

Dirt Work • On-Site Remediation • Soil Testing • Excavation

December 14, 2007

Mr. Steve Frazier Thomas Petroleum 3307 NW County Road Hobbs, New Mexico 88240

Re: Spill Remediation Report Yates Petroleum, Wyatt BHT State #1 30-015-34553 Unit Letter C, Section 6, Township 25 South, Range 30 East Eddy County, New Mexico

Dear Mr. Frazier:

Thomas Petroleum (Thomas) has retained Ocotillo Environmental, LLC (Ocotillo) to remediate impacts to soil from a diesel spill at the Yates Petroleum, Wyatt BHT State #1 lease. The well is located in the northeast quarter (NE/4) of the northwest quarter (NW/4), Section 6, Township 25 South, Range 30 East, Eddy County, New Mexico. Approximately 332 gallons (8 barrels) of diesel fuel was released from the day tank onto the well pad, with no liquids being recovered from the site. The liquid spilled off the well pad and flowed for a distance of approximately 24 feet to the south. Figure 1 shows the site location.

Based on published literature (1961), well records of the New Mexico State Engineer, and well records of the United States Geological Survey, groundwater occurs at approximately 263 feet bgs (below ground surface) at the site. No domestic water wells are located within 1,000 feet of the site. The NMOCD has established RRALs for benzene, total BTEX and TPH resulting from spills of natural gas liquids ("Guidelines for Remediation of Leaks, Spills and Releases, August 13, 1993"). Remediation levels for benzene, total BTEX and TPH were calculated using the following NMOCD criteria:

Criteria	Result	Ranking Score
Depth-to-Groundwater	50 - 99 Feet	10
Wellhead Protection Area	No	0
Distance to Surface Water Body	>1000 Horizontal Feet	0
		Total: 10

The following RRALs have been assigned based on NMOCD criteria:

Benzene	10 mg/kg
Total BTEX	50 mg/kg
TPH	5,000 mg/kg

Mr. Steve Frazier December 14, 2007 Page 2

Remediation Activity

On November 29, 2007, excavation of the impacted soil began at the northern portion of the spill area, on the well pad. Excavation continued to the south, until samples were collected from the bottom of the excavation. The soil samples were placed in clean glass sample jars, labeled, chilled in an ice chest, and delivered under chain-of-custody control to Cardinal Laboratories, located in Hobbs, New Mexico. Soil samples were analyzed for total petroleum hydrocarbons (TPH) by EPA method SW-846-8015M, including gasoline range organics (GRO) and diesel range organics (DRO), for BTEX by EPA method SW-846-8021B, and for chlorides by EPA method 4500. Table 1 presents a summary of the laboratory analyses of soil from the excavation. Figure 2 shows the spill boundary with sample locations. Appendix A presents laboratory data and chain of custody documentation. Appendix B provides photographs.

Referring to Table 1, all samples collected from the spill area reported BTEX, TPH and chloride concentrations below the RRALs. Approximately 96 cubic yards of soil was disposed at Controlled Recovery, Inc. (CRI).

As all confirmation samples reported BTEX, TPH, and chloride concentrations below the RRALs (50 mg/kg, 5,000 mg/kg and 250 mg/kg, respectively), the excavation was backfilled on December 4, 2007. The excavated area on the wellpad was backfilled with stockpiled caliche from the original wellpad construction, and the excavated area to the south was backfilled with native sand from the area.

Ocotillo Environmental appreciates the opportunity to be of service to you. If you have any questions or need additional information, please call me at (505) 441-7244. I may also be reached by email at <u>Cindy.Crain@gmail.com</u>.

