SPILL REPORT FORM – RANGE PRODUCTION COMPANY USEPA REGULATION 40 CFR 112 / RRC SWR 8, 20 & 91

10-22-07	TIME: 1000am	NAME OF RESPONDER: Brian Cook	
LEASE WHERE SPILL OCCUI Candalerio SWD	RED:	SOURCE OF SWD Line	SPILL (PIPELINE, TANK, ETC.)
COUNTY WHERE SPILL OCCURRED: Eddy		WEATHER CONDITIONS: Cold	
(IF KNOWN) SIZE OF SPILL:	DID SPILL REACH A DITCH OR STORM DRAIN? N/A	DID SPILL REACH NAVIGABLE WATERS, STREAM OR POND: N/A	
	DIAL ACTION TAKEN: Poly line cause there was lack of slack. Calle		
TYPE OF DISCHARGE (OIL , WATER, FUEL, ETC): water	QUANTITY SPILLED (BBLS): 110bbls	DURATION OF SPILL: 1:30	
TIME SPILL CONTAINED: 1000am	DATE SPILL CONTAINED: Same as occured	BBLS RECO 100bbls	WERED:
DESCRIBE AREA AFFECTED West side of Btry. Approximate	AND CLEANUP ACTION TAKE by 40x50' area on the NW corner a company for assessment. Will remov	nd 75x50' area	on the west. Picked up spill and
DESCRIBE AREA AFFECTED West side of Btry. Approximate	AND CLEANUP ACTION TAKE by 40x50' area on the NW corner a company for assessment. Will remov	nd 75x50' area /e wet soil and j	on the west. Picked up spill and
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Fill out this form the same day the spill event is discovered and FAX to: SPCC Coordinator 100 Throckmorton Street, Suite 1200, Fort Worth TX 76102 (817) 869-9108

RRC SPCC Form 6 Revised August 9, 2007 Attach Additional Sheets If Necessary

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PHOENIX ENVIRONMENTAL LLC

P.O. Box 1856

2113 French Dr.

Hobbs, NM 88241-1856

Office 505-391-9685

Fax 505-391-9687

November 2, 2007

Range Operating 100 Throckmorton St. Suite 1200 Fort Worth, Texas 76102

Attn: Mr. Steve Almager Production Supervisor

RE: Work Plan to Clean Up the Candelario SWD Located UL-D in Sec 24, T23S and R28E of Eddy County, New Mexico

Dear Mr. Almager:

Phoenix Environmental, LLC (Phoenix) would like to take this time to thank you and Range Operating, for the opportunity to provide our professional services. Please find attached our work plan for the above listed site.

If you have any questions and/or need more data in regards to projects please call at any time. My cell phone is 505-631-8314.

Sincerely,

Allen Hodge, REM VP Operations Phoenix Environmental LLC



Summary/Overview

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The Candelario SWD site spill should be completed and remediated in accordance with the standards of the NMOCD. It is our understanding that any potential contamination from the site was a result of a failed weld in a poly line that was just outside the berms at the battery due to cold weather.

The potential contaminates of concern are mid to high-level concentrations of produced water that was lost due to the failed weld in the poly line. The lost fluid was outside the berms and ran out onto the location and out into the pasture next to the battery and absorbed by the near surface soils.

The lands primary use is domestic farming and ranching and the production of oil and gas.

The ground water depth data available for this area showed the depth to ground water to be in the 35' range BGS.

Pursuant to the standards of the NMOCD, the clean up level for this site will be at <100ppm of TPH, <50ppm for BTEX and Chlorides less than <250ppm.

The following scope of work was based on data from our site visit and the requirements of the NMOCD for site clean up.

Scope of Work for Battery Cleanup of Impacted Soils

NOTE: Phoenix, for the purpose of this work plan, will estimate that there is approximately 1,200cyds of impacted soil at the site that needs to be addressed for site cleanup. Phoenix was asked by Range Operating to take care of the site supervision for Grando's who has the equipment for site clean up.

- 1. First Grando's will call One-Call for line spot clearance before any excavation at the site is started.
- 2. Phoenix will mobilize to the site located east of Loving, NM Grando's equipment and personnel necessary to start and complete the site remediation as required, getting the site back into compliance.



- 3. A staging area for trucks and impacted material will be set up for site control and safety.
- 4. Phoenix will excavate the saturated impacted and place them on plastic in the staging area for the trucks to transport off site for disposal.
- 5. Once the saturated impacted material has been removed from the spill area. The area will be tested for TPH, BTEX and CL to document clean up levels. These samples will be sent to a third party lab for analysis.
- 6. Impacted soils at the site will be transported and disposed of at a NMOCD approved facility that can take waste from the oil and gas industry.
- 7. Once all of the remediation criteria have been met for site closure and compliance, the site will be backfilled with clean material.
- 8. Once all of the closure criteria have been met, a final closure report will be prepared by Phoenix. This report will include a summary of remediation operations, findings on-site and lab analysis, site maps and project photos.

If you have any questions and/or need more data in regards to this project please call 505-631-8314 at any time.

Sincerely.

Allen Hodge REM VP Operations Phoenix Environmental LLC

