

P.O. Box 1613 703 E. Clinton Hobbs, New Mexico 88240 575/397-0510 FAX 575/393-4388 www.sesi-nm.com

Safety & Environmental Solutions, Inc.

February 26, 2016

Ms. Amber Griffin, Environmental Regulatory Agent Yates Petroleum Company 105 South Fourth Street Artesia, New Mexico 88210-2118

RE: Groundwater Investigation, Compromise SWD #1

Dear Ms. Griffin:

This letter will present the results of the groundwater investigation conducted at the Compromise SWD #1 well site, located 8 miles south of Artesia at the east end of Dayton Road. The site is identified as being at the location of a topographic feature called Kaiser Lake, which is now dry. A location map is included as Figure 1.

The investigation consisted of installing groundwater monitoring wells on July 21-23, 2015 and was followed by well development and initial water quality sampling. A second water quality sampling event was performed on December 15, 2015. Other activities included surveying of the monitor wells in order to determine groundwater flow direction.

Background

On January 27, 2015 Yates Environmental personnel were informed that on January 16, 2015 there was a release of oilfield produced water at this well site. The release was estimated at approximately 2,500 barrels of produced water with an estimated 2,300 barrels recovered via vacuum truck.

To determine the vertical extent of the water infiltration, Yates conducted soil investigation on February 12, March 11, and April 30, 2015. Numerous samples for BTEX (benzene, toluene, ethylbenzene, xylenes), TPH (total petroleum hydrocarbons) and chloride were collected in the area of the release to depths of 9 feet below ground surface (BGS). At 11 feet BGS and deeper there was an increase in water saturation that made collection of soil samples difficult and unsafe. The results at 9 feet BGS showed chloride concentrations at many sample points to be above 1,000 mg/Kg. BTEX/TPH concentrations were not detected at shallow depths to 3 feet BGS and were not analyzed below that depth.

The soil results were presented in a letter with a plan of work to the New Mexico Oil Conservation Division on May 11, 2015. On May 12, 2015 Ms. Heather Patterson, OCD Environmental Specialist in Artesia, responded by email that three monitor wells would be required at background locations to "obtain accurate water samples and a proper water gradient evaluation." A further email from Bradford Billings, OCD Hydrologist Santa Fe, regarding the information in the letter was received on May 13, 2015. The email includes a requirement that monitor wells for delineation "should be placed for evaluation of possible groundwater impact. Subsequent reporting must provide details on how wells are drilled, including boring logs, construction aspects of well, development and purging protocols, and sampling techniques." Additional requirements included survey requirements for

vertical accuracy to 0.01 feet for "depth to water assessment and confirmation of ground water gradient."

Yates Petroleum contacted Mr. David Boyer, P.G. with Safety and Environmental Solutions (SESI) to prepare a State Engineer monitor well permit, supervise installation of the monitor wells, development and sampling, and prepare a report for submittal to Yates.

Work Performed

A well permit application for three monitoring wells was prepared and submitted to the Roswell, New Mexico Office of the State Engineer on June 18, 2015. The permit was reviewed and approved on July 1, 2015. The OSE file number assigned for the wells is RA 12280.

Locations to the northwest, southeast, and east of the spill area were selected for well installation based on assumed direction of groundwater flow. Utility clearance was obtained using the New Mexico 811 "One-Call" system. Due to the proposed location of the northwest well being on a pipeline right-of-way, that location was moved several yards to the south of the pipeline.

SESI contracted with Enviro-Drill, Inc., of Albuquerque, New Mexico to drill and install the wells. The original date to begin installation was Monday, July 6, 2015. As the drillers arrived on site, a severe thunderstorm approached the area and drilling was postponed until the following morning. Upon arrival Tuesday, July 7, 2015, access to the drill sites was not possible due to heavy rainfall and flooding that occurred the previous evening. Without adequate access and a safe working environment, drilling was postponed until July 21, 2015.

Drilling began on Tuesday, July 21, 2015 with the installation of the northwest upgradient well MW-1. Based on previous encounter with saturated soils (11-15 feet BGS) a drilling depth of 25 feet BGS was selected. Wells were sampled for lithology with a 2-foot split-spoon until saturation was encountered. Soil samples were collected from the split-spoon to a depth of 12 feet BGS to be tested for chlorides. MW-1 and MW-2 were drilled to a depth of 25 feet BGS and completed with 15 feet of 2-inch ID PVC screen. MW-3 did not encounter split-spoon saturation until 30-32 feet BGS when a fine grained flowing sand was present in the split-spoon. The well was completed at 30 feet BGS with 20 feet of 2-inch ID PVC screen. Boring and well completion diagrams are shown in Appendix A.

Development of the wells occurred on July 22, 2015 using a steel bailer or plastic bailer to remove sediment in the PVC. This was followed by pumping with a Proactive sample pump. Sediment was removed until a solid well bottom was reached. However, the recovery water was still turbid and brown in two of the three wells, likely due to clay outside the sand pack. Purged water was placed in 55-gallon drums at each well location.

On August 14, 2015, the monitor wells were surveyed by Harcrow Surveying of Artesia. The locations of the monitor wells, the salt water disposal well and nearby features were surveyed and plotted on Google imagery, a topographic map and a detailed plat was prepared. These are presented in Appendix B. Elevations of the top of PVC casing, top of the 3 feet x 3 feet concrete pad and natural ground elevation were surveyed to a precision of 0.01 feet.

July 23, 2015 Groundwater Sampling

Water quality sampling occurred on July 23, 2015, following another round of purging to remove turbidity. At the direction of the Yates representative, only inorganic water constituents were collected for analysis. Prior to sampling, water levels were taken and recorded.

Depth to water upon completion of MW-1 was 12.85 feet BGS and 15.65 feet below top of casing (BTOC). The well was purged of approximately 20 gallons of water and sediment on July 22, 2015 and another 14 gallons with the sample pump on July 23, 2015 for a total of 34 gallons. There was low turbidity at the time of sampling which was performed with the sample pump.

Depth to water upon completion of MW-2 was 17.96 feet BGS and 20.75 feet BTOC. Only 8-10 gallons of water and sediment were purged on July 22, 2015 until the well went dry. On July 23, 2015 approximately 4 gallons of turbid water were purged until dryness. Total purged was estimated at 12 to 14 gallons. Upon recovery, the well was sampled with a dedicated plastic bailer, and the water was only slightly turbid.

Depth to water upon completion of MW-3 was 17.29 feet BGS and 19.79 feet BTOC. Approximately 18 gallons of sediment and water was purged on July 22, 2015 using a steel bailer and followed with the sample pump until a solid bottom was reached, but the water was still very turbid at purging completion. On July 23, 2015 an additional 23 gallons were purged with the pump to dryness for an estimated total of 41 gallons. The recovered water was still very turbid with very-fine grained sand, dark brown. Upon recovery, the well was sampled with a dedicated plastic bailer.

December 15, 2015 Groundwater Sampling

The second series of monitor well sampling took place on December 15, 2015. As before, groundwater levels and total depth readings were taken and recorded in the field notebook. A comparison of the water levels from July 2015 to December 2015 show an increase in MW-2 of 0.59 feet, while both MW-1 and MW-3 showed decreases of -0.89 feet and -0.27 feet, respectively. The increase in MW-2 may have been because when measurements were made on July 23, 2015 the well had not fully recovered from purging on July 22, 2015. Also, the depth of MW-3 had decreased by 0.66 feet, likely as a result of sediment from the saturation of the fine grained silty clay material outside the annular sand pack.

To minimize sample turbidity, purging was performed using the low-flow technique, now accepted by the regulatory agencies. In addition to reducing turbidity, this method reduces the volume of water removed by purging at flow rates between 0.5 and 1.0 liters per minute. During purging, the pump is placed halfway between the water surface and the well bottom and water quality parameters are monitored during the purging. At these monitor well locations, the water pH, specific conductivity and temperature were measured. For convenience, these are recorded at the beginning and every 5 minutes for a period of 15 minutes or longer, if necessary for parameter stabilization.