Sincerely, Ocotillo Environmental, LLC

Cindy K. Crain

Cindy K. Crain, P.G. Environmental Manager

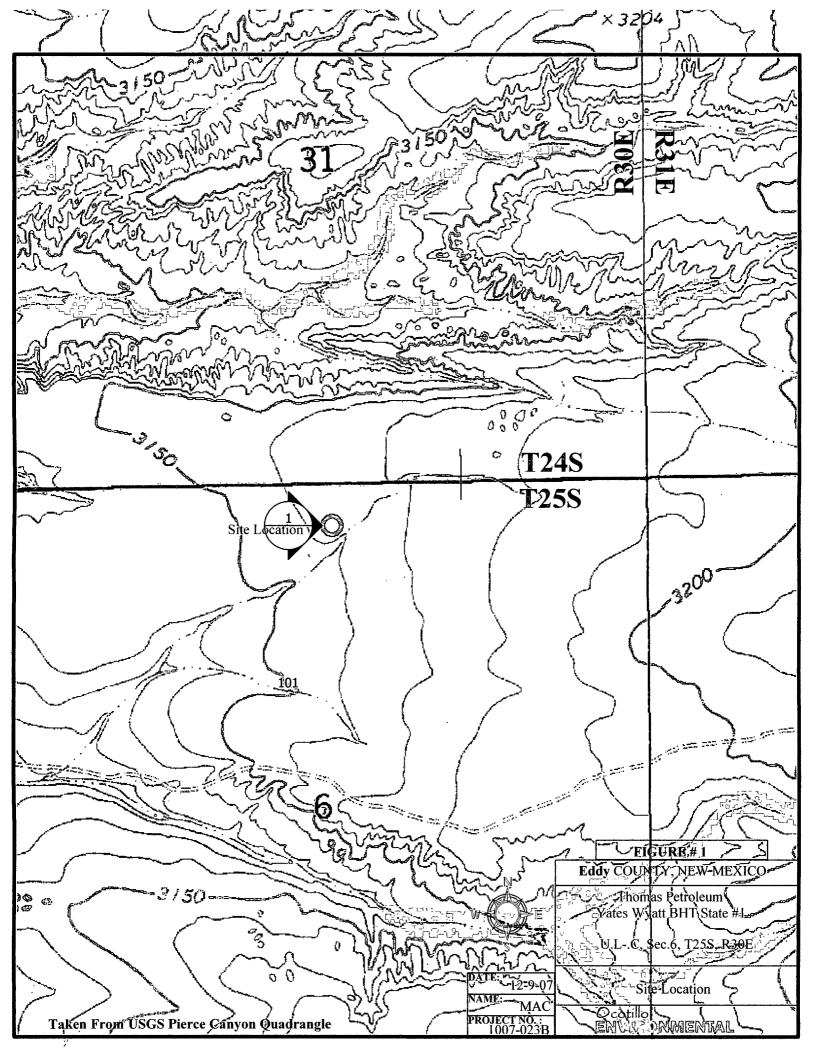
Cc: Mike Stubblefield, Yates Petroleum

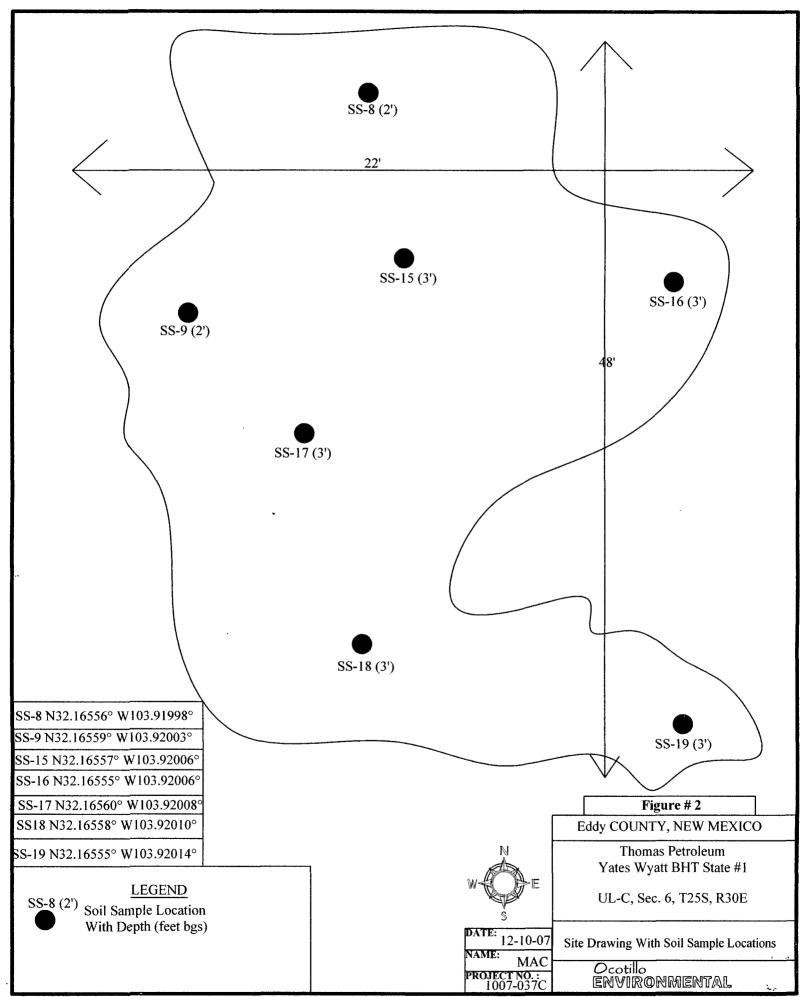
FIGURES

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TABLE

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Table, 1:

