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Report Description

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App Number: pKJ1618333341

1RP - 4323

CROSS BORDER RESOURCES, INC.

HOBBS OCD

MAY 13 2011

RECEIVED

Cross Border Resources, Inc.
Amoco #3 Tank Battery
Remediation Plan

Lease:
Amoco #3 Tank Battery
Located 660 FSL & 660FWL of Sec 26 -T7S-R31E
Coordinates: N 33.67234 W-103.75095
API #30-005-20634
Chaves County, NM

Prepared for
Bureau of Land Management
&
Cross Border Resources, Inc.

April 26th, 2011

Prepared by:
Baseline Solutions, LLC
Andy Price
Midland, Texas

4323

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INTRODUCTION

Purpose:

Cross Border Resources Inc., will conduct a remediation of the historic spill resulting in saturated soils at the "Amoco #3 Tank Battery".

Scope:

The scope of this project is to adhere to Bureau of Land Management guidelines as well as good and prudent environmental practices. The guidelines are listed in the body of this plan.

1. NOTIFICATION OF LEAK/SPILL AND INTENT TO CONDUCT REMEDIATION OPERATION

- BLM personnel conducted a site inspection on December 10, 2010. This date was before Cross Border Resources acquired the lease. The remediation plan within the body of this report along with BLM Form 3160-5 is being presented to BLM by Cross Border Resources with intent to conduct remediation operations at the Amoco #3 tank battery.
- This tank battery facility services the Amoco lease wells 4, 6, 7 & 8. Well #3 which is on the same location is currently not active.
- The New Mexico Oil Conservation Division will be contacted and OCD reporting Form C141 properly filed as required by OCD Rule 116.

A. CONTACT

Cross Border Resources, Inc.
Larry Risley 210-226-6700
22610 US Hwy 281North, Suite 218
San Antonio, TX 78258

B. HISTORIC SPILL LOCATION (see app. B)

- Amoco #3, Tank Battery
Located 660 FSL & 660FWL of Sec 26 -T7S-R31E
Coordinates: N 33.67234 W-103.75095
Chaves County, NM
API #3000520634

C. TIME OF INCIDENT

Observed by BLM personnel on December 10, 2010.

D. DISCHARGE EVENT

This is an historic spill/leaks which occurred prior to Cross Border Resources, Inc. acquiring this lease.

E. TYPE OF DISCHARGE – Oil and Saltwater

Flowline and tank over flow containing crude oil

F. QUANTITY

The estimated volume of the discharge is considered to be 20bbls.

2. SITE ASSESSMENT

A. GENERAL SITE CHARACTERISTICS

SITE RANKING – According to NMOCD “Spill Clean up Guidelines” for “Unsaturated Contaminated Soils”

The general site characteristics obtained during the site assessment was used to determine the appropriate soil remediation action levels using a risk based approach. Subject site soils were contaminated by saltwater and petroleum constituents and were scored according to the ranking criteria below to determine their relative threat to public health, fresh waters and the environment.

Ranking Criteria

Depth To Ground Water	Ranking Score
<50 feet	20
50 - 99	10
>100	0

- Depth to ground water is approximately 200 or more (according to available data please app. C). USGS measurements were taken from the closest water well (on record), with the following description:

New Mexico Office of the State Engineer
POD Reports and Downloads

AVERAGE DEPTH OF WATER REPORT 07/28/2008 (Depth Water in Feet)

Bsn	Tws	Rng	Sec	Wells	Min	Max	Avg
RA	07S	30E	27	1	235	235	235
RA	07S	30E	31	1	600	600	600

- The NMOCD rating is considered to be 0.

Wellhead Protection Area

<1000 feet from a water source, or;	
<200 feet from private domestic water source	
Yes	20
No	0

Distance To Surface Water Body

<200 horizontal feet	20
200 - 1000 horizontal feet	10
>1000 horizontal feet	0

From NMOCD "Spill Clean up Guidelines"

Recommended Remediation Action Level. The total ranking score determines the degree of remediation that may be required at any given site. The total ranking score is the sum of all four individual ranking criteria listed in Section IV.A.2.a.

Total Ranking Score for this spill site is considered to be 10 (please see app. C).

Recommended remediation action is to conduct "dig and haul" operations with soil being disposed of at the nearest OCD approved disposal site – Gandy's Disposal facility. Conduct field screening sampling and certified lab analysis. Once acceptable levels have been reached and verified the area should then be backfilled with clean soil.

B. SOIL/WASTE CHARACTERISTICS

- The approximate spill area is 30ft X 115ft
- Soil Sampling shall be conducted to determine the horizontal and vertical extent of soil contamination.
- Constituents to be tested for include:
 - Chlorides
 - Total Petroleum Hydrocarbons (TPH)
- Analysis
 - Field instrumentation such as a photoionization detector will be used to screen field samples for excavation purposes only.
 - Samples to establish levels of Chlorides and TPH or lack of, shall be taken to an EPA certified lab for analysis (Trace Analysis – Midland).

3. Soil Sampling Procedures For Laboratory Analysis

A. Sampling Procedures

Soil sampling for laboratory analysis shall be conducted according to BLM and OCD approved industry standards or other OCD-approved procedures. Soil sampling procedures and laboratory analytical methods shall be as follows:

- Collect samples in clean, air-tight glass jars supplied by the laboratory which will conduct the analysis.
- Label the samples with a unique code for each sample.
- Cool and store samples with or on ice.
- Promptly deliver samples to the lab for analysis following chain of custody procedures.
- All samples will be analyzed within the holding times for the laboratory analytical method specified by EPA.

