



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

COG Operating, LLC
550 W. Texas Ave.
Suite 1300
Midland TX 79701

December 12, 2005

Reference: Hanson Federal 003

G-33-20s-27e

API: 30-015-21586

Operator,

The New Mexico Oil Conservation Division District II office (OCD) is in receipt of a Corrective Action Report/Soil Remediation Proposal submitted by your agent, Highlander Environmental Corporation. The document reports actions taken to date to remediate contaminants from a release of produced fluids that occurred at the above referenced location on 8/26/05. The report indicates contaminated materials have been removed from the release site to achieve Recommended Remediation Action Levels (RRAL). The report proposes to remediate contaminated materials on site to RRAL and use materials to backfill excavation.

The proposal is accepted as presented with the following stipulations:

1. Provide a schedule for analysis of materials being remediated along with an estimated project completion date. Please provide this information no later than December 23, 2005.
2. Notify the OCD District II office 24 hours prior to obtaining samples where analysis of samples obtained are to be submitted to the OCD.
3. Submit a Final Report C-141 upon satisfactory completion of project.
4. Like approval by BLM if applicable.

Please be advised that New Mexico Oil Conservation Division (NMOCD) acceptance and or approval of documents, work plans, or proposals 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 and or approval of documents, work plans, or proposals does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

Sincerely,

Mike Bratcher
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NMOCD Incident Number: nMLB0525954359