No problems were encountered during the sampling event; although, the water in MW-3 was very turbid even at the low flow rate and conductivity readings for MW-2 were not available due to the very high concentration of dissolved constituents present in that well.

The collected samples from both sampling events were preserved on ice and submitted together with a properly completed chain-of-custody to Hall Environmental Analysis Laboratory in Albuquerque, New Mexico for testing. In addition to chloride and Total Dissolved Solids (TDS), a full suite of major inorganic constituents was analyzed. These included the cations: sodium, potassium, calcium and magnesium; anions: sulfate, chloride, bicarbonate/carbonate and several minor anionic constituents including nitrate, fluoride, bromide and phosphorus. The purpose of the additional analyses will be discussed below. Copies of the analytical results for the monitor wells, plus those for a water sample from the Compromise SWD #1 are provided in Appendix C.

Investigation Results

Soil Lithology and Analysis

Soil samples taken with the split-spoon were visually examined for physical characteristics including texture, color, moisture content, and plasticity. Soil samples to a depth of 12 feet BGS were collected and sent to Cardinal Laboratories in Hobbs, New Mexico for chloride analysis. Results of the analyses are shown on the boring logs in Appendix A and copies of the analyses are provided in Appendix C.

Near-surface soils 12 feet BGS and above were mostly very fine grained clay and silty clay with minor zones of silt. No sand was found above 12 feet BGS, but thin lenses were found at 15 feet BGS in MW-2 and 12.6 feet BGS in MW-3. Soil in the latter sample was dry.

In MW-1 a saturated stringer was found at 12.5 feet BGS in what otherwise was a clay sample. Saturated sand was found at 16 feet BGS in MW-2. Water and sand in MW-3 was found at 30 feet BGS; water rose to 14 feet upon completion indicating a partially confined condition at that location.

Soil chloride concentrations increased with depth in the borings with MW-3 having the highest concentration of 2,720 mg/Kg at the 10-12 feet BGS interval. Chloride concentration in the same interval was 240 mg/Kg for MW-1 and 1,150 mg/Kg for MW-2.

It is likely that the fine grained clay and silty clay sediments found above 12 feet BGS in these borings are found elsewhere in the vicinity of the spill. The topographic map shows the surface feature as the dry lake bed of a former shallow depression known as Kaiser Lake. The map also shows the release site is located centrally between the old and current Pecos River channels. In general, clastic material over most of a lake basin consists principally of silts and clays, especially away from shores and river mouths, where larger material is deposited.

Clay and clayey silts have water permeability three to four orders of magnitude less than sands and silty sands. The presence of such fine-grained, low permeability deposits can limit spill infiltration depth and most certainly the volume of chloride contamination transported.

Groundwater

Groundwater measurements taken on site July 23, 2015 and December 15, 2015 were tabulated together with surveyed monitor well elevation data to determine the depth to water and total depth of the well. The measurements were made from the top of the PVC casing and the results are shown in Table 1. As noted earlier, MW-2 showed a positive water level increase while levels in MW-1 and 3 decreased.

Water level elevations were plotted and the groundwater flow direction and gradient were determined. The resultant maps are shown in Figures 2 and 3 (note that the contour interval on the figures differ from July 2015 to December 2015). For the measurement date of July 23, 2015, groundwater flow was toward the south-southeast with a gradient of 0.0067 ft/ft. The December 15, 2015 flow direction was southeast with a gradient of 0.0034 ft/ft, one-half the gradient measured in July 2015. There is not a certain explanation for the flattening of the gradient; however, it is noted that the area received significant rainfall and flooding in early July 2015 and the December 2015 measurements may reflect redistribution of infiltration moisture in the shallow subsurface.

Water Quality

Following sample analysis, a cation-anion balance sheet was requested from the laboratory. The balance sheet is used to compare cation-anion totals. For substances like salt dissolved in water, there are an equal number of sodium ions and chloride ions in solution. However, because the molecular weights of the ions differ, 100 grams of sodium are not balanced by 100 grams of chloride. To balance 100 grams of sodium, 154 grams of chloride are required. In addition for calcium, magnesium and sulfate, the electron charge of the ion must also be considered. This leads to the concept of equivalent weights so that the charge balance of cations must equal that of anions. In theory and assuming no unknown organic particles with an electron charge are present in the water, the milliequivalent total of cations should equal the anion total. The sample balance sheets are included with the water quality analyses in Appendix C.

A sample analysis table was prepared to compare the results and calculate percentages of each constituent in each sample. These results are shown in Tables 2 and 3. Chloride in MW-1 increased from 1,800 mg/L to 2,200 mg/L from July 2015 to December 2015 and in MW-3 the increase was from 2,600 mg/L to 2,900 mg/L. TDS for MW-1 increased from 8,130 mg/L to 10,000 mg/L and in MW-3 the increase was from 8,790 mg/L to 9,370 mg/L. These constituents in both wells greatly exceed New Mexico Water Quality Control Commission (WQCC) groundwater standards of 250 mg/L for chloride and 1,000 mg/L for TDS. In addition, sulfate in the two wells is over five times greater than the WQCC standard of 600 mg/L. MW-1 is upgradient from the release area and the results, though exceeding standards, can be considered background for this site. The December 2015 TDS value of 10,000 mg/L in MW-1 is also the maximum TDS level which is offered protection under state regulations¹. MW-3 is off gradient and though the TDS and chloride results differ, sodium concentrations are approximately the same as MW-1.

With TDS at 65,000± mg/L and chloride ranging from 17,000 mg/L to 19,000 mg/L in MW-2, these concentrations are over six times higher than the averages in MW-1 and MW-3. At first glance and looking only at TDS and chloride, it could be thought that the MW-2 well has been impacted by the Compromise SWD #1 release which has TDS and chloride at 201,365 mg/L and 120,000 mg/L, respectively. However, as discussed below, such a conclusion would likely be incorrect.

Discussion

A number of methods can be used to graphically present and interpret water quality analyses. In this instance the likelihood of MW-2 being impacted by the Compromise SWD #1 release is examined. The method chosen is use of a Piper Tri-linear graph which plots percentages of each major constituent on its own axis. The percentages (shown on Figures 4 and 5) do not consider total concentration, only the makeup of the water.² The discussion below applies to results from both sampling dates.

For cations, we see that MW-1 and MW-3 plot similarly but MW-2 is separated. This is because MW-2 is high in magnesium and very low in calcium. MW-2 has a higher percentage of sodium than the other two wells (55% in July 2015 and 59% in December 2015). The Compromise SWD #1 water sample with 94.1% sodium is far down in the lower right corner of the Cation triangle. If MW-2 had been impacted by the Compromise SWD #1 release, the sodium percentage would be higher and it

¹ The New Mexico State Engineer has defined protectable underground water as all waters in the State of New Mexico containing 10,000 milligrams/liter or less of total dissolved solids (TDS).

² Hounslow, Arthur W., Water Quality Data; Analysis and Interpretation, CRC Press, 1995.

would lay on a straight line between numbers 1 and 3, and the SWD. Instead it is near the horizontal line representing the 40+% magnesium content.

For anions, we see that all three wells lie on a line midway between high sulfate and high chloride. Carbonate/bicarbonate is 5.4% or less in all samples. Just taking into consideration the anions, we see that MW-3 has slightly more chloride than the other two, but all three wells are between 38% and 52% chloride. Depending on the well, sulfate is between 45% and 57% while the SWD has only 2.6% sulfate. Again, if the sample in MW-2 had been contaminated by SWD water with 97.3% chloride, it would not be grouped with the other two monitor wells but would be plotted between that group and the SWD sample.

The diamond portion of the graph shows all three monitor well waters plot close to each other and the SWD water is by itself in the right corner. If mixing had occurred, MW-2 would lay on a line between the other two monitor wells and the SWD.

