



October 5, 2005

Ms. Debbie Baldwin
Colorado Oil and Gas Conservation Commission
Mr. Dave Brown
BP America, Inc.
1660 Lincoln Street
Suite 3000
Denver, Colorado 80264

RE: Sensitive Receptor Information
Ward Property
Bayfield, Colorado

Dear Ms Baldwin and Mr. Brown:

LT Environmental, Inc. (LTE) is pleased to provide you with this letter summarizing the results of the methane survey at the Ward property located near Bayfield, Colorado on September 17 and September 21, 2005. The work was conducted as part of the Fruitland Formation outcrop monitoring program in La Plata County on behalf of The Group, which consists of the Colorado Oil and Gas Conservation Commission (COGCC), La Plata County, Bureau of Land Management (BLM), BP America, Inc. (BP), XTO Energy, Inc. (XTO), Pure Resources, Inc. (Pure), and ChevronTexaco Production Company (Chevron). LTE has prepared this site-specific summary in advance of the full report given the sensitive nature of the data.

The purpose of this summary is to inform The Group of the presence of elevated methane gas in close proximity of the Ward residence. In addition, there is a potential for methane to enter the structure and create a hazardous condition. The Fruitland Formation outcrop monitoring summary report for the entire project area, including the Ward property, is anticipated to be complete in November 2005.

BACKGROUND

The Ward property is located on the Fruitland Formation near the Texas Creek methane gas seep. LTE conducted a baseline methane seep survey at the Ward property in 1999. Methane was detected on the Ward property during the baseline survey at concentrations ranging from 2.5 parts per million (ppm) (0.00025%) to 26,400 ppm (2.64%). During a subsequent survey in 2002, methane was detected on the Ward property at concentrations ranging from 34% to 100%. Due to access issues, LTE was not permitted to conduct additional surveys on the Ward property after 2002 until access was granted in September 2005.

SITE DESCRIPTION

During the September 2005 site visit, the residence appeared unoccupied. LTE observed boards on several of the windows of the residence and plastic sheets over the furniture inside. The residence is most likely a second-home for the Ward family. The house is located on a hill overlooking the Texas Creek valley to the west and an unnamed drainage to the south. LTE observed areas of stressed and dead vegetation in the drainage to the south of the Ward residence (Photo #1). LTE also observed a

LT Environmental, Inc.

Compliance • Engineering • Remediation

4400 W. 46th Avenue Denver Colorado 80212 T 303.433.9788 F 303.433.1432 E info@LTEnv.com



four-inch polyvinyl chloride (PVC) pipe in the ground on the eastern portion of the drainage to the south of the Ward residence (Photo 2). The purpose of the PVC pipe is unknown at this time.

METHANE GAS SURVEY RESULTS

LTE advanced a total of 38 soil probes on the Ward property in order to collect subsurface methane gas measurements. Methane was detected at concentrations ranging from 3,500 ppm (0.35%) to 100%. Methane concentrations of 8,000 ppm (0.80%), 9%, and 100% were recorded at distances from the Ward residence of approximately 20 feet (ft), 75 ft, and 110 ft, respectively.

Areas of stressed and dead vegetation were observed in the valley to the south of the Ward residence. Methane was detected in these areas at concentrations ranging from 50,000 ppm (5%) to 260,000 ppm (26%). Methane was also detected in the four-inch PVC pipe at a concentration of 160,000 ppm (16%). Table 1 presents the methane measurements recorded during the site investigation. The methane measurements along with their respective locations are shown as Figure 1 and Figure 2.

CONCLUSIONS AND RECOMMENDATIONS

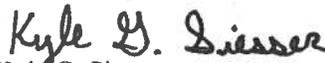
The results of the recent investigation indicate that methane seep activity is occurring on the Ward property and in close proximity of the Ward residence. Due to the high concentrations of methane detected near the residence, there is a potential for methane to enter the Ward residence and create a hazardous condition. LTE recommends that an interior methane survey of the Ward residence be conducted as soon as possible in order to confirm or deny the presence of methane gas in the house. In addition, the property owner should be informed of the potential dangers associated with methane gas in confined structures and what precautions should be taken prior to entering these structures until a full assessment of the potential risks can be made.

LTE recommends that the PVC pipe on the Ward property be investigated to determine the use or prior use of the pipe. If it is found that the PVC pipe is not currently in use, LTE recommends that the pipe be plugged or removed in order to reduce the potential for the pipe to act as a conduit for seeping gas.

The data collected during the most recent investigation on the Ward property will be included as part of the final report for the entire Fruitland Formation outcrop monitoring program in La Plata County. LTE appreciates the opportunity to provide environmental services to The Group. If you have any questions regarding this report or would like additional information, please contact us at (303) 433-9788.

