

ENVIROTECH INC.

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

March 25, 2002

Phone (505) 334-6178

Fax (505) 334-6170

Mr. Denny Foutz
Oil Conservation Division of New Mexico
1000 Rio Brazos Road
Aztec, New Mexico 87410

Client No. 98065-005

**RE: ASBESTOS ANALYSIS OF INSULATION AT KEY ENERGY, FANNIE WARD #1
WELL SITE**

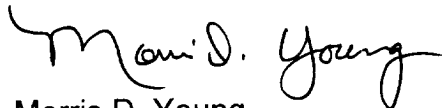
Dear Mr. Foutz:

On March 20, 2002 Morris D. Young, certified Asbestos Inspector, Certificate No. 052501-22 sampled the insulation on the dehydrator vessel from the Fannie Ward #1 Well. The sample was sent under Chain of Custody Record No. 09864 to EMC Laboratories, Scottsdale, Arizona. EMC is a NVLAP accredited Asbestos Analytical Laboratory, Accreditation No. 1926.

As per the attached results, the sample contains asbestos. The off white insulation contains 75% Chrysotile asbestos. Anything over 1% asbestos is OSHA and USEPA regulated material and must be handled by certified asbestos workers and disposed of at a facility permitted by the USEPA to handle asbestos.

We appreciate the opportunity to have been of service. If we can be of further assistance, please call our office at (505) 632-0615.

Sincerely,
ENVIROTECH INC.



Morris D. Young
Asbestos Inspector
Certification No. 052501-22

Enclosure

MDY:/jaa/98065/032502/D. Foutz.doc



ENVIROTECH INC.

MORRIS D. YOUNG

President

5796 U.S. Highway 64
Farmington, NM 87401
(800) 362-1879

Phone (505) 632-0615
Fax (505) 632-1865
Cell (505) 320-5452

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

CHAIN OF CUSTODY
EMC Laboratories
7342 E. Thomas Road
Scottsdale, Arizona 85251
(800)362-3373 F.(480)990-8468

LAB#: 82646
TAT: 1-2 days
Rec'd: MAR 21 AM

BILL TO: (If different Location)

FAX
Report to: (505) 632-1865

Now Accepting: **VISA - MASTERCARD** - (Indicate Payment Method) Price Quoted: \$ 7.50 / Sample
\$ 4.00 / Layer

EXP DATE _____ SIGNATURE _____

COMPLETE ITEMS 1-4: (Failure to complete any items may cause a delay in processing or analyzing your sample)

1. **TURNAROUND TIME:** {4hr rush} {8hr rush} {1-Day} / {2-Day} {3-Day} {5-Day} {8-10 Day}

*Prior confirmation of turnaround time is required for one day analysis or analysis of more than 50 samples per shipment.

***Additional charges for rush analysis (please call marketing department for pricing details).

***For no Federal Express charges, a minimum of 20 asbestos or 8 lead samples must be enclosed.

1. TYPE OF ANALYSIS: (Bulk-PLM) (Air-PCM) (Lead) (Point Count) (TEM-Air) (TEM-Bulk)

3. DISPOSAL INSTRUCTIONS: Dispose of samples at EMC / Return samples to me at my expense

(If you do not indicate preference, EMC will dispose of samples 60 days from analysis.)

4. Project Name: Key Energy
P.O. Number: E3384 Project Number: 98065.005

SPECIAL INSTRUCTIONS: Please email report to the above address.

FAX (505) 632-1865

Relinquished by: Christ White Date: 3/29/02 Received by: SMOSS Date: 3/29/02
Relinquished by: SMOSS Date: 3/29/02 Received by: CLF Date: 3-29-02
Relinquished by: _____ Date: _____ Received by: _____ Date: _____

• In the event of any dispute between the above parties for these services or otherwise, parties agree that jurisdiction and venue will be in Scottsdale, Arizona and prevailing party will be entitled to attorney's fees and court costs.

3/22/02

ENVIRONMENTAL MANAGEMENT CONSULTANTS

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BULK MATERIAL REPORT

REPORT Laboratory Analysis: BULK MATERIAL

Client: ENVIROTECH

Reported to: DENNIS AIEMAN

Sampled from: KEY ENERGY

Shipped via: FEDERAL EXPRESS

LAB: 82646

Methodology: EPA 800/M4-82-020

P/O#: E3384

Proj: 98065-005

By: Client

Received: 3/21/02

Reported: 3/22/02

SAMPLE	IDENTIFICATION	PARAMETER	TEST RESULTS
01	22338 insulation off white INSULATION	Asbestos	Positive. This sample contains approx. 75% Chrysotile, 3% Amosite, 2% Cellulose, 20% CaCO ₃ , CaSO ₄ , Mica, Binder

THE REPORT APPLIES TO THE STANDARDS OR PROCEDURES IDENTIFIED AND TO THE SAMPLE(S) TESTED. THE TEST RESULTS ARE NOT NECESSARILY INDICATIVE OR REPRESENTATIVE OF THE QUALITIES OF THE LOT FROM WHICH THE SAMPLE WAS TAKEN OR OF APPARENTLY IDENTICAL OR SIMILAR PRODUCTS, NOR DO THEY REPRESENT AN ONGOING QUALITY ASSURANCE PROGRAM UNLESS SO NOTED. THESE REPORTS ARE FOR THE EXCLUSIVE USE OF THE ADDRESSED CLIENT AND ARE RENDERED UPON THE CONDITION THAT THEY WILL NOT BE REPRODUCED WHOLLY OR IN PART FOR ADVERTISING OR OTHER PURPOSES OVER OUR SIGNATURE OR IN CONNECTION WITH OUR NAME WITHOUT SPECIAL WRITTEN PERMISSION. SAMPLES NOT DESTROYED IN TESTING ARE RETAINED A MAXIMUM OF THIRTY DAYS.

ACCREDITED BY THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, VOLUNTARY LABORATORY ACCREDITATION PROGRAM FOR SELECTED TEST METHOD FOR ASBESTOS. THE ACCREDITATION OR ANY REPORTS GENERATED BY THIS LABORATORY IN NO WAY CONSTITUTES OR IMPLIES PRODUCT CERTIFICATION, APPROVAL, OR ENDORSEMENT BY THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY. ALL ANALYSES ARE DERIVED FROM CALIBRATED VISUAL ESTIMATE UNLESS OTHERWISE NOTED. POLARIZED-LIGHT IS NOT CONSISTENTLY RELIABLE IN DETECTING ASBESTOS IN FLOOR COVERINGS AND SIMILAR NON-FRIABLE ORGANICALLY BOUND MATERIALS. QUANTITATIVE TRANSMISSION ELECTRON MICROSCOPY IS CURRENTLY THE ONLY METHOD THAT CAN BE USED TO DETERMINE IF THIS MATERIAL CAN BE CONSIDERED OR TREATED AS NON-ASBESTOS-CONTAINING.



Analyst: Paul D. Hofer



By: Kurt Kettler

NVLAP Accreditation #1926, CA ELAP #1913, TX DOH #30-0094

7342 EAST THOMAS ROAD SCOTTSDALE, ARIZONA 85251-7216 (480) 990-2069 FAX: (480) 990-8468

09864

[illegible]