B. Analytical Methods

- All soil samples will be analyzed using EPA methods, or by other OCD approved methods and must be analyzed within the holding time specified by the method.

4. REMEDIATION

The remediation plan proposed within the body of this report is subject to BLM and NMOCD approval.

A. SOIL REMEDIATION

1. Contaminated Soils

Soil shall be excavated from the saturated area until a representative sample from the walls and bottom of the excavation are within acceptable TPH and Chloride levels.

B. Soil Management

Proposed contaminated soil management must be approved by BLM and NMOCD.

- **Recommendation: Dig and Haul method. Remove contaminated soil and dispose of at nearest OCD approved disposal site.**

5. TERMINATION OF REMEDIAL ACTION

Remedial action will be terminated when acceptable levels of TPH and Chlorides have been reached.

6. FINAL CLOSURE

The remediation area will be backfilled with appropriate soil.

7. FINAL REPORT

Upon completion of remedial activities a final report summarizing all actions taken to abate environmental damage related to the historic spill will be provided to BLM and OCD for approval.

8. TARGET LOCATION SCHEDULING

- Sampling completed by 5/20/11
- Remediation – Conduct dig and haul operations. Excavate and backfill site by 6/20/11
- Closing documentation and report by 7/20/11
- Listed dates are tentative and are subject to BLM approval

9.0 Limitations

This report was prepared exclusively for use by Cross Border Resources, Inc. The contents of the report shall not be disseminated to, or used by any other party without Cross Border Resources, Inc., written consent.

Baseline Solutions hereby gives notice that any statement or opinion in this report shall not be construed to create any warranty or representation that the real property on which the investigation was conducted is free of pollution or complies with any or all applicable regulatory or statutory requirements, or that the property is fit for any particular purpose.

Unless otherwise indicated in this report, no attempt was made to check on the compliance of present or past owners of the site with federal, state or local laws and regulations.

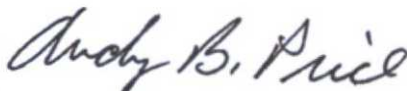
The conclusions presented in this report were based on the services described, and not on specific tasks or procedures beyond the scope of described services or the time and budgetary constraints imposed by Cross Border Resources, Inc.

Person or entity considering use, acquisition, or other involvement or activity concerning the property shall be solely responsible for determining the adequacy of the property for any and all uses for which that person or entity shall use the property. Any person or entity considering the use, acquisition, or other involvement or activity concerning the property which is the subject of this report should enter into any use, occupation, acquisition, or the like on sole reliance of its own judgment and on its own personal investigation of such property, and not in reliance on any representation made by Baseline Solutions regarding such property, the character quality, or its value. Baseline Solutions performed environmental services in a professional manner using that degree of skill and care exercised for similar projects under similar conditions by reputable and competent environmental consultants. Baseline Solutions shall not be responsible for conditions or consequences arising from relevant facts that were concealed, withheld, or not fully disclosed at the time the environmental services were conducted.

QUALIFICATIONS AND SIGNATURE OF ENVIRONMENTAL PROFESSIONAL

Prepared By Baseline Solutions, LLC:

Andy B. Price

A handwritten signature in cursive script that reads "Andy B. Price".