As pointed out above, the graph shows only water quality, not total concentration. Given that the SWD water has a sodium and chloride concentration greater than 94%, and has TDS over 3 times that of MW-2, if the water in MW-2 was impacted it would show up as lying close to SWD water on the graph.

The results lead to a question as to why the water in MW-2 is so different than that in the other two wells. A possible and likely answer is that the water is from a relatively isolated permeable lithologic stringer that is hydraulically connected with deeper permeable sediments, but due to the high occurrence of clay, mass movement of the water is restricted. The high concentration of magnesium in the sample (38% to 42%) may be due to dissolution of rocks in the San Andres, Chalk Bluff and Rustler formations up river from the location. The San Andres formation in Eddy County is composed of limestone, dolomitic limestone and dolomite (CaMg(CO₃)₂). On the east side of the Pecos River, magnesium is present in dolomitic limestone and dolomite in the Chalk Bluff and Rustler formations. The Rustler consists of anhydrite, gypsum and some, interbedded sandy clay and some dolomite beds. In any case, magnesium is not present in the SWD water above 1.4 percent.

Conclusions

Surficial soils in the monitor well borings which encircle the release area are fine grained clay and silty clays. Their presence will limit, to some extent, the depth of infiltration of the spill and their low permeability will prevent transport of a large volume of contaminated chlorides to the naturally brackish groundwater below.

Groundwater in the area of the Compromise SWD #1 well site release is at a depth between 12 feet and 18 feet BGS, depending on the date of measurement. The groundwater flow direction in July 2015 was south-southeasterly with a hydraulic gradient of 0.0067 ft/ft. The flow direction in December 2015 was southeasterly with a flatter gradient of 0.0034 ft/ft.

Shallow groundwater in the vicinity of the Compromise SWD #1 well site release is naturally brackish with an upgradient December 2015 TDS concentration in MW-1 of 10,000 mg/L, and with chloride concentrations averaging 2,000 mg/L. The two-sample average for sulfate is 3,850 mg/L. MW-2 has even greater concentrations of these constituents with a TDS averaging 65,200 mg/L and chloride and sulfate concentrations averaging 18,000 mg/L and 28,000 mg/L, respectively. Water from the

¹ Hendrickson, G.E. and R.S. Jones, Geology and Ground-Water Resources of Eddy County, New Mexico, Ground-Water Report 3, New Mexico Bureau of Mines and Mineral Resources, 1952.

SWD release has a TDS of over 201,000 mg/L and chloride and sulfate concentrations of 120,000 mg/L and 4,300 mg/L, respectively.

Graphical plotting of these concentrations on a Piper tri-linear diagram indicates that the water in MW-2 is unlikely to have originated from or has been impacted by the Compromise SWD #1 release. The water is most probably from a relatively isolated, lithologically permeable sedimentary stringer in a heavily clay environment.

Recommendations for Further Ground Water Monitoring

It is recommended that quarterly water level measurements be made for the next 12 to 24 months to verify groundwater flow direction and to detect any seasonal variation. Water quality samples should be collected from the wells on a quarterly basis for the first year and then semi-annually as might be required by the NMOCD. Major cation/anion constituents should be analyzed so as to update the Piper tri-linear graph and compare the results of those analyses with the initial results presented here. Due to high turbidity in the wells, especially MW-3, prior to sampling, the wells should be purged to remove accumulated sediment with water levels taken before purging and again before sampling, and the volume of water purged recorded.

If you have any questions, please contact me at (575) 397-0510 or at (575) 390-7067.

Sincerely yours,

20,0

Attachments:
Tables and Figures

Appendices

Table 1. Water Level Measurements, Compromise SWD #1 Release Site

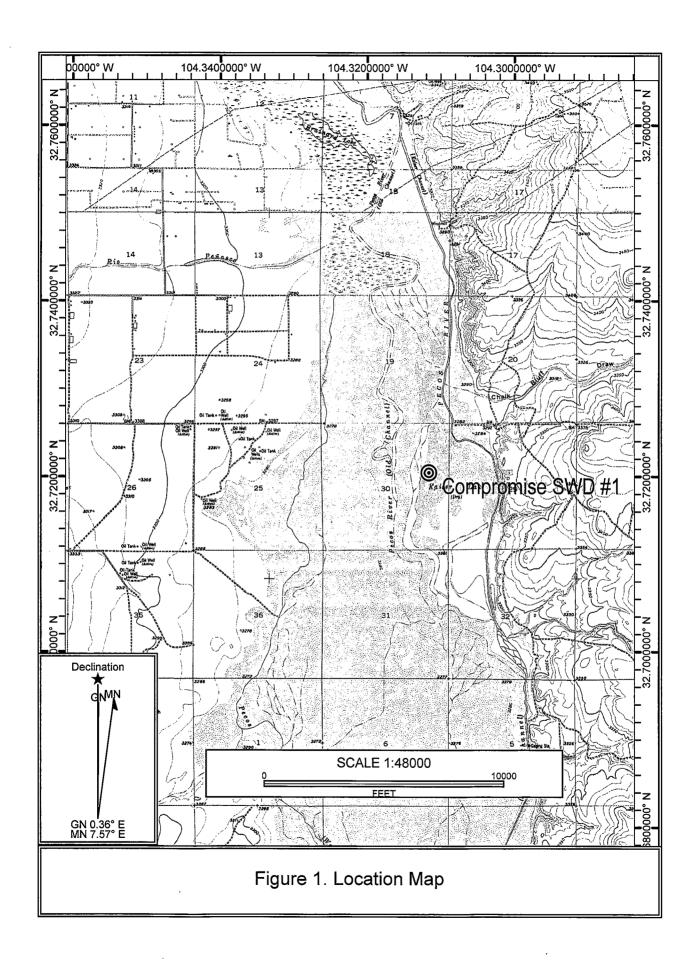
Monitor Well Name	Elevation Top of Casing (feet)	Measure- ment Date	Depth to Water Below TOC (feet)	Total Depth (feet)	Water Level Elev. (feet)	Water Saturated Thickness (feet)	Water Level Change (ft)
MW-1	3,283.12	07/23/15	15.65	26.50	3,267.47	10.9	
		12/15/15	16.54	26.50	3,266.58	10.0	-0.89
MW-2	3,284.34	07/23/15	20.75	27.04	3,263.59	6.3	
		12/15/15	20.16	26.99	3,264.18	6.8	0.59
MW-3	3,284.56	07/23/15	19.79	31.60	3,264.77	11.8	
		12/15/15	20.06	30.94	3,264.50	10.9	-0.27

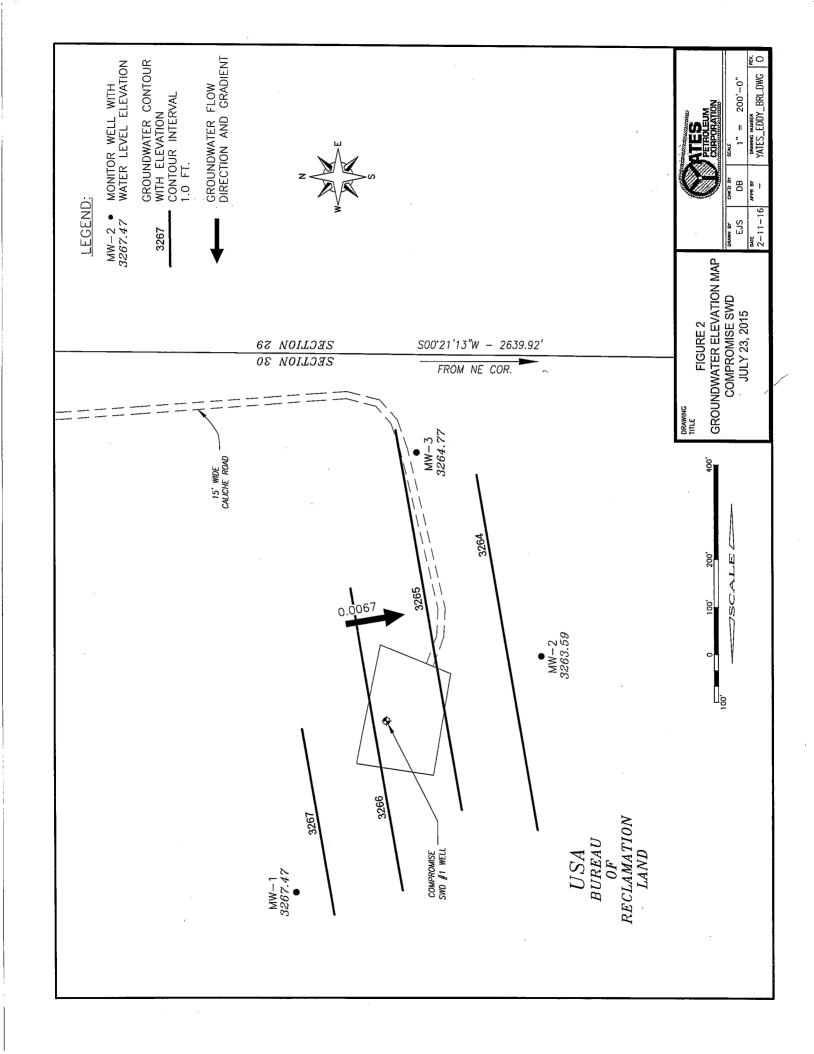
Table 2. Yates Compromise SWD Water Quality Comparison, July 23, 2015

