April 10, 2006

NMOCD District 2 Office Oil Conservation Division Chris Beadle 1301 West Grand Artesia, New Mexico 88210

RE: Letter of Violation for Range Operating New Mexico, Inc. Inspection #iCLB0534948599, South Culebra Bluff (SCB) 23 No. 004

Chronology

On December 16, 2005 a letter of violation was issued to Range Operating New Mexico, Inc. (Range) for violations identified during a random / periodic inspection on December 15, 2005. The letter was received by the Range office on December 27, 2005. White Buffalo Environmental Services, Inc (WBESI) was notified via fax of this violation on December 27, 2005. Greg Swindle of WBESI contacted Rudy Garcia field foreman for Range –Loving office to discuss response actions. Mr. Swindle went to the field and reviewed activities in the field on January 5, 2006. The site was assessed for a formal work plan and specific site information obtained.

On March 29, 2006 after receiving notice from Tony Tucker, Range Resources Production Foreman Loving New Mexico Area., of completion of excavation and remediation; Ronnie Taylor of White Buffalo Environmental Services Inc arrived on site to perform final sampling. Samples were collected from the floor area, South wall, and West wall of the spill site. These samples were immediately placed on ice for transportation and shipment to ASK Laboratories in Amarillo, Texas. The samples were analyzed for BTEX, TPH (NM 8015N), and Chloride content.

On April 10, 2006 the sample results were received from the laboratory. The results revealed that the BTEX, and TPH concentrations were above remediation limits. Further excavation will be performed and a future sampling date will be coordinated with you.

Please review the attached results and notify me via letter or email if you have any questions.

Sincerely,

Greg Swindle, President

WBESI

Enclosures:

Laboratory results

Analytical Services Kwik!

ASK LABORATORIES, INC. 5935 GLENOAK LANE AMARILLO, TEXAS 79109

Attn: CUSTOMER SERVICES Phone: (806) 353-4425

WHITE BUFFALO ENVIRO. SERVICE

5425 BEN FICKLIN ROAD SAN ANGELO, TX 76904

Attn: GREG SWINDLE

Purchase Order: RANGE SCB2/ Invoice Number: Order #: 06-03-132 Date: 04/06/06 09:46

Work ID: SOIL SAMPLES
Date Received: 03/31/06

Date Completed: 04/06/06

Client Code: WHITE BUFF

SAMPLE IDENTIFICATION

 Sample
 Sample
 Sample
 Sample

 Number
 Description
 Number
 Description

 01
 SOUTH WALL
 03
 FLOOR

 02
 WEST WALL

Certified By

ALAN D. KING

5935 Glenoak Lane Amarillo, Texas 79109 Telephone (806) 353-4425 Toll Free 1-800-423-9443 Facsimile (806) 352-6454

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Order # 06-03-132 04/06/06 09:46

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TEST_RESULTS BY SAMPLE

Sample: 01A SOUTH WALL Collected: 03/29/06 09:00

Test Description PERCENT SOLIDS - DRY WT.	Result 89.55	SOL	<u>Units</u> wt % solids	<u>Analyzed</u> 03/31/06	<u>By</u> BJP
CHLORIDE ON SOLIDS	1110	100	mg/kg	03/31/06	BNH
Total Pet. Hydrocarbons					
TPH C6-C12 - GRO	<81.8	81.8	mg/kg	04/05/06	BNH
TPH C12-C28 - DRO	1050	81.8	mg/kg	04/05/06	BNH
TPH C28-C35	143	81.8	mg/kg	04/05/06	BNH
BTEX					
BENZENE	<0.022	0.022	mg/kg	04/03/06	KDJ
TOLUENE	<0.022	0.022	mg/kg	04/03/06	KDJ
ETHYLBENZENE	<0.022	0.022	mg/kg	04/03/06	KDJ
XYLENE	<0.022	0.022	mg/kg	04/03/06	KDJ
Surrogates					
BROMOFLUOROBENZENE	107	Min: 80	Max:	120	

Sample: 02A WEST WALL Collected: 03/29/06 09:00

Test Description	<u>Result</u>	SQL	<u>Units</u>	Analyzed	By
PERCENT SOLIDS - DRY WT.	89.53		wt % solids	03/31/06	BJP
CHLORIDE ON SOLIDS	2040	100	mg/kg	03/31/06	BNH
Total Pet. Hydrocarbons			•		
TPH C6-C12 - GRO	<36.7	36.7	mg/kg	04/05/06	BNH
TPH C12-C28 - DRO	553	36.7	mg/kg	04/05/06	BNH
TPH C28-C35	57.3	36.7	mg/kg	04/05/06	BNH
BTEX	,	•			
BENZENE	<0.025	0.025	mg/kg	04/03/06	KDJ
TOLUENE	<0.025	0.025	mg/kg	04/03/06	KDJ
ETHYLBENZENE	<0.025	0.025	mg/kg	04/03/06 ₅	93 5 Gl enoak Lane
XYLENE	<0.025	0.025	mg/kg	04/03/QAma	rilKPFexas 79109
Surrogates				Telephor	ne (806) 353-4425
BROMOFLUOROBENZENE	108	Min: 80	Max:	120 Toll Fre	в 1-800-423-9443
				Facsimi	le (806) 352-6454