Registered Environmental Professional Registry #9116

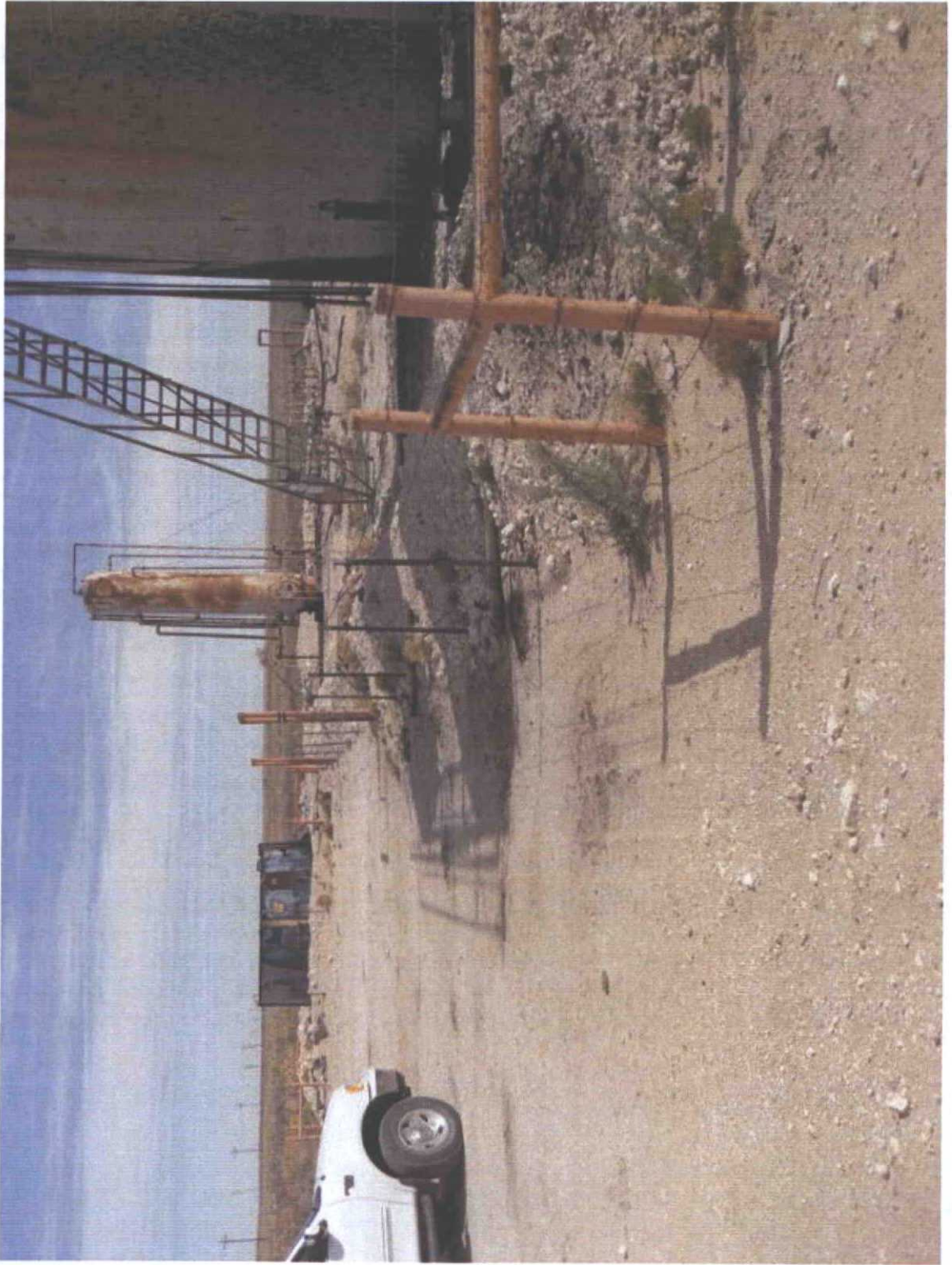
Appendices

Appendices A – Photos

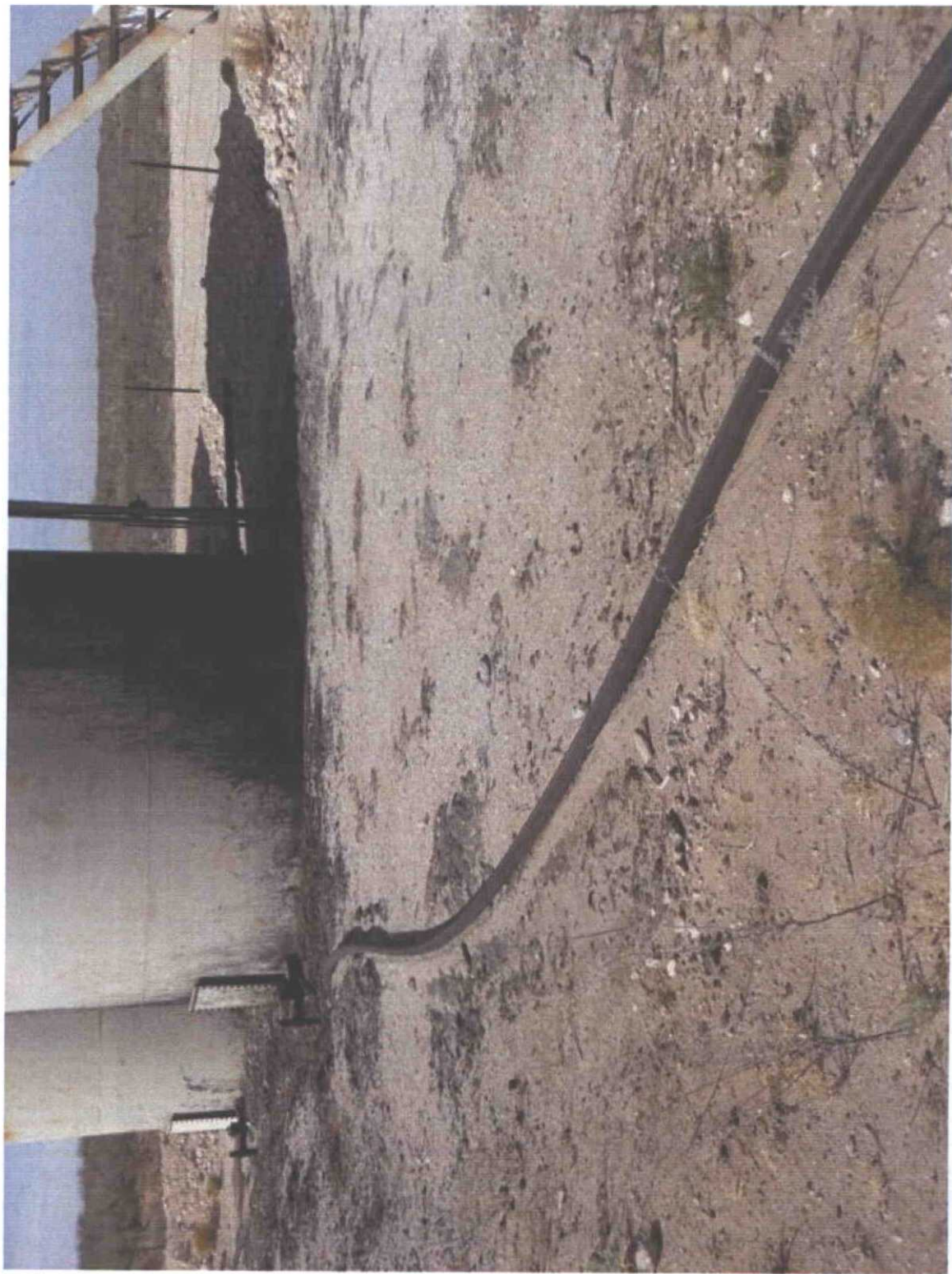