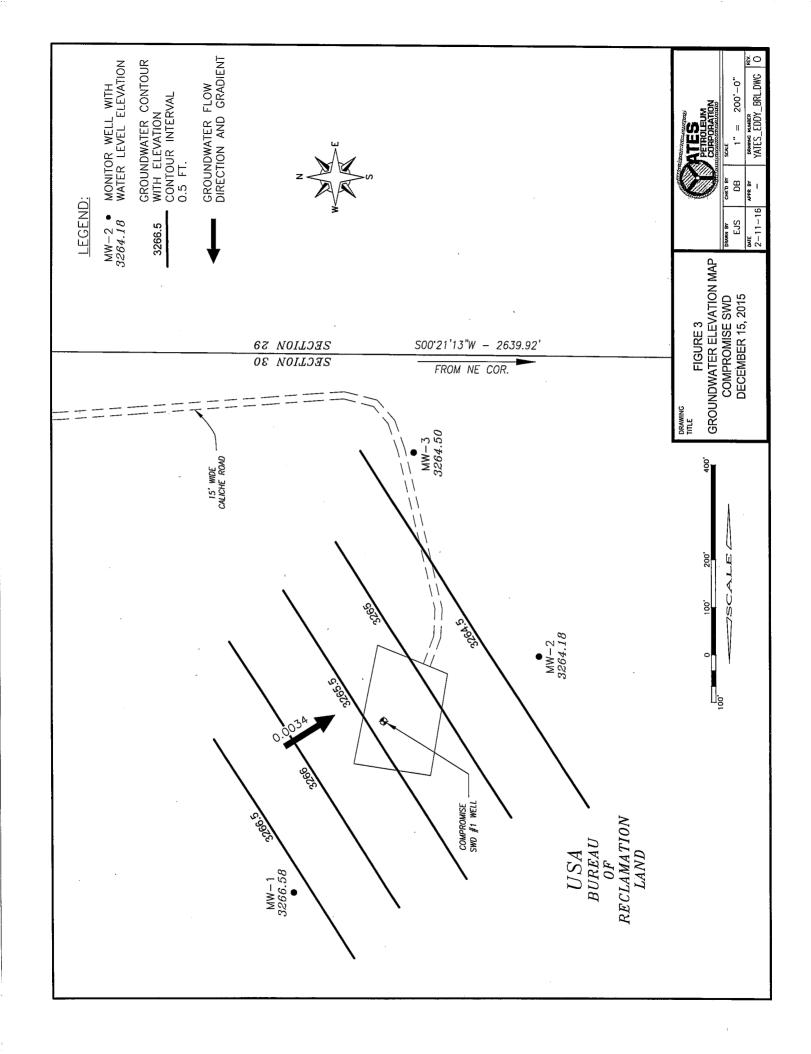
		MW-1			MW-2			MW-3			SWD #1	
CATIONS	mg/L	med/L	%	mg/L	med/L	%	mg/L	med/L	%	mg/L	med/L	%
Sodium	1,500	65.25	48.9	12,000	521.97	55.2	1,600	09.69	48.9	73,000	3,175.29	94.1
Potassium	10	0.26	0.2	18	0.46	0.0	4.1	0.10	0.1	280	14.83	0.4
Calcium	009	29.94	22.5	260	27.94	3.0	760	37.92	26.7	2,700	134.73	4.0
Magnesium	460	37.86	28.4	4,800	395.06	41.8	420	34.57	24.3	280	47.74	1.4
Total Cations		133.31	100.0		945.43	100.0		142.19	100.0		3,372.59	100.0
											,	
ANIONS												
Sulfate	3,200	66.63	53.4	26,000	541.33	52.5	3,300	68.71	46.9	4,300	89.53	2.6
Chloride	1,800	50.78	40.7	17,000	479.55	46.5	2,600	73.34	50.1	120,000	3,385.05	97.3
Bicarbonate	337.1	6.74	5.4	430	8.59	8.0	214.8	4.29	2.9	276	5.52	0.2
Carbonate		0	0.0	0	0	0.0		0	0.0	t I	0	0.0
Nitrate	6.2	0.44	0.4	20	1.43	0.1	Į.	0	0.0	1	0	0.0
Fluoride	1.7	0.09	0.1	3.6	0.19	0.0	:	0	0.0	1	0	0.0
Bromide	1.4	0.02	0.0	18	0.23	0.0	1.2	0.02	0.0	39	0.49	0.0
Total Anions		124.70	100.0		1,031.32	100.0		146.36	100.0		3,480.59	100.0
TDS (measured)	8,130			64,900			8,790			201,365		
Sodium plus Potassium:	sium:		49.1			55.3			49.0			94.6
Cacium plus Magnisum:	isum:		50.9			44.7			51.0			5.4
Sulfate plus Chloride:	de:		94.2			99.0			97.1			99.8
Carbonate plus Bicarbonate:	:arbonate:		5.4			0.8			2.9			0.2
כפו הסוומני לווים	20100					֚֓֡֓֞֝֜֝֟֓֓֓֟֓֓֓֓֓֓֓֟֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֡֓֡֓֡֓֡֓֓֡֓						1

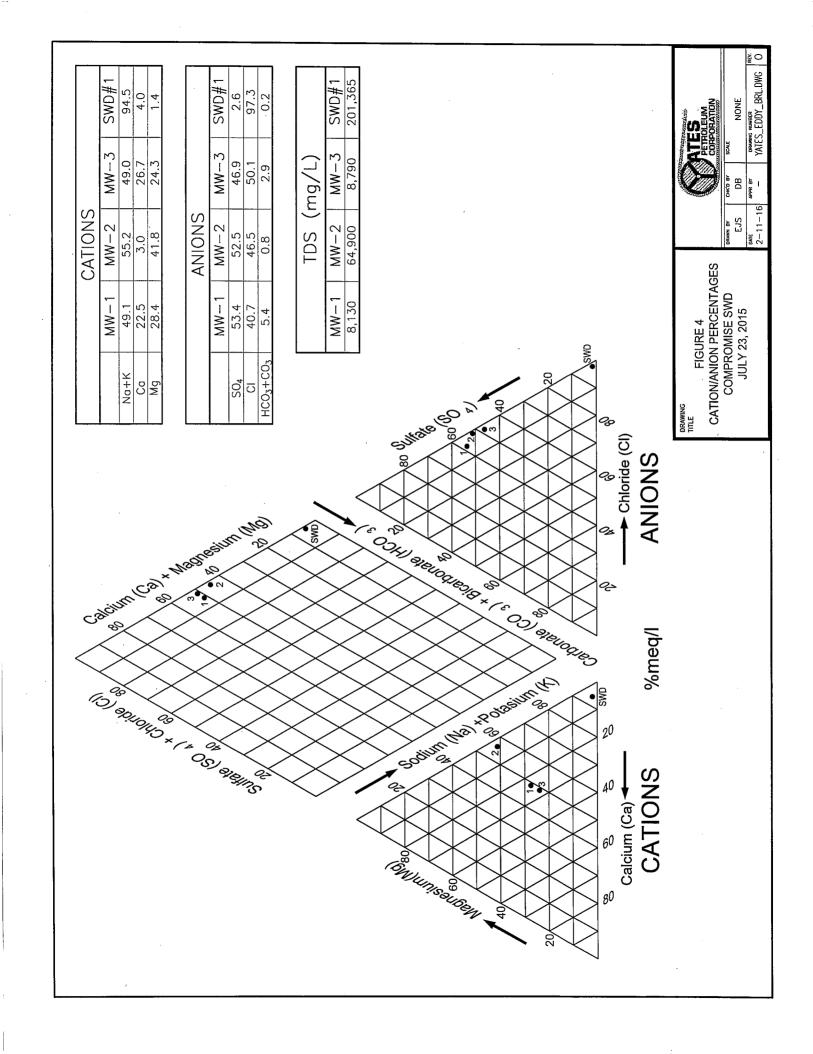
Table 3. Yates Compromise SWD Water Quality Comparison, December 15, 2015

