

RECEIVED

By OCD District 1 at 2:43 pm, Jul 20, 2015



APPROVED

By OCD District 1 at 2:43 pm, Jul 20, 2015

July 10, 2015

Rodney Galindo
West Texas Field Safety Rep.
Bridger, LLC
2009 Chenault Drive. Suite 100
Carrollton, Texas 75006

Re: Proposal for Crude Oil Release Assessment and NMOCD Reporting
State HF Tank Battery
9-T19S-R38E
Hobbs, Lea County, NM
Apex Proposal No. P01151177

Dear Mr. Galindo:

Apex TITAN, Inc. (Apex) appreciates the opportunity to submit this proposal to provide environmental consulting services at the above-referenