

LANCE OIL & GAS COMPANY, INC.

P.O. Box 70 • Kirtland, New Mexico 87417

(505) 598-5601 Ext. 43 • Fax (505) 598-0064

January 4, 2005

Mr. Denny Foust
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410

Mr. Steve Austin
Navajo Nation EPA
P. O. Box 1999
Shiprock, NM 87420

Mr. Mark Kelly
Bureau of Land Management
1235 La Plata Highway
Farmington, NM 87401

Mr. Chuck Yarborough
Bureau of Indian Affairs
P. O. Box 1060
Gallup, NM 87305

Re: Navajo 27-1
API #30-045-29955

Section 27, T29N, R14W
San Juan County, New Mexico

Sirs:

Enclosed are the test results of the soil collected by iina ba on the Navajo 27-1 spill of December 15, 2004. As you may recall, we were awaiting test results for Steve Austin of the Navajo Nation Environmental Protection Agency to determine if we should attempt to land farm the impacted soil, or if it would suffice to clean up and leave the impacted soil on location. I have faxed the results to Mr. Austin and he has indicated to me that "... you can go ahead and leave the material on site".

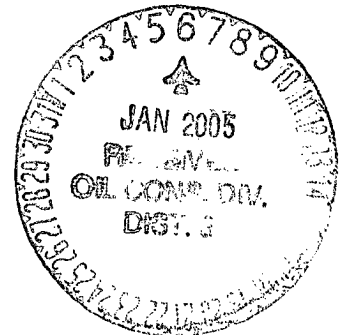
If you have any questions or require additional information, please do not hesitate to call.

Respectfully,



Jo Becksted
Production Tech

Encl.



NDGF 0436241738

Phone (505) 598-5601 Ext. 58

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612 E. Murray Drive
Farmington, NM 87499

Off: (505) 327-1072
FAX: (505) 327-1496

iina bá

P.O. Box 3788
Shiprock, NM 87420

Off: (505) 368-4065



Date: 28-Dec-04

CLIENT: iina' ba' Inc.

Lab Order: 0412036

Project: Navajo 27-1

Lab ID: 0412036-001A

COC#: 4420

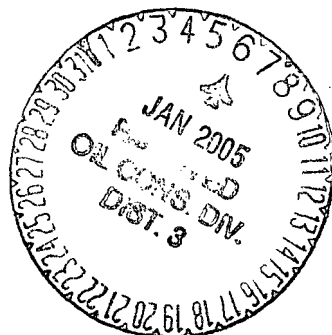
Client Sample ID: Stockpile Composite Sample

Tag Number: Navajo 27-1 Prod Water Spill

Collection Date: 12/15/2004 4:30:00 PM

Matrix: SOIL

Analyses	Result	Limit	Qual	Units	DF	Date Analyzed
DIESEL AND OIL RANGE ORGANICS		SW8015B				Analyst: JEM
T/R Hydrocarbons: C10-C22	26.8	25.0		mg/Kg	1	12/20/2004
Surr: o-Terphenyl	83.6	23-171		%REC	1	12/20/2004
GASOLINE RANGE ORGANICS		SW8015B				Analyst: JEM
T/R Hydrocarbons: C6-C10	ND	4.50		mg/Kg	25	12/20/2004
Surr: Trifluorotoluene	91.3	84-149		%REC	25	12/20/2004
AROMATIC VOLATILES BY GC/PID		SW8021B				Analyst: JEM
Benzene	ND	25		µg/Kg	25	12/19/2004
Toluene	ND	50		µg/Kg	25	12/19/2004
Ethylbenzene	ND	25		µg/Kg	25	12/19/2004
m,p-Xylene	ND	50		µg/Kg	25	12/19/2004
o-Xylene	ND	25		µg/Kg	25	12/19/2004
Surr: Fluorobenzene	89.8	69-110		%REC	25	12/19/2004
Surr: 1,4-Difluorobenzene	92.6	75-110		%REC	25	12/19/2004
Surr: 4-Bromochlorobenzene	77.6	40-135		%REC	25	12/19/2004



Qualifiers:

ND - Not Detected at the Reporting Limit

J - Analyte detected below quantitation limits

B - Analyte detected in the associated Method Blank

* - Value exceeds Maximum Contaminant Level

S - Spike Recovery outside accepted recovery limits

R - RPD outside accepted recovery limits

E - Value above quantitation range