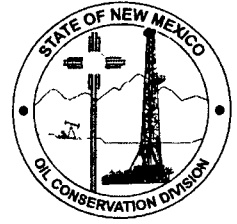


New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



March 20, 2008

Walsh & Watts Inc
Attn: Mr. Richard Jones
1111 Seventh Street
Wichita Falls, TX 76301

Reference: North Square Lake Premier Unit 2 G-6-16S-31E Eddy County, New Mexico
2RP-134

Operator,

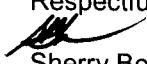
The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of a work plan proposal (plan) for remediation of a release of crude oil occurring at the above referenced facility. The plan states impacted soils were excavated and disposed at an OCD-approved disposal facility. Additionally, manure and clean material was tilled into the impacted area. It is proposed the site will be monitored and fresh water will be applied if less than 1" of rain falls in the next 60 days.

The plan is accepted with the following stipulations:

- Contaminated soils shall be remediated so that residual contaminant concentrations are below the recommended soil remediation action levels. Confirmation soil samples will be required.
- Notify the OCD 48 hours prior to obtaining samples where analyses are to be submitted to the OCD.
- Remediation requirements may be subject to change as site conditions warrant.
- Upon completion of remedial activities, a final report summarizing all actions taken (including the watering, tilling, monitoring activities proposed in the work plan) to mitigate environmental damage related to the release is to be provided to OCD.
- A final Report C-141 is to be submitted to the OCD upon satisfactory completion of remediation project.
- Remediation to be completed on or before September 12, 2008.

Please be advised that NMOCD acceptance of this plan does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of this plan does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

Respectfully,


Sherry Bonham
NMOCD District 2
1301 W Grand Avenue
Artesia, NM 88210
575.748.1283 ext. 109
sherry.bonham@state.nm.us



Bonham, Sherry, EMNRD

From: BUDDY DE*LONG [buddy_delong@msn.com]
Sent: Wednesday, March 12, 2008 4:40 PM
To: Bonham, Sherry, EMNRD
Subject: WORK PLAN - Walsh and Watts, Inc.- North Square Lake Premier Unit

Ms. Sherry Bonham,

As per our telephone conversation 3/12/2008 @ 3:23 pm.
I am preparing this work plan at the request of my Father Horace DeLong.

=====

WORK PLAN - WALSH AND WATTS, INC. - NORTH SQUARE LAKE PREMIER UNIT

I. Activities performed to correct cause of release:

- a. Replaced flow line from well to header with new poly line.

II. Activities performed to remediate affected soil.

- a. Removed standing liquid from site with Vacuum Truck.
- b. Hand removed saturated soil (approx. 1.5 c/y) and hauled to approved land farm.
- c. Using Roto Tiller combined manure (approx. 3 c/y) in soil at spill site and thoroughly blended affected area. Spread remaining manure through out battery site.

III. Activities performed to avoid future releases.

- a. Inspected and replaced all at risk connections in flow line header.

IV Conclusion:

- a. Site will be monitored to insure progression of fertilizer/soil ingestion.
- b. Fresh water will be applied if less than 1" of rain falls in the next 60 days.
- c. OCD will be notified for approval, if any variance to this plan is necessary or sought.

If you have any questions Please call Horace DeLong at 575 748 5035 or 575 677 2334.

Thank you,
Buddy DeLong
Buddy DeLong
505 513 0472

This inbound email has been scanned by the MessageLabs Email Security System.

3/13/2008