



Mr. Ben Montgomerie
Agrium Operating Co.
P.O. Box 130777
Odessa, Texas 79762

RE: Alto State #1, Sanchez Co., New Mexico. Pit excavation and soil remediation

Dear Sir,

The following is a summary of work for Alto State #1 located in the project located in Sanchez Co., New Mexico.

Scope Of Work

Excavate & transport soil from the production pit in A and B location. It is necessary to pump Total Petroleum Hydrocarbons (TPH) Blend soil & place it in impacted soil area. Soil to be reduced levels of contamination to below 5000 ppm TPH in surface soil & below 1000 ppm TPH in blend to be below regulatory limits. Sample and analyze excavated pit walls, bottom of pit, soil samples and scrap & debris for location.

Chronological Events

8/21/2001

Backhoe on site at 7:30 AM and began preliminary work to excavate pit A & B. Located the approximate location of pit A located Blend soil & located above pit A. Work was completed of the New Mexico Department of Conservation Division. Also on the site of impact.

5/23/2001

Located the impact area and excavate the impacted soil in A and B. Located contamination in A and B. Located east and west. Ramp down and pump soil to the bottom of the pit. Vertical extent of contamination in the pit is located. Confined area of contamination in the pit of soils.

5/24/2001

Excavate the north and south boundaries of the impacted soil. Blend the soil & place it in clean soil and excavate the pit excavation. Sample and analyze location and blend the soil. Sample the pit walls, bottom of the pit, blend soil & place it in scrap & debris. Constructed safe & clean area and the excavation.