Sincerely,

LT ENVIRONMENTAL, INC.

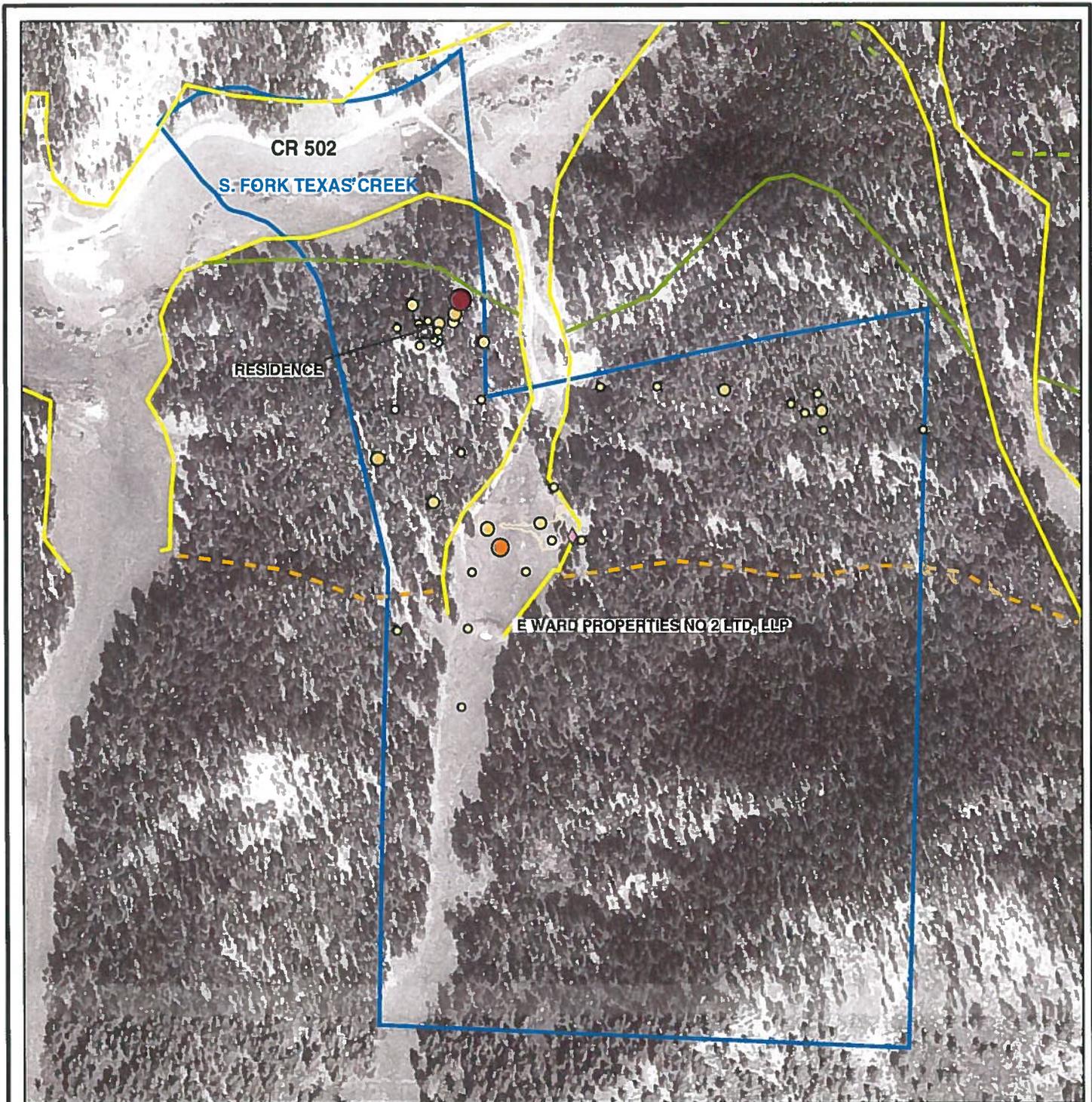

Kyle G. Siesser
Staff Geologist


John D. Peterson, P.G.
Project Manager

Attachments (2)