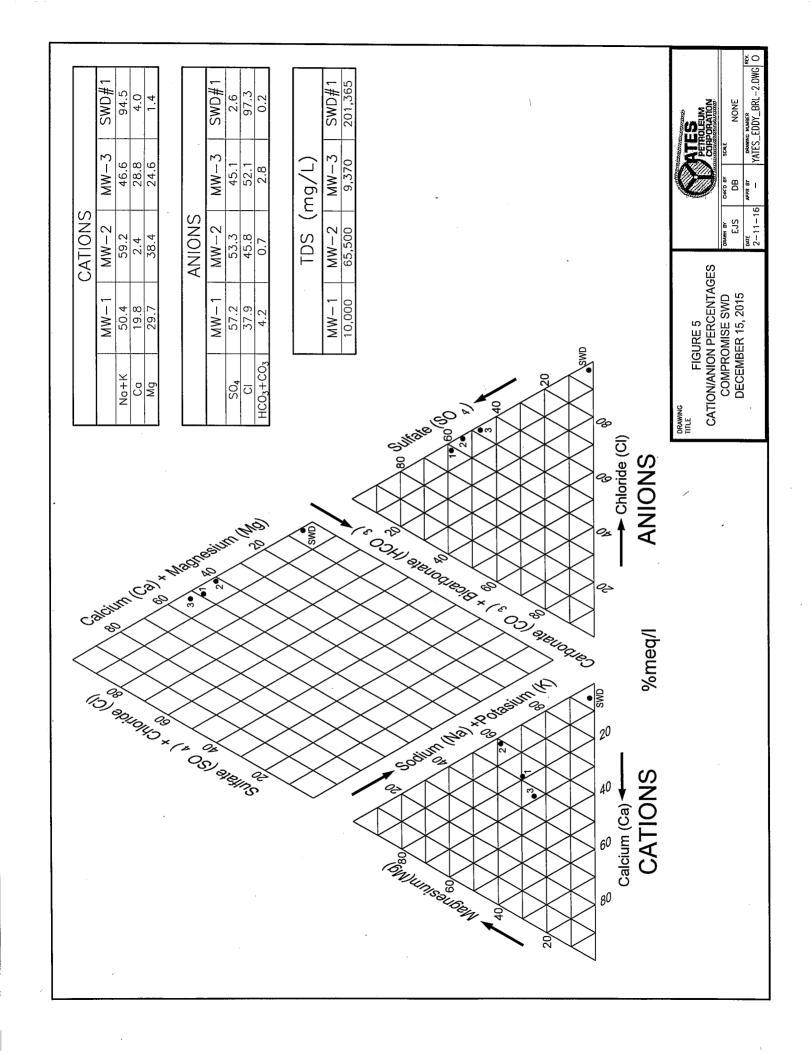
		MW-1			MW-2			MW-3			SWD #1	
CATIONS	mg/L	meq/L	%	mg/L	meg/L	%	mg/L	med/L	%	mg/L	med/L	%
Sodium	1,600	09.69	50.3	14,000	96.809	59.2	1,500	65.25	46.5	73,000	3,175.29	94.1
Potassium	7	0.19	0.1	13	0.33	0.0	6.7	0.17	0.1	580	14.83	0.4
Calcium	550	27.45	19.8	200	24.95	2.4	810	40.42	28.8	2,700	134.73	4.0
Magnesium	500	41.15	29.7	4,800	395.06	38.4	420	34.57	24.6	580	47.74	1.4
Total Cations		138.39	100.0		1,029.30	100.0		140.41	100.0		3,372.59	100.0
ANIONS												
Sulfate	4,500	93.69	57.2	30,000	624.61	53.3	3,400	70.79	45.1	4,300	89.53	2.6
Chloride	2,200	62.06	37.9	19,000	535.97	45.8	2,900	81.81	52.1	120,000	3,385.05	97.3
Bicarbonate	345.4	6.90	4.2	417.6	8.35	0.7	216.7	4.33	2.8	276	5.52	0.2
Carbonate	ı	0	0.0	1	0	0.0		0	0.0	l I	0	0.0
Nitrate	12	98.0	0.5	33	2.36	0.2	- 1	0	0.0	l I	0	0.0
Fluoride	3.1	0.16	0.1		0	0.0	i I	0	0.0	:	0	0.0
Bromide	1	Q	0.0	I I	0	0.0	1 -	0	0.0	39	0.49	0.0
Total Anions		163.67	100.0		1,171.29	100.0		156.93	100.0		3,480.59	100.0
						7						
TDS (measured)	10,000			65,500			9,370			201,365		
				,								
Sodium plus Potassium:	sium:		50.4			59.2			46.6			94.6
Cacium plus Magnisum:	isum:		49.6			40.8			53.4			5.4
Sulfate plus Chloride:	de:		95.2			99.1	,		97.2			8.66
Carbonate plus Bicarbonate:	:arbonate:		4.2			0.7			2.8			0.2











APPENDIX A.
Boring and Well Completion Logs



LOG OF BORING MW-1

(Page 1 of 1)

Monitor Well #1 Yates Petroleum Corp., Compromise SWD #1 SE/4 NE/4 Section 30, T18S, R27E Eddy County, New Mexico N32 721114°, W104.313223°

Date/Time Started Date/Time Completed: 07/22/15, 1200

: 07/21/15, 0700

Drilled By Sampling Method : Enviro-Drill, Inc. : 2 ft. split-spoon

Hole Diameter Drilling Method : 8 1/4 in. OD : Hollow Stem Auger Logged By Client Representative : Amber Griffin

: David Boyer, PG : Harcrow Surveying

			ty, New l , W104.:			Drilling Method Drilling Equipment	: Hollow Stem A : CME-75	luger .	Survey By		: Harcrow Sun	
Depth in Feet	Sample Method	Sample Recovery (ft.)	USCS	GRAPHIC	SS Split S CB Core	Method: Spoon (24") Barrel (5") or Cuttings acovery DESCRIPT	ION	Lab No.	Chlorides (mg/Kg)			
0-	S	တ		ا								
	SS	1.2	CL			LTY CLAY and CLA -I/C staining or odor	Y, brown, dry,	H501913-01	32.0			
	- SS	1.3	CL		staining (4-6 ft. 1.4	LAY, brown, dry, stiff or odor. 4 ft. recovery, CLAY 7 ft., slightly damp 4.	, brown,	H501913-02	80.0			
5-	SS	1.4	J.					H501913-0	224			
	ss	2.0	CL/ML		6-8 ft. SI at base, staining	ILTY CLAY grading to brown, dry, soft at b or odor.	to CLAYEY SILT ase, no H/C	H501913-0	4 96.0			,
	ss	2.0	ML		staining			H501913-0	5 192			
10-			CL		10-12 ft. plastic at	. CLAY, brown, sligh at 12 ft. No H/C stain	tly moist, soft, ing or odor.		'			
	- ss	2.0	OL.					H501913-0	6 240			
JC	- ss	2.0	CL ML		No H/C	. CLAY, saturated st staining or odor. ft. SILT, brown, dry.		_ 4		,	•	
001 Compromise SWDIMW-1bor.b					14-25 ft.	:. SANDY, CLAYEY,	with mud balls.	-1				
Nates Petroleum Corporation/YAT-15-001 Compromise SWD\MY-1bor.bor 7 7 7 7 7 7 7 7 7 7 7 7 7			CL/SC		No defir hydroca	ned permeable zone arbon staining or odd	:s, no ir.					

