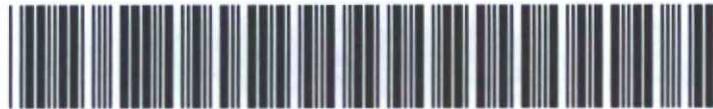




# AE Order Number Banner

## Report Description

This report shows an AE Order Number in Barcode format for purposes of scanning. The Barcode format is Code 39.



**App Number: pGRL0828255263**

**1RP - 1968**

**FASKEN OIL & RANCH LTD**



July 14, 2009

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ENVIRONMENTAL CONSULTING  
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Toll Free: 866.742.0742  
www.talonlpe.com

Mr. Larry Johnson  
Environmental Engineer  
State of New Mexico Oil Conservation Division  
1625 North French Drive  
Hobbs, New Mexico 88240

**RE: Work Plan to Excavate, Delineate, Transport and Dispose of Impacted Soil from the Denton SWD #5 in Lea County, New Mexico (Section 2, T15S, R37E).**

Mr. Johnson,

Talon/LPE (Talon), on behalf of Fasken Oil and Ranch Ltd. (Fasken), proposes to begin remediation activities adjacent to the Denton SWD #5 in response to a saltwater release which occurred on September 29, 2008. Initial estimates document the volume released at 80 barrels (bbls) with approximately 5 bbls recovered during initial response activities. The surface expression of the release based on initial observations is approximately 150 feet by 200 feet. Initial delineation activities were performed by Safety and Environmental Solutions, Inc. in December 2008. The proposed scope of work is presented herein.

**Proposed Work Plan**

Talon will excavate and haul soil from the affected area and transport the soil to Sundance Disposal Facilities in Lea County, New Mexico. Field testing for chlorides will be performed in conjunction with the excavation activities to provide updated delineation information. Laboratory analyses will be relied upon to support final excavation limits.

Upon completion of excavation activities, depending on final depth and remaining concentrations, a twenty-mil liner may be installed before backfilling activities commence.

*- LINER WILL REQUIRE OCD APPROVAL PRIOR TO INSTALLATION*

Clean backfill material will be hauled from Diamond Back Services and stockpiled on site to complete the backfill process when the excavation limits have been reached.

*- NO BACKFILL w/o SAMPLING & OCD APPROVAL  
- BACKFILL MATERIAL MUST BE SAMPLED*

If you have any questions, please feel free to call Mr. Carlile (Fasken Oil) at 432-687-1777 or myself at 432-230-7673.

*TOP 3' MUST BE 'LIKE MATERIAL'*

Respectfully Submitted,

Kyle Summers  
Senior Project Manager  
Talon/LPE

*[Signature]*  
ENVIRONMENTAL ENGINEER  
7.14.09

*1968*



New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Jon Goldstein**  
Cabinet Secretary  
**Jim Noel**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



January 19, 2010

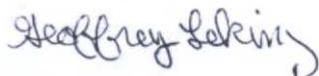
Jimmy D. Carlile  
Fasken Oil and Ranch, Ltd.  
303 West Wall, Suite 1800  
Midland, TX 79701

RE: DENTON NO. 5 EXCAVATION CLOSURE

Dear Mr. Carlile:

This letter documents the approval via email of December 9, 2009 which stated that Fasken may move forward and close the Denton No. 5 excavation using a 40 mil liner and site like soils for cover. The cover soil must be tested for benzene, BTEX, TPH and chlorides and pass applicable limits before emplacement. The analytical data displaying the above must be included with the final closure report / C-141. Please call if you have any questions.

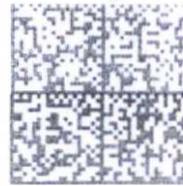
Thank you,



**Geoffrey Leking**  
Environmental Engineer  
NMOCD-Hobbs



EMNRD  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240



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ATTN: JIMMY D. CARLILE  
FASKEN OIL AND RANCH, LTD.  
303 WEST WALL, SUITE 1800  
MIDLAND, TX 79701