FIGURES





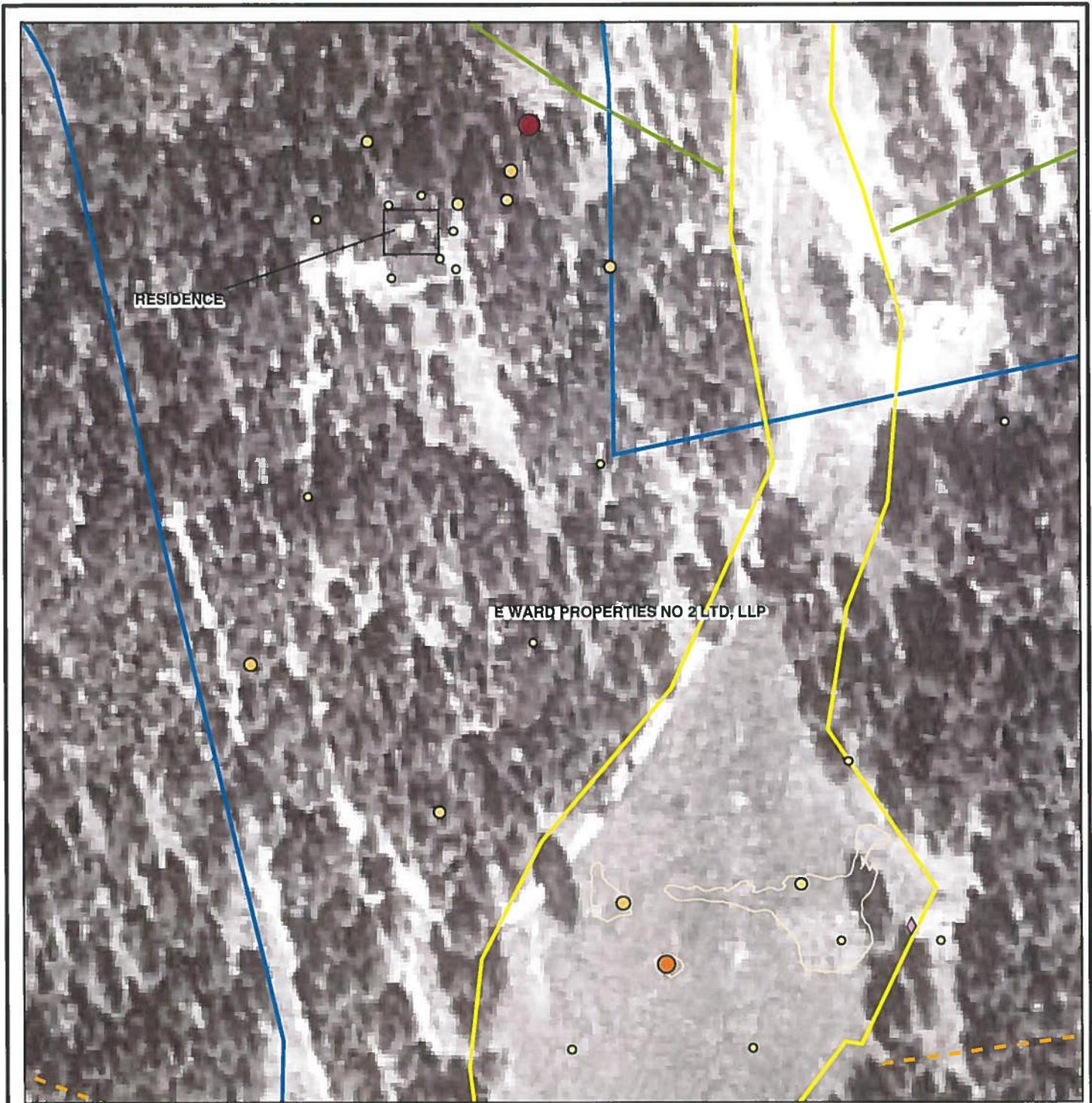
Legend

- Property Boundary
- ◆ 4 - Inch PVC Pipe
- Subsurface Methane Measurements
- 0 ppm
- 500 ppm - 5%
- 6% - 15%
- 16% - 25%
- 26% - 50%
- 51% - 75%
- 76% - 100%
- Fruitland Formation (Kf)
- Fruitland Formation Tongue (Kft)
- Kirtland Formation (Kk)
- Pictured Cliffs Formation (Kpc)
- Pictured Cliffs Formation Tongue (Kpct)
- Quaternary Alluvium (Qa)
- Quaternary Gravel (Qg)
- Vegetation
- Dead Vegetation
- Stressed Vegetation



FIGURE 1
SUBSURFACE METHANE MEASUREMENTS
SEPTEMBER 2005
E. WARD PROPERTIES NO 2 LTD, LLP
BAYFIELD, COLORADO





Legend

- Property Boundary
- ◆ 4 - Inch PVC Pipe
- Subsurface Methane Measurements
 - 0 ppm
 - 500 ppm - 5%
 - 6% - 15%
 - 16% - 25%
 - 26% - 50%
 - 51% - 75%
 - 76% - 100%
- Fruitland Formation (Kf)
- Fruitland Formation Tongue (Kft)
- Kirtland Formation (Kk)
- Pictured Cliffs Formation (Kpc)
- Pictured Cliffs Formation Tongue (Kpct)
- Quaternary Alluvium (Qa)
- Quaternary Gravel (Qg)
- Vegetation
 - Dead Vegetation
 - Stressed Vegetation



