. HILL 'B' ATB AT WELL 24
UNIT I, SEC. 34, T23S, R37E
LEA COUNTY, NEW MEXICO**

Mr. Price:

On behalf of Latigo Petroleum, Inc. (Latigo), Highlander Environmental Corp. (Highlander) notifies the Director of the New Mexico Oil Conservation Division (OCD), Environmental Bureau of groundwater impact at the above-referenced site in accordance with NM Rule 116.

Highlander of Midland, Texas was engaged to investigate this site. Highlander installed one soil boring at the site. Highlander installed one soil boring at the site. The soils were found to be impacted from the surface to the vadose zone with TPH, which exceeds state regulated levels. Based on the results of the field sampling, the boring was converted to a temporary 2-inch monitor well. Groundwater was encountered at approximately 72 feet below ground surface (bgs). After appropriate development, the well was sampled pursuant to OCD guidelines by Highlander and submitted to Environmental Lab of Texas for analysis of chlorides, BTEX and TPH. Chloride and BTEX concentrations were detected at levels below New Mexico Water Quality Control Commission (NMWQCC) action levels. However, TPH was detected in the monitor well along with droplets of PSH. Highlander will present a remedy for this site in the submission of a Corrective Action Plan.

Please accept this notification for the above-referenced site. Should you have any questions or concerns regarding this site, please do not hesitate to contact me at (432) 682-4559.



Highlander Environmental Corp.

Timothy M. Reed, P.G.
Vice President