Notes:

H/C - hydrocarbon

No chloride analysis below 12 feet or where saturated



LOG OF BORING MW-2

(Page 1 of 1)

Monitor Well #2 Yates Petroleum Corp., Compromise SWD #1 SE/4 NE/4 Section 30, T18S, R27E

Date/Time Started Date/Time Completed : 07/22/15, 1200

: 07/21/15, 0930

Drilled By Sampling Method : Enviro-Drill, Inc. : 2 ft. split-spoon

Eddy County, New Mexico N32.719701°, W104.311612°

Hole Diameter : 8 1/4 in. OD Drilling Method

Logged By Client Representative : Amber Griffin : Hollow Stem Auger

: David Boyer, PG

Drilling Equipment : CME-75 Survey By

: Harcrow Surveying

	N32.7	19701	, 00104.	311612	Drilling Equipment : CIVIE-75	Survey by	· · · · · · · · · · · · · · · · · · ·	. Maiclow Suive
		y (ft.)			Sample Method: SS Split Spoon (24")		(a)	
	pot	ove			CB Core Barrel (5')		ng/k	
	Met	Zec		ပ	CT Auger Cuttings		ıs (n	
Depth in	ole [elc F	တ	PHI	NR No recovery]	ride	
Feet	Sample Method	Sample Recovery	nscs	GRAPHIC	DESCRIPTION	Lab No.	Chlorides (mg/Kg)	
0					0-2 ft. SILT, brown, dry, no H/C staining or odor.	T		
_	SS	1.0	ML			H501913-07	144	
_	SS	1.0	ML		2-4 ft. CLAYEY SILT grading to CLAY at 4 ft. dry, hard, no H/C staining or odor	H501913-08	192	
5	ss	2.0	CL		4-6 ft. 4-4.3 ft. slough, 4.3-4.8 ft. SILTY CLAY, brown, 4.8-6.0 ft. CLAY, brown, dry, very stiff, no H/C staining or odor	H501913-09	656	
-	SS	1.3	CL/ML		6-8 ft. 6.0-6.6 ft. CLAY, brown, dry, stiff, 6.6-7.1 ft. CLAYEY SILT, brown, dry, crumbly, hard at base, no H/C staining or odor	H501913-10	656	
-	SS	2.0	CL		8-10 ft. 8-9.3 ft. slough, 9.3-10 ft. SILTY CLAY, brown, dry, caliche or salt flakes, plant root, no H/C staining or odor	H501913-11	1,140	
10-	SS	2.0	CL		10-12 ft. 10-10.7 ft. CLAY, brown, dry & crumbly, 10.7-12 ft. SILTY CLAY, brown, slightly moist, no H/C staining or odor	H501913-12	1,150	
-			CL		12-14 ft. 12-12.7 ft. SILTY CLAY, brown, dry,			
	SS	2.0			12.7-14 ft. SANDY SILT, reddish-brown, slightly moist, no H/C staining or odor			
٠.	<u> </u>		ML		14-16 ft. 14-14.8 ft. SANDY SILT	·		
15-	ss	2.0	SM		14.8-16 ft. SILTY SAND, light brown, very moist, no H/C staining or odor			
	ss	2.2	SM/CL		16-18 ft. 2.2 ft. recovery, 16-16.7 ft. SILTY SAND/SANDY CLAY, light brown. 16.7-17.3 ft.			
] .			CL	VZ	saturated. 17.3-18.2 ft. CLAY with caliche or salt flakes, slightly	1		
				1//	∖moist, very plastic	Λ		
25- Notes: H/C - No ch					18.2-25 ft. Cuttings, SANDY, CLAYEY with mud balls. No defined permeable zones, no H/C staining or odor			
	СТ		CL/SC		·			
25-	<u> </u>	<u> </u>		//		<u> </u>	1	
Notes	_/							
H/C -	hydrocar							
No ch	loride an	alysis b	elow 12 fe	eet or whe	re saturated			
اً								



LOG OF BORING MW-3

(Page 1 of 1)

Monitor Well #3
Yates Petroleum Corp., Compromise SWD #1
SE/4 NE/4 Section 30, T18S, R27E
Eddy County, New Mexico
N32.720417°, W104.310219°

Date/Time Started : 07/21/15, 1225 Date/Time Completed : 07/22/15, 1200

Hole Diameter

: 8 1/4 in. OD

Drilled By Sampling Method Logged By : Enviro-Drill, Inc. : 2 ft. split-spoon : David Boyer, PG

Drilling Method : Hollow Stem Auger Client Ro Drilling Equipment : CME-75 Survey B

Client Representative : Amber Griffin
Survey By : Harcrow Surveying

-		N32.7	20417°	, W104.	310219°		Drilling Equipment	: CME-75		Survey By		: Harcrow Su
	Depth in Feet	Sample Method	Sample Recovery (ft.)	Uscs	GRAPHIC	SS Split CB Core	Method: Spoon (24") Barrel (5') Fr Cuttings ecovery DESCR	IPTION		Lab No.	Chlorides (mg/Kg)	
	0-					0-2 ft. C	LAY and SILTY CLAY	, brown, dry, hard, no		1		
		SS	1.0	CL			ning or odor	•		H501913-13	144	
	_	SS	1.4	CL		or odor		y, hard, no H/C staining		H501913-14	336	
	5 -	SS	1.1	CL		or odor	·	y, hard, no H/C staining		H501913-15	992	
	-	ss	2.0	CL		staining		·	<u></u>	H501913-16	1,260	
	-	SS	1.4	CL ML		8.8-9.4	8-8.8 ft. SILTY CLAY, ft. SILT, brown, some ining or odor	brown, dry, friable. fine grained sand, no		H501913-17	1,280	
	10-	ss	1.4	ML/CL		10-12 ft CLAY a	. CLAYEY SILT gradi it 12 ft. brown, dry, no		to	H501913-18	2,720	
		SS	2.2	SP ML		12.6-13		own, dry. vn, very fine grained, dr own, slightly moist, no	<u>_</u>			
	15-	ss	2.2	CL		H/C sta 14-16 ft	ining or odor t. SANDY, SILTY CLA	Y, brown, slightly moist				
of of		SS	2.2			1 small ca	t. CLAY, brown, w/cal	cite or salt crystals and plastic	/			
IW-3bor.bo		SS	2.2			18-20 ft	t. CLAY, brown, with o	aliche or salt flakes and stiff, dry, no H/C staining				
SWD/IN	20-	ss	2.2			or odor	•					
Yates Petroleum Corporation\YAT-15-001 Compromise SWD\MW-3bor.bor	25-	-		CL		or odor.	t. CLAY, brown, siigni : coon every 5 ft. begin	ly plastic, no H/C stainir	צי			
tion/YAT-15		- ss	2.2									
im Coroora		4			 	61 '	sand contact undetern					
tec Petrolei	30-	СТ		SP			ft. Flowing SAND, ver g or odor	y fine grained, no H/C				
ţ	1					· · · · · · · · · · · · · · · · · · ·						

Notes:

