

May 9, 2016

VIA EMAIL: tsam@cazapetro.com

Mr. Tony Sam Caza Petroleum, Inc. 200 N. Loraine, STE. 1550 Midland, TX 79701 432-682-7424 (OFFICE) 432-556-6708 (CELL)

Re: Delineation Plan for Forehand 27 State # 4 located in Eddy County, New Mexico

Dear Mr. Sam:

Charger Services, LLC (Charger) is pleased to present a delineation plan to conduct the subsurface investigation of the Forehand 27 State # 4 (Site) located at 32°16'40.66"N, 104°10'18.05"W in Eddy County, New Mexico. The plan is based on the scope of services which were requested by the State of New Mexico Oil Conservation Division (NMOCD). The delineation plan includes the following:

- Auger 8 soil borings and collect soil samples for laboratory analysis up to 10 feet below ground surface (bgs) to delineate the impact;
- Calculate environmental impact based on the analytical results of the borings, formulating and submitting a remediation plan to remove impact, and sample for conformation of impact removal;
- Prepare report for closure of Site.

Scope of Work

The soil borings will be bored using a stainless steel auger. Soil samples will be collected using a stainless steel bowl and trowel which will decontaminated in between each sample point using a brush, soap, and distilled water rinse. The sample will be collected at one foot intervals up to 10 feet below ground surface (bgs) to delineate the impact. The samples will be analyzed consecutively until below NMOCD action limits for each sample point.

The soil samples will be placed in clean 4-ounce jars, sealed, labeled, chilled in an ice chest and delivered under chain of custody to Permian Basin Environmental Labs located in Midland, Texas. The laboratory will analyze the samples for BTEX by SW-8021, TPH by method SW-8015M, and chloride by method E300. All excavated areas during remediation will be sampled for chlorides below 250 mg/kg vertically below excavation surface and horizontally by eight hundred (800) feet

from excavation walls. Charger will prepare a report that will include a site drawing showing locations for the borings, analytical data summary table, and remediation recommendation.

Additional work required beyond this scope of services presented in this proposal, or as caused by factors beyond Charger's control, will be invoiced on a time and materials expense basis in accordance with Charger's Fee Schedule.

Respectfully submitted,

Charger Services, LLC

Coty Woolf

Environmental Manager Charger Services, LLC

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