FIGURE 2
DETAILED RESIDENTIAL
SUBSURFACE METHANE MEASUREMENTS
SEPTEMBER 2005
E. WARD PROPERTIES NO 2 LTD, LLP
BAYFIELD, COLORADO



TABLES



TABLE 1
METHANE SURVEY DATA - SEPTEMBER 2005
WARD PROPERTY
BAYFIELD, COLORADO

Point ID	Date	Elevation (meters)	Northing (meters)	Easting (meters)	Methane (ppm)	Oxygen (%)	H ₂ S (ppm)	CO (ppm)
1	9/17/2005	2267.884	4132892.853	265282.326	50,000	15	0	13
2	9/17/2005	2267.536	4132926.143	265295.125	0	20	0	0
3	9/17/2005	2274.965	4132877.588	265319.894	0	21	0	0
4	9/17/2005	2268.696	4132877.526	265293.003	0	21	0	0
5	9/17/2005	2267.630	4132848.730	265269.103	0	21	0	0
6	9/17/2005	2268.412	4132871.238	265245.862	260,000	17	0	16
7	9/17/2005	2268.422	4132887.739	265234.291	80,000	17	0	7
8	9/17/2005	2271.191	4132848.293	265220.250	0	21	0	0
9	9/17/2005	2273.961	4132796.446	265216.045	0	21	0	0
10	9/17/2005	2279.131	4132724.190	265209.940	0	21	0	0
11	9/17/2005	2286.017	4132794.466	265151.365	0	21	0	0
12	9/17/2005	2277.999	4132912.508	265185.086	3,500	20	0	0
13	9/17/2005	2280.866	4132958.257	265210.427	0	21	0	0
14	9/17/2005	2284.654	4132952.403	265134.463	100,000	14	0	5
15	9/17/2005	2294.686	4132997.692	265150.062	0	21	0	0
16	9/17/2005	2287.639	4133056.570	265172.599	0	21	0	0
17	9/17/2005	2291.246	4133059.002	265190.111	0	21	0	0
18	9/17/2005	2289.372	4133061.929	265185.736	0	21	0	2
19	9/17/2005	2289.525	4133076.674	265190.746	8,000	20	0	2
20	9/17/2005	2290.889	4133077.640	265203.835	3,500	21	0	0
21	9/17/2005	2294.106	4133085.420	265204.931	90,000	18	0	4
22	9/17/2005	2291.207	4133069.284	265189.391	0	21	0	0
23	9/17/2005	2291.240	4133078.802	265180.748	0	20	0	0
24	9/17/2005	2288.251	4133076.263	265171.896	0	20	0	0
25	9/17/2005	2287.207	4133072.394	265152.588	0	21	0	0
26	9/17/2005	2281.420	4133093.308	265166.338	6,500	18	0	0
27	9/17/2005	2282.784	4133097.929	265209.910	1,000,000	2	0	13
28	9/17/2005	2281.701	4133059.613	265231.542	7,500	21	0	0
29	9/17/2005	2274.500	4133006.494	265228.729	0	21	0	0
30	9/21/2005	2326.774	4132978.456	265633.478	0	19	0	0
31	9/21/2005	2310.800	4132995.990	265540.117	7,000	19	0	0
32	9/21/2005	2313.679	4132978.271	265542.006	0	21	0	0
33	9/21/2005	2309.435	4133002.529	265511.990	0	20	0	0
34	9/21/2005	2314.632	4133011.670	265536.293	0	20	0	0
35	9/21/2005	2311.952	4132993.955	265524.823	0	20	0	0
36	9/21/2005	2300.365	4133015.245	265450.932	2,000	20	0	0
37	9/21/2005	2286.563	4133018.303	265389.323	0	20	0	0
38	9/21/2005	2268.655	4133017.763	265337.689	0	20	0	0
39*	9/21/2005	2271.707	4132881.656	265312.018	160,000	NM	NM	NM

Notes:

ppm = parts per million

% = percent

Coordinates in UTM Zone 13N NAD 83

H₂S = hydrogen sulfide

CO = carbon monoxide

* = measurement taken in polyvinyl chloride pipe

NM = not measured

ATTACHMENT 1
PHOTOGRAPHIC DOCUMENTATION





Photo 1: Area of stressed vegetation, view west.



Photo 2: Four-inch polyvinyl chloride pipe, view north.