

Conditions for approval: - Delineation to 250 mg/kg ~Cl plus 10' regardless of depth vertically and 800mg/kg ~Cl horizontally

June 23, 2016

VIA EMAIL: MCrosswell@sianaoil.com

Mr. Mark Crosswell Siana Operating LLC 12012 Wickchester Lane, Ste 410 Houston, Texas 77079

Re: Delineation Plan for Newkumet Federal # 1 located in Lea County, New Mexico

Dear Mr. Crosswell:

Charger Services, LLC (Charger) is pleased to present a delineation plan to conduct the subsurface investigation of the Newkumet Federal #1 (Site) located at 32°19'12.47"N, 103°27'6.26"W in Lea 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:

- Trench 6 soil borings and collect soil samples for laboratory analysis at 0 1, 1 2, 2 3, 5 6, and 10 11 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 trenched using a backhoe. 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 0 - 1, 1 - 2, 2 - 3, 5 - 6, and 10 - 11 below ground surface (bgs) to delineate the impact. The maximum number of samples that could be analyzed is 30; however, the samples will be ran 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 as well as the area under the current soil pile location will be delineated for chlorides below 250 mg/kg vertically ten (10) feet 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.

All contaminated soil will be classified and transported to an approved disposal facility. Based on the investigation results a plastic liner may be installed to OCD standards and will be included in the remediation proposal. All reports and permits will be filed in a timely manner to the corresponding State entities as well as with Siana Operating, LLC.

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. Additional work will not be performed without prior authorization from the State and client.

AUTHORIZATION

If this proposal is acceptable to you, please sign below as notice to proceed and return one copy of this proposal intact to our office. We will proceed with the work upon receipt of proposal authorization. You may contact me at (325) 669-5735 (cell) to discuss any questions you may have.

Respectfully submitted,

Charger Services, LLC

Coty Woolf Environmental Manager Charger Services, LLC 325.669.5735 Coty.woolf@chargerservices.com

PO Box 53070 Midland, Texas 79710 Ph. (432) 218-7674 Fax (432) 695-6247

Authorization

AGREED TO, THIS	DAY OF	, 2016.
BY (please print):	 ×	
TITLE:		
AGENCY:	 	
SIGNATURE:	 	

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