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Order # 06-03-132 04/06/06 09:46

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TEST RESULTS BY SAMPLE

Sample: 03A	FLOOR		Collected:	03/29/06 09:00
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Test Description PERCENT SOLIDS - DRY WT.	<u>Result</u> 89.80	SOL	<u>Units</u> wt % solids	<u>Analyzed</u> 03/31/06	<u>By</u> BJP
CHLORIDE ON SOLIDS	1290	100	mg/kg	03/31/06	BNH
Total Pet. Hydrocarbons		•			
TPH C6-C12 - GRO	<168	168	mg/kg	04/05/06	BNH
TPH C12-C28 - DRO	3370	168	mg/kg	04/05/06	BNH
TPH C28-C35	182	168	mg/kg	04/05/06	BNH
BTEX					
BENZENE	<0.022	0.022	mg/kg	04/03/06	KDJ
TOLUENE	<0.022	0.022	mg/kg	04/03/06	KDJ
ETHYLBENZENE	<0.022	0.022	mg/kg	04/03/06	KDJ
XYLENE	<0.022	0.022	mg/kg	04/03/06	KDJ
Surrogates					
BROMOFLUOROBENZENE	113	Min: 80	Max:	120	

QA/QC INFORMATION

	LCS	MS	MSD	RPD	BLANK
MTBE	100%	107%	106%	0.4%	bdl
BENZENE	99%	95%	93%	1.6%	bdl
TOLUENE	96%	90%	91%	1.1%	bdl
ETHYLBENZENE	99%	95%	96%	1.0%	bdl
O-XYLENE	100%	93%	94%	0.8%	bdl
m, p-XYLENES	100%	978	97%	0.0%	bdl
METHOD 8015	LCS	MS	MSD	RPD	BLANK
TPH	95%	94%	92%	2.3%	bdl
COMPOUND CHLORIDE	RPD 0.9%		RECOVERY 91%	QC RECO	VERY BLANK bdl

bdl = below detectable levels

5935 Glenoak Lane Amarillo, Texas 79109 Telephone (806) 353-4425 Toll Free 1-800-423-9443

Facsimile (806) 352-6454

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TEST METHODOLOGIES

TEST CODE : SOLIDS

TEST NAME : PERCENT SOLIDS FOR DRY WT CORRECTIONS

REFERENCE CLP PROTOCOL/ SECTION IV/ PART F

TEST CODE : 8015N

TEST NAME: TRPH-8015M (GRO, DRO, C28-35)

METHOD 8015M GCFID GAS CHROMATOGRAPHY WITH FLAME-IONIZATION DETECTOR. SW-846 TEST METHODS FOR EVALUATING SOLID WASTES.

TEST CODE : BTEX

TEST NAME : BTEX

METHOD 8260 GC/MS GAS CHROMATOGRAPHY WITH MASS-SELECTIVE DETECTOR. SW-846 TEST METHODS FOR EVALUATING SOLID WASTES.

TEST CODE : CL SOL

TEST NAME : CHLORIDE ON SOLID

METHOD 300.0 : ION CHROMATOGRAPHY
METHODS FOR CHEMICAL ANALYSIS OF WATER AND WASTES,

METHOD 9056 ION CHROMATOGRAPHY SW-846 TEST METHODS FOR EVALUATING SOLID WASTES.

> 5935 Glenoak Lane Amarillo, Texas 79109 Telephone (806) 353-4425 Toll Free 1-800-423-9443 Facsimile (806) 352-6454

ASK Laboratories

Analytical Services Kwikl

Telephone: (806) 353-4425 Facsimile: (806) 352-6454 Amarillo, Texas 79109 5935 Glenoak Lane

Chain of Custody Record

Telephone (325) 651-9054

Ronnie Taylor

Sampled By

Please note: Llability and Damages. ASK Laboratories liability and clients exclusive remedy for any claim arising whither based in contract or tort, shall be limited to the amount paid by the clain for the analyses. All claims, including those for negligence and other cause whatsoever shall be deemed waived unless made in writing and received by ASK Laboratories within thiny days of the applicable service. In no event shall Laboratories within thiny days of the applicable service. In no event shall ASK Laboratories be liable for inclental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by the client, its subsidiaries, affiliaties, or successors affairing out of or related to the performance of services rendered by ASK Laboratories, regardless of whether such claims is based upon any of the precoding stated reasons or otherwise. Work Order No.

Client Name White Buffalo Environmental

Project I.D. Accation Range Operating SCB 23#4

Address 5425 Ben Ficklin Rd. San Angelo, TX 76904

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CHAIN OF CUSTODY

White Buffalo Environmental Services, Inc. 5425 Ben Ficklin Road San Angelo, Texas 76904 Phone: 325-651-9054 Fax: 325-651-2125

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Site Photographs SCB 23-4 3-29-2006