Appendices B – Maps

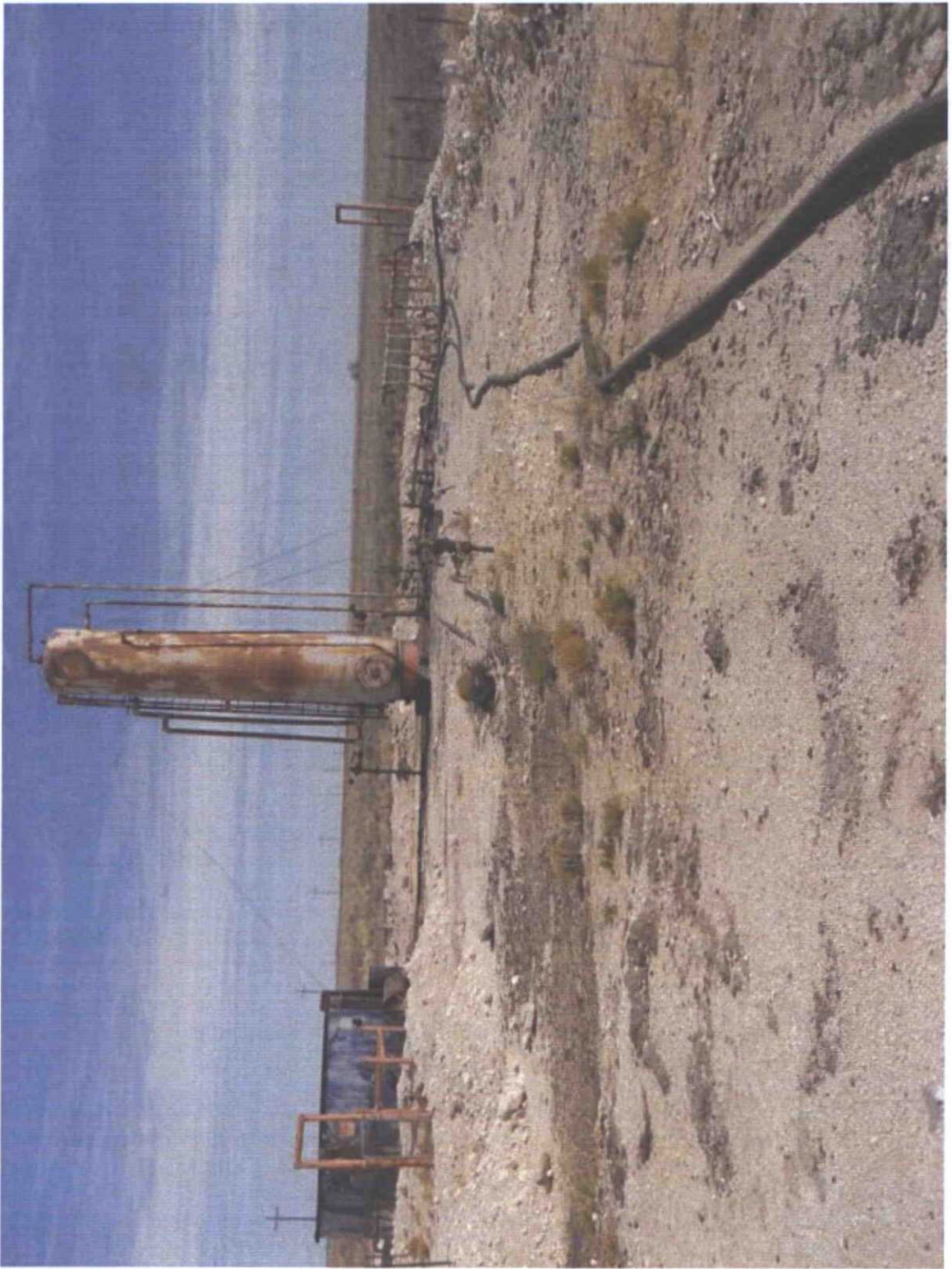
Appendices C – Hydrology

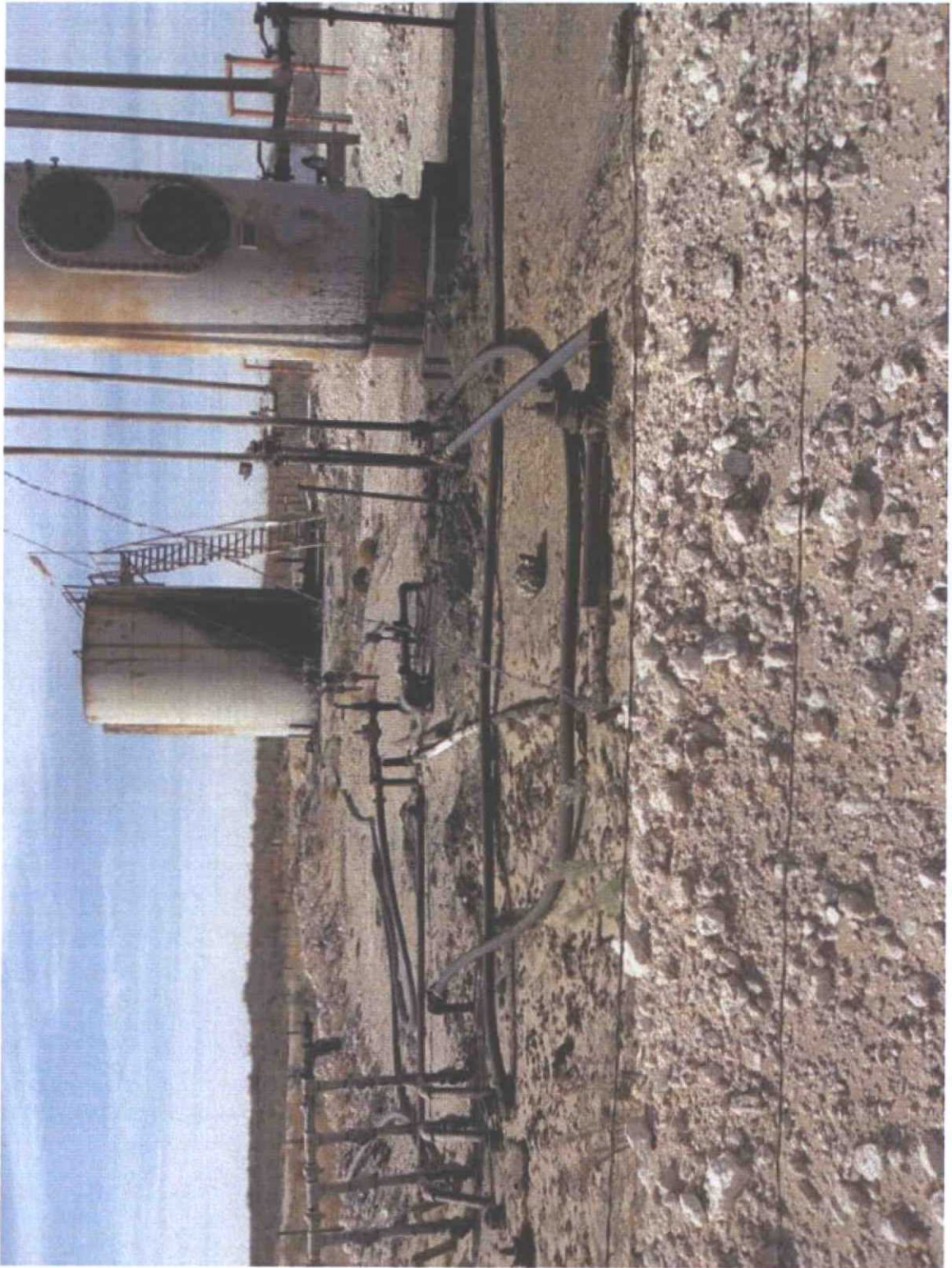
Appendices D – BLM Form 3160-5

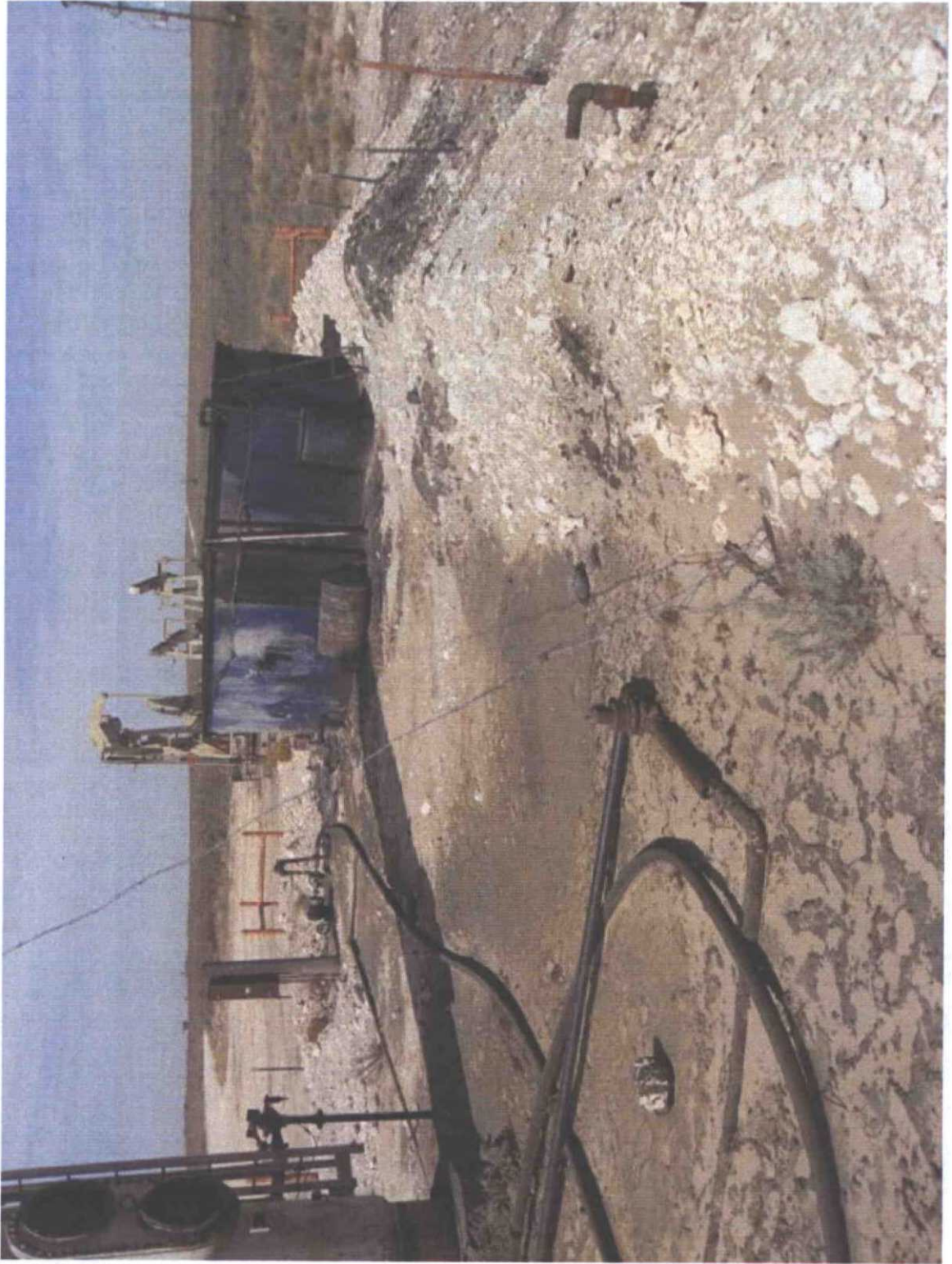