Summary of Laboratory Analysis of Soil Samples Thomas Petroleum, Yates Wyatt BHT State #1 Section 6, Township 25 South, Range 30 East Eddy County, New Mexico

							Page 1	of 1
Sample Date	Soil Sample Number	Sample Depth (feet BGS)	TPH (GRO) C8 - C12 mg/kg	TPH (DRO) C12 - C28 mg/kg	Total TPH C8 - C28 mg/kg	Benzene mg/kg	Total BTEX mg/kg	Chloride (mg/kg)
	RRAL				5000	10	50	250
11/29/07	SS-8	2	<10	<10	<20	< 0.001	0.024	<16
	SS-9	2	<10	<10	<20	<0.001	< 0.006	<16
	SS-15	3	<10	<10	<20	<0.001	< 0.006	<16
	SS-16	3	<10	<10	<20	< 0.001	< 0.006	<16
	SS-17	3	<10	<10	<20	<0.001	< 0.006	<16
	SS-18	3	<10	<10	<20	< 0.001	0.006	<16
	SS-19	3	<10	41	41	<0.001	0.004	16

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Notes:

1. BGS: Depth in feet below ground surface

2. mg/kg: Milligrams per kilogram

3. GRO: Gasoline Range Organics

4. DRO: Diesel Range Organics

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Summary of Laboratory Analysis of Soil Samples Thomas Petroleum, Yates Wyatt BHT State #1 Section 6, Township 25 South, Range 30 East Eddy County, New Mexico

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	RRAL				5000	10	50	250
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	SS-9	2	<10	<10	<20	< 0.001	< 0.006	<16
	SS-15	3	<10	<10	<20	< 0.001	< 0.006	<16
	SS-16	3	<10	<10	<20	< 0.001	< 0.006	<16
	SS-17	3	<10	<10	<20	< 0.001	< 0.006	<16
	SS-18	3	<10	<10	<20	< 0.001	0.006	<16
	SS-19	3	<10	41	41	< 0.001	0.004	16

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4. DRO: Diesel Range Organics

APPENDIX A

Laboratory Data and Chain of Custody Documentation



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PHONE (505) 393-2326 + 101 E MARLAND + HOBBS, NM 88240

ANALYTICAL RESULTS FOR OCOTILLO ENVIRONMENTAL, LLC ATTN CINDY CRAIN 2125 FRENCH DR HOBBS, NM 88240 FAX TO (432) 272-0304

Receiving Date. 11/30/07 Reporting Date 12/03/07 Project Number: 1007-037C Project Name WYATT "BHT" STATE #1 Project Location EDDY COUNTY, NM Sampling Date 11/29/07 Sample Type. SOIL Sample Condition COOL & INTACT Sample Received By: NF Analyzed By AB

LAB NUMBER	SAMPLE ID	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DA	ſE	11/30/07	11/30/07	11/30/07	11/30/07
H13801-1	SS-8 @ 2'	< 0.001	0.002	0 002	0 020
H13801-2	SS-9 @ 2'	<0 001	<0 001	<0 001	<0 003
H13801-3	SS-15 @ 3'	<0 001	< 0.001	< 0.001	< 0.003
H13801-4	SS-16 @ 3'	<0 001	<0 001	<0 001	<0 003
H13801-5	SS-17 @ 3'	<0 001	<0 001	<0 001	< 0.003
H13801-6	SS-18 @ 3'	<0 001	0 002	0 001	0 003
H13801-7	SS-19 @ 3'	<0.001	<0 001	<0 001	0.004
Quality Control		0 107	0 096	0 095	0.300
True Value QC		0 100	0 100	0 100	0 300
% Recovery		107	96	95	100
Relative Percer	nt Difference	2.4	12	10	13

METHOD EPA SW-846 8021B

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Date

PLEASE NOTE Liability and Damages. Cardinal is liability and client's exclusive remedy for any claim ansing, whether based in contract or tort, shall be linu iso us the amount part by client for an invesall claims, including topos for negligibric and any other cause whatsoever shall be deemed waved unless maded in writing and received by Cardinal within thirty (30) days after completion of the shak-ahu, served This Budding that Dardinal be liable for incodential or consequential damages, including without invitorit modes (as shall be linu is used unless made). (as does not in socied into a attalate or successors ansing out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise



ANALYTICAL RESULTS FOR OCOTILLO ENVIRONMENTAL LLC ATTN. CINDY CRAIN P O. BOX 1816 HOBBS, NM 88241 FAX TO' (432) 272-0304

Receiving Date 11/30/07 Reporting Date: 12/05/07 Project Number 1007-037C Project Name. WYATT "BHT" STATE #1 Project Location: EDDY COUNTY, NM Sampling Date. 11/29/07 Sample Type SOIL Sample Condition. COOL & INTACT Sample Received By: NF Analyzed By CK/KS

		GRO	DRO	
		(C ₆ -C ₁₂)	(>C ₁₂ -C ₂₈)	CI*
LAB NUMBE	ER SAMPLE ID	(mg/kg)	(mg/kg)	(mg/kg)
ANALYSIS	DATE	12/04/07	1 12/04/07	11/30/07
H13801-1	SS-8 @ 2'	<10.0	<10.0	<16
H13801-2	SS-9 @ 2'	<10 0	<10 0	<16
H13801-3	SS-15 @ 3'	<10 0	<10 0	<16
H13801-4	SS-16 @ 3'	<10.0	<10 0	<16
H13801-5	SS-17 @ 3'	<10.0	<10.0	<16
H13801-6	SS-18 @ 3'	<10.0	<10.0	<16
H13801-7	SS-19 @ 3'	<10.0	41 0	16
Quality Cont	rol	453	382	510
True Value C	QC	500	500	500
% Recovery		90.6	76 4	102
Relative Per	cent Difference	0 9	<0.1	2 0

METHODS: TPH GRO & DRO⁻ EPA SW-846 8015 M, Std. Methods 4500-CI⁻B *Analyses performed on 1 4 w:v aqueous extracts

Chemist X Mund

1)/05/0-7 Date

H13801TCL Ocotillo

PLEASE NOTE Liability and Damages Cardinal's liability and clent's exclusive remedy for any claim ansing, whether based in contract or tort, shall be limited to the amount paid by clent for analyses All claims including those for negligence and any other cause whatsoever shall be deamad waived unives madio in writing and received by Cardinal writin thirty (30) days after completion of the applicable service. In no wornt shaft Cardinal be liable to incertent or consequential damages, including, without himitation, business interruptions, loss of use, or loss of profils incurred by yothen't is subsidianes affiliates or successors ensing out of or related to the performance of services hereunder by Cardinal, logardless of whether such claim is based upon any of the above-stated reasons or otherwise

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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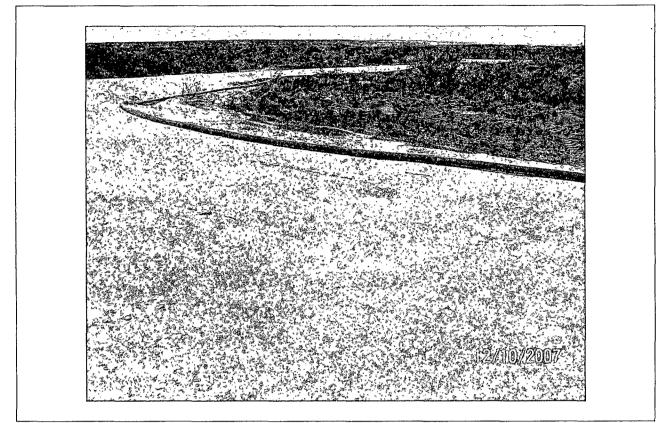
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Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

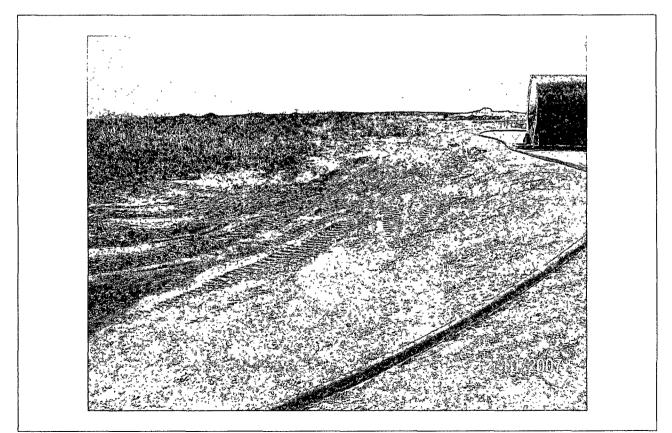
APPENDIX B

Photographs

THOMAS PETROLEUM Yates, Wyatt BHT State #1



1. View to southeast of remediated area.



2. View to west of remediated area.