H/C - hydrocarbon

No chloride sampling below 12 feet. Split spoon every 2 feet to 22 feet then every 5 feet

1-1-71-11



WELL COMPLETION LOG MW-1

(Page 1 of 1)

Monitor Well #1 Yates Petroleum Corp., Compromise SWD #1 SE/4 NE/4 Section 30, T18S, R27E Eddy County, New Mexico

Notes:

H/C - hydrocarbon

: 07/21/15, 0700 Date/Time Started Date/Time Completed: 07/22/15, 1200 Hole Diameter

: 8 1/4 in. OD : Hollow Stem Auger Drilled By Sampling Method Logged By

: Enviro-Drill, Inc. : 2 ft. split-spoon : David Boyer, PG

			ty, New Mexico , W104.313223°	Drilling Method Drilling Equipment	: Hollow Stem Auger : CME-75		t Representative : Amber Griffin ey By : Harcrow Surveying
epth in eet	uscs	GRAPHIC	Water Levels ▼ During Drilling ▼ After Completion DESCE	RIPTION	П	o Cover etal ox	Well Construction Information
0-	CL		0-2 ft. SILTY CLAY and stiff, no H/C staining or	CLAY, brown, dry, odor		ement grout	COMPLETION DATA Hole Depth : 25 ft. Below LS TD Inside casing : 26.50 ft. Below TOC Top casing : 2.8 ft. above ground
5-	CL		2-4 ft. CLAY, brown, dry staining or odor. 4-6 ft. 1.4 ft. recovery, C dry 4-4.7 ft., slightly dan	LAY, brown,		C casing ntonite seal	CASING, SCREEN & CAP Material, joints : PVC, threaded Diameter : 2 in. 1D Manufacturer : Monoflex Screen type : Slotted Screen length : 15 ft. Screen opening : 0.010 slot Scrn. placement : 8.5-23.5 ft. BLS
- - - 10-	CL/ML ML CL		6-8 ft. SILTY CLAY grad at base, brown, dry, sof staining or odor. 8-10 ft. SILT grading to staining or odor. 10-12 ft. CLAY, brown, plastic at 12 ft. No H/C	t at base, no H/C CLAY at 9 ft. No H/C slightly moist, soft,			Bottom Cap : 0.2 ft PVC Protector Casing : Above-ground steel Lock Key # : (Yates lock) SEALS & SAND PACK Cement seal type : Cement grout Cem't placement : 0 - 2 ft. BLS Annular seal type : Bentonite 3/8" chips Seal placement : 2-6.4 ft. BLS Sand pack type : 10/20 Casuses sili Sand placement : 6.4-23.7 ft. BLS Bottom hole backfill : 23.7-25 ft. Native fill ELEVATIONS.
15-	CL ML		12-14 ft. CLAY, saturate No H/C staining or odor 13.1-14 ft. SILT, brown or odor.	·	- J	and pack	Ground elevation : 3280.32 ft. Top of concrete pad : 3280.56 ft. Top of PVC casing : 3283.12 ft. WELL INSTALLATION: 7/21/15: Drilled to 25 feet. Saturated 12.5 ft. Set pipe/screen to 24 ft. Placed sand (12 bags) to 6.4 ft. Bentonite (2 bags) to 2 ft. Cement/bentonite grout (Quikcrete
20-	CL/SC		14-25 ft. Cuttings, SAN mud balls. No defined p hydrocarbon staining o	permeable zones, no	P\	/C screen	w/6% Portland cement) to surface and cement above-ground steel protection bow with 3'x3' concrete pad. WELL DEVELOPMENT: 7/22/15: Depth to water 12:6 ft. below ground surface, TD 23.3 ft. BGS before developing. Well developed with steel bailer, plastic bailer and sample pump. Approx. 20 gallons sediment and water. Solid bottom but very turbid at end. 7/23/15: Purged additional 14+ gallons to low turbidity, then sampled.
25-					B ₁	ottom cap lough backfill	Water Level Measurements: 07/23/15 - 15.65 ft. BTOC



WELL COMPLETION LOG MW-2

(Page 1 of 1)

Monitor Well #2 Yates Petroleum Corp., Compromise SWD #1 SE/4 NE/4 Section 30, T18S, R27E Eddy County, New Mexico

Notes:

H/C - hydrocarbon

Date/Time Started Date/Time Completed

: 07/21/15, 0930 : 07/22/15, 1200

Sampling Method Logged By

: Enviro-Drill, Inc. : 2 ft. split-spoon

Hole Diameter **Drilling Method** : 8 1/4 in. OD : Hollow Stem Auger

Client Representative : Amber Griffin

Drilled By

: David Boyer, PG

: Harcrow Surveying Survey By N32 719701° W104 311612° Drilling Equipment : CME-75 Water Levels ▼ During Drilling ∇ After Completion Well: MW-2 Elev.: 3284.34 **SRAPHIC** Depth Flip Cover Well Construction USCS in Information DESCRIPTION Feet Metal Box 0 0-2 ft. SILT, brown, dry, no H/C staining or COMPLETION DATA Quikcrete Hole Depth : 25 ft. Below LS ML 27.04 ft. Below TOC TD Inside casing 2.8 ft. above ground level Top casing 2-4 ft. CLAYEY SILT grading to CLAY at 4 ft. CASING, SCREEN & CAP dry, hard, no H/C staining or odor Cement grout Material, joints PVC, threaded ML Diameter 2 in. ID Manufacturer Monoflex Slotted PVC casing 4-6 ft. 4-4.3 ft. slough, 4.3-4.8 ft. SILTY Screen type Screen length 15 ft. CLAY, brown, 4.8-6.0 ft. CLAY, brown, dry, CL 0.010 slot Screen opening very stiff, no H/C staining or odor : 9 - 24 ft. BLS : 0.2 ft PVC Scrn. placement Bottom Cap Protector Casing 6-8 ft. 6.0-6.6 ft. CLAY, brown, dry, stiff, Bentonite seal : Above-ground steel : (Yates lock) Lock Key# 6.6-7.1 ft. CLAYEY SILT, brown, dry, CL/MI crumbly, hard at base, no H/C staining or SEALS & SAND PACK odor Cement seal type : Cement grout : 0 - 5 ft. BLS 8-10 ft. 8-9.3 ft. slough, 9.3-10 ft. SILTY Cem't placement Bentonite 3/8" chips Annular seal type CLAY, brown, dry, caliche or salt flakes, CL Seal placement 5 - 7 ft. BLS plant root, no H/C staining or odor Sand pack type : 10/20 Carmeuse silica 7 - 24 ft. BLS 10 Sand placement 10-12 ft. 10-10.7 ft. CLAY, brown, dry & Bottom hole backfill : 24 - 25 ft. Native fill crumbly, 10.7-12 ft. SILTY CLAY, brown. CL ELEVATIONS. slightly moist, no H/C staining or odor Ground elevation : 3281.55 ft. Top of concrete pad : 3281.77 ft. Top of PVC casing : 3284.34 ft. Files\Yates Petroleum Corporation\YAT-15-001 Compromise SWD\Boring logs\MW-Zwell.bor 12-14 ft. 12-12.7 ft. SILTY CLAY, brown, dry, CL 12.7-14 ft. SANDY SILT, reddish-brown, slightly moist, no H/C staining or odor ML WELL INSTALLATION: 14-16 ft. 2 ft. recovery, 14-14.8 ft. SANDY 7/21/15: Drilled to 25 feet. Saturated 16.7 SILT ft. Set pipe/screen to 24 ft. Placed sand -Sand pack 15 14.8-16 ft. SILTY SAND, light brown, very (12 bags) to 7 ft. Bentonite (1 bag) to 5 ft. SM moist, no H/C staining or odor Cement/bentonite grout (Quikcrete w/6% 16-18 ft. 2.2 ft. recovery, 16-16.7 ft. SILTY SAND/SANDY CLAY, light brown. 16.7-17.3 Portland cement) to 1 ft. and Quikcrete to SM/C surface. Cement above-ground steel PVC screen ft. saturated. protection box with 3'x3' concrete pad. V CL 17.3-18.2 ft. CLAY with caliche or salt flakes, WELL DEVELOPMENT: \slightly moist, very plastic. 7/22/15: Depth to water 17.8 ft. below 18,2-25 ft. Cuttings, SANDY, CLAYEY with ground surface, TD 24.0 ft. BGS before mud balls. No defined permeable zones, no developing. Well developed with steel 20. H/C staining or odor bailer, plastic bailer and sample pump. Purged dry at 8-10 gallons, still very turbid. 7/23/15: Purged additional 3 gallons to dryness. Sampled with bailer upon recovery. Bottom cap Slough backfill Water Level Measurements: 07/23/15 - 20.75 ft. BTOC 25



WELL COMPLETION LOG MW-3

(Page 1 of 1)

Monitor Well #3 Yates Petroleum Corp., Compromise SWD #1 SE/4 NE/4 Section 30, T18S, R27E

: 07/21/15, 1225 Date/Time Started Date/Time Completed: 07/22/15, 1200 Hole Diameter : 8 1/4 in. OD · Hallow Stem Auger Drilling Mothod

Sampling Method Logged By Client Representative

Drilled By

: 2 ft. split-spoon : David Boyer, PG : Amber Griffin

: Enviro-Drill, Inc.

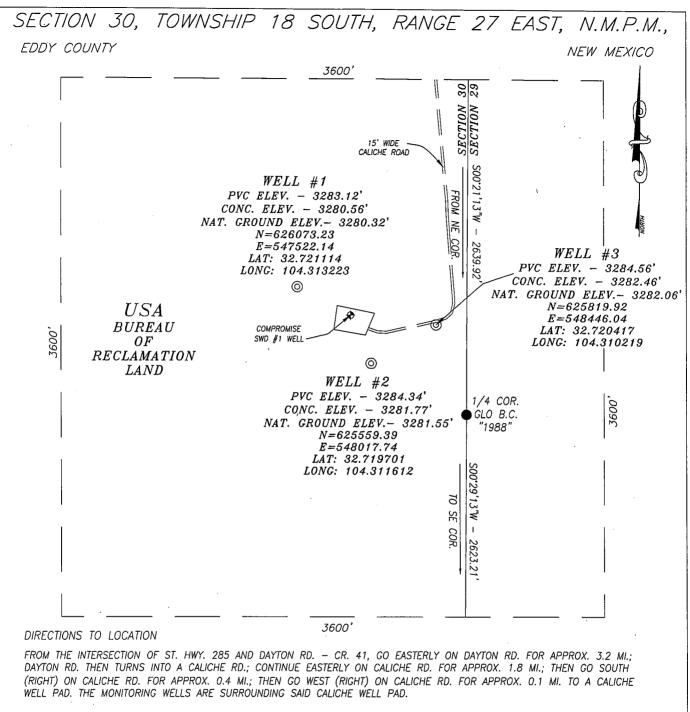
	Eddy N32.72	y Count 20417°	ty, New Mexico , W104.310219°	Drilling Method Drilling Equipment	: Hollow Ste : CME-75	em Auger	Client Re Survey E	epresentative : / By : I	Amber Griffin Harcrow Surveying
Depth in Feet	USCS	GRAPHIC	Water Levels ▼ During Drilling ▽ After Completion DESCRI	PTION		: MW-3 :: 3284.56 Flip Cover Metal Box			onstruction ormation
0- 5- 5-	CL CL CL CL ML ML/CL		0-2 ft. CLAY and SILTY Chard, no H/C staining or coor 2-4 ft. SILTY CLAY, browstaining or odor 4-6 ft. SILTY CLAY, browstaining or odor 6-8 ft. SILTY CLAY, browH/C staining or odor 8-10 ft. 8-8.8 ft. SILTY Claying or coor 10-12 ft. CLAYEY SILT grand, no H/C staining or 10-12 ft. CLAYEY SILT grands.	odor n, dry, hard, no H/C n, dry, hard, no H/C n, dry, friable, no AY, brown, dry, ome fine grained odor grading to SILTY		— Cement gro — PVC casing — Bentonite so	eal Sc	OMPLETION DA' ble Depth O Inside casing op casing ASING, SCREEN aterial, joints ameter anufacturer creen type creen length breen opening crn, placement bottom Cap rotector Casing bock Key # EALS & SAND P ement seal type em't placement nnular seal type eal placement	: 32 ft. Below LS : 31.60 ft. Below TOC : 2.5 ft. above ground level & CAP : PVC, threaded : 2 in. ID : Monoflex : Slotted : 20 ft. : 0.010 slot : 9 - 29 ft. BLS : 0.2 ft PVC : Above-ground steel : (Yates lock)
15-			CLAY then to CLAY at 12 H/C staining or odor 12-14 ft. 12-12.6 ft. CLAY 12.6-13.6 ft. SAND, light grained, dry 13.6-14.2 ft. SANDY SIL moist, no H/C staining or 14-16 ft. SANDY, SILTY	r, brown, dry. brown, very fine T, brown, slightly odor	_ / _ / 	—Sand pack	Si Si E GT	and pack type	: 10/20 Carmeuse silica : 7 - 28.5 ft. BLS : 1 : 28.5 - 32 ft. Native : sand fill : 3282.06 ft. ad : 3282.46 ft.
20-	CL		slightly moist, no H/C. 16-18 ft. CLAY, brown, w crystals and small calich plastic 18-20 ft. CLAY, brown, w flakes and small crystals 20-22 ft. CLAY, brown, w staining or odor	//calcite or salt e fragments, dry, /ith caliche or salt , dry, hard	_ /	PVC scree	n 7.3 2 B C P	2 ft. Saturated 30 9 ft. Placed sand sentonite (1 bag) cement/bentonite ortland cement) bove-ground ste	30 feet, split-spoon to 0 ft. Set pipe/screen to (20 bags) to 7 ft. to 4.5 ft. hydrated. grout (Quikcrete w/6% to surface and cement el protection box with
25-			25-27 ft. CLAY, brown, s H/C staining or odor. (split spoon every 5 ft. b	eginning at 25 ft.)		Bottom ca	V 7 9 dd b	ground surface, T developing. Well of pailer and plastic gallons sediment but very turbid at 2/23/15: Continue	MENT: water 17.2 ft. below D 26.5 ft. BGS before developed with steel bailer. Purge approx.18 and water. Solid bottom end. ed purging with sample
30-	SP		30-32 ft. Flowing SAND, no H/C staining or odor	-		- Native san	id v	ery turbid with di	3 gallons to dryness, still ark brown very fine mpled with bailer on

Notes:

H/C - hydrocarbon

Water Level Measurements: 07/23/15 - 19.79 ft. BTOC

APPENDIX B Harcrow Surveying Plats



COORDINATES, DISTANCES AND VERTICAL DATUM SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983 AS OBSERVED WITH GPS STATIC OBSERVATION AND OPUS SOLUTION AT WELL #3 AND THEN UTILIZING A CONVENTIONAL LEVEL TO LOOP THROUGH WELLS # 1 AND #2 FOR VERTICAL DATUM SHOWN HEREON.

HARCROW SURVEYING, LLC 2314 W. MAIN ST, ARTESIA, N.M. 88210 PH: (575) 746-2158 FAX: (575) 746-2158 c.harcrow@harcrowsurveying.com



600	0	600	1200	Feet
	Scalar	1"=600'		

SAFETY AND ENVIRONMENTAL SOLUTIONS

A SURVEY OF 3 MONITORING WELLS
LOCATED IN SECTION 30, TOWNSHIP 18 SOUTH,
RANGE 27 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

SURVEY DATE: JULY 30, 2015 PAGE: 1 OF 1

DRAFTING DATE: AUGUST 13, 2015

APPROVED BY: CH DRAWN BY: SP FILE: 15-927

THE TOTAL OF THE PARTIES OF