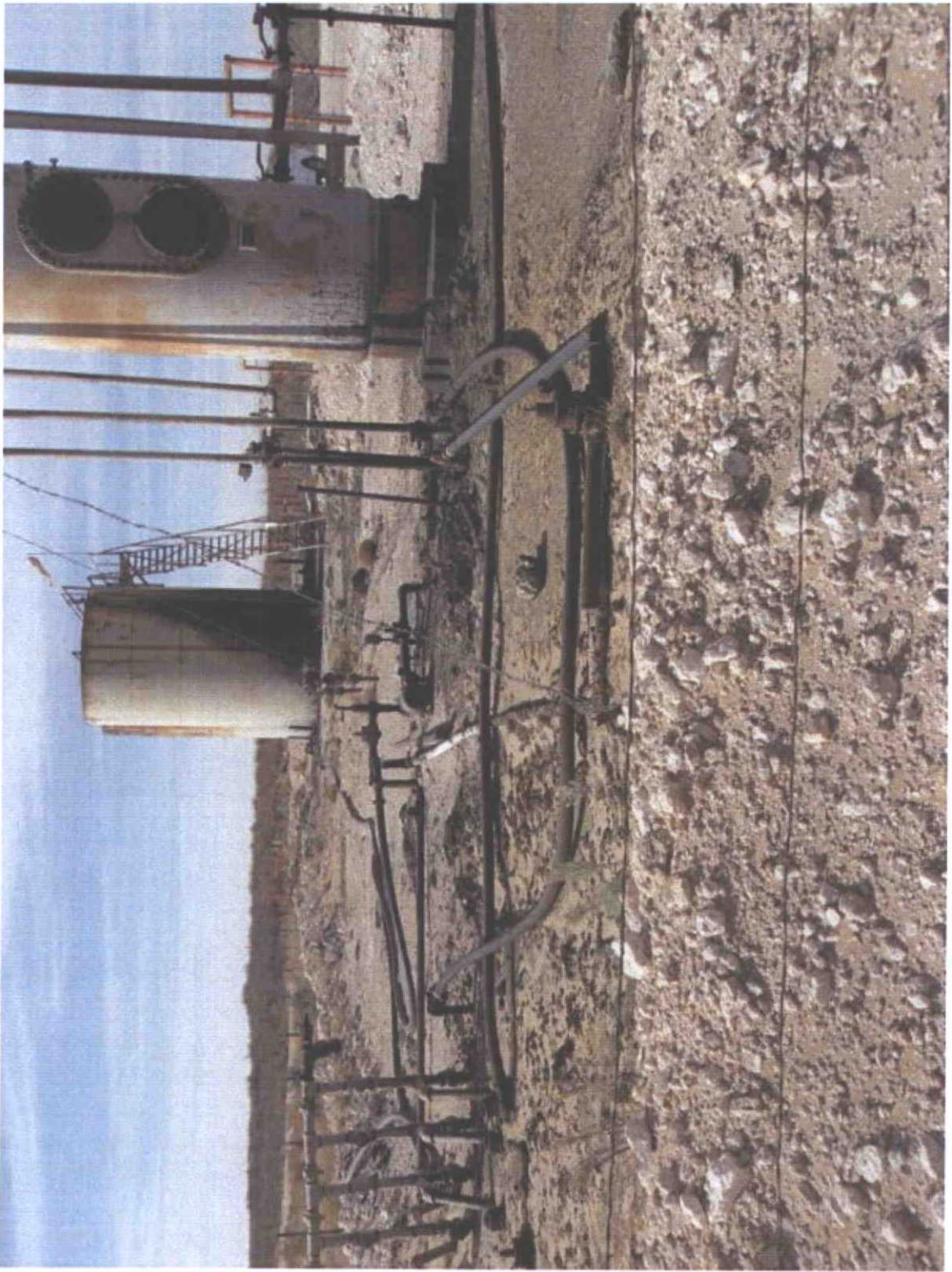


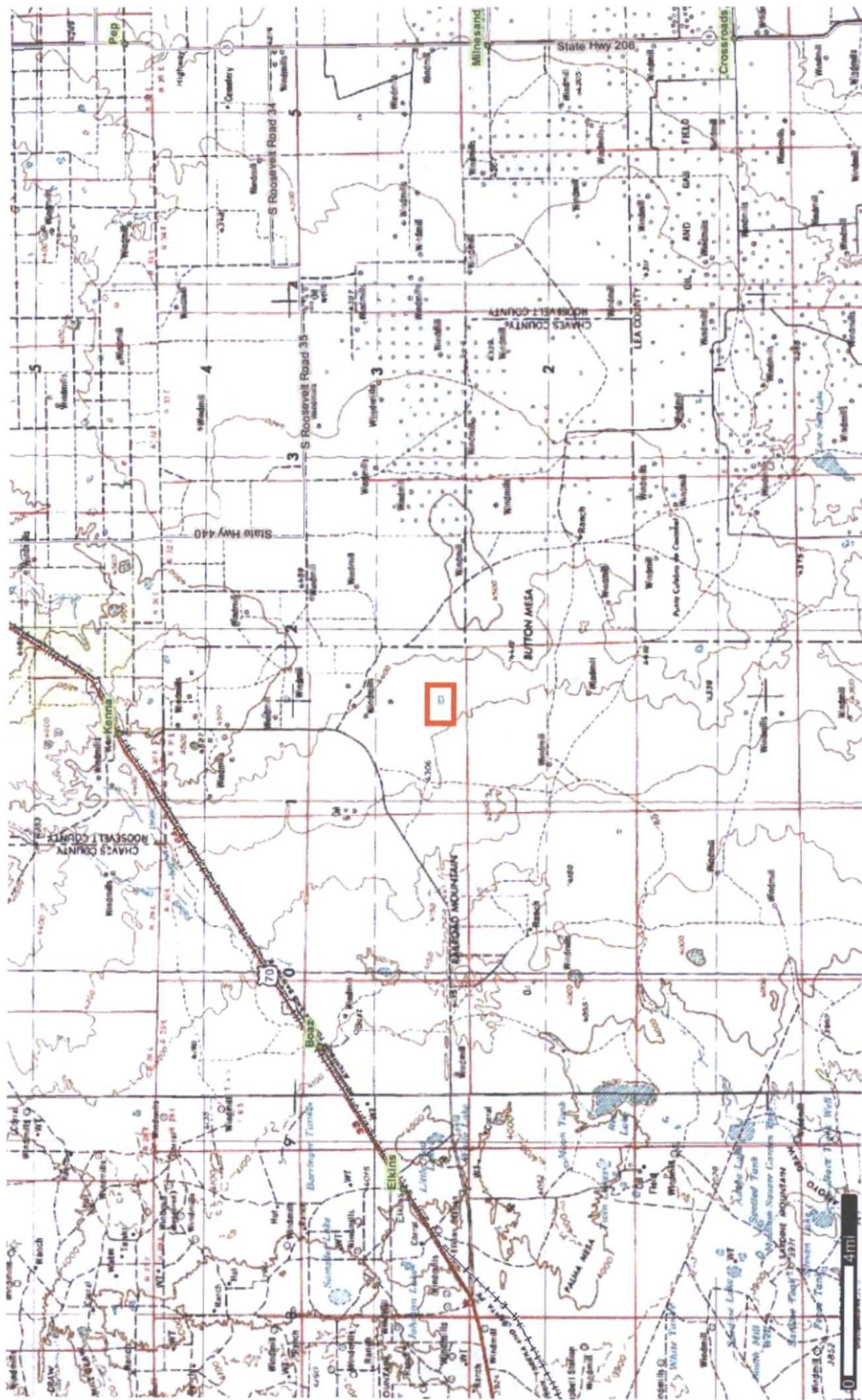


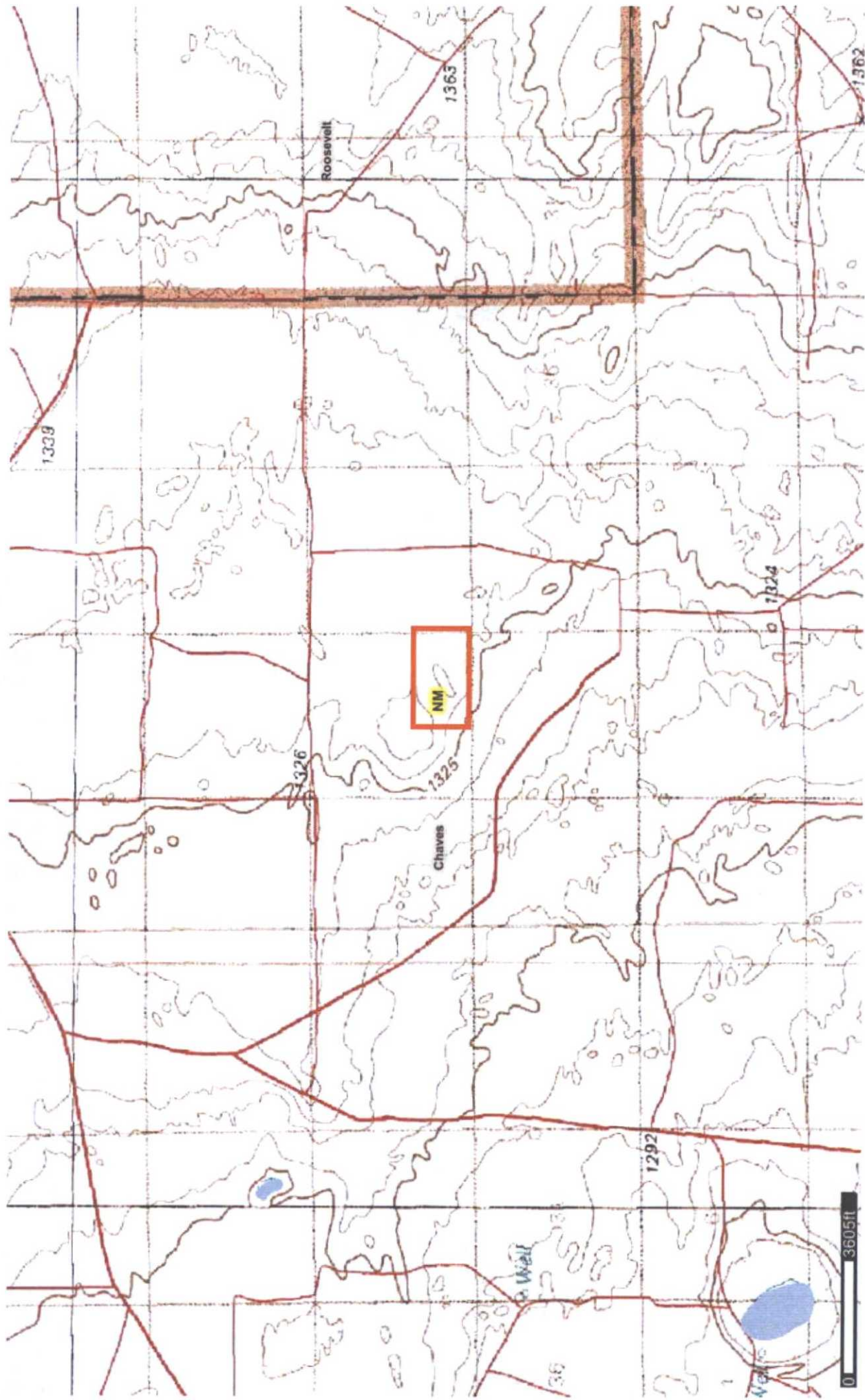


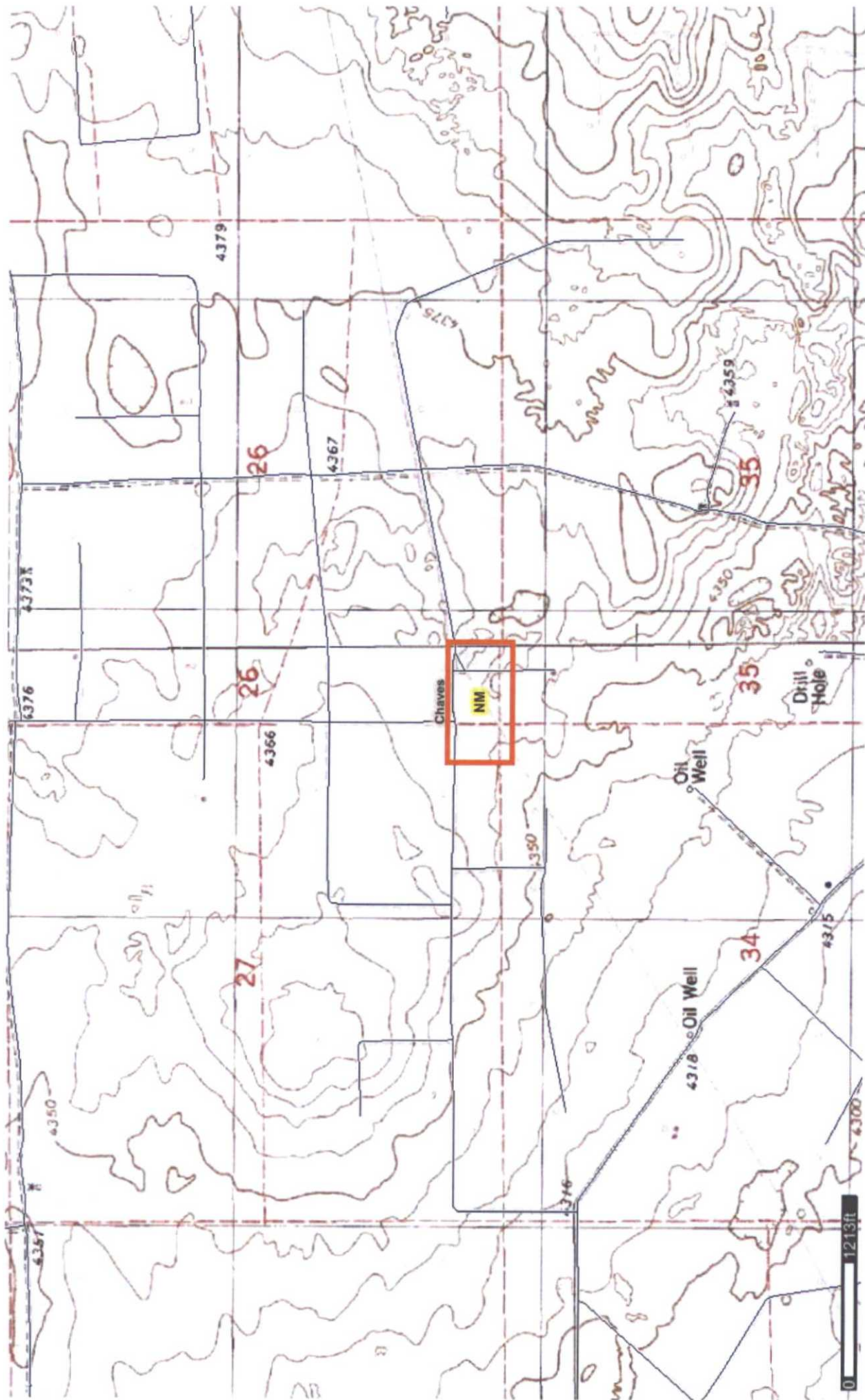












New Mexico Office of the State Engineer
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Township: 07S Range: 30E Sections:

NAD27 X: Y: Zone: Search Radius:

County: CH Basin: Number: Suffix:

Owner Name: (First) (Last) ☒ All ☐ Non-Domestic ☐ Domestic

AVERAGE DEPTH OF WATER REPORT 07/28/2008

				(Depth Water in Feet)		
Bsn	Tws	Rng	Sec	Zone	X	Y
				Wells	Min	Max
RA	07S	30E	27	1	235	235
RA	07S	30E	31	1	600	600

Record Count: 2

SURFACE WATER - Note nearest body of surface water is
over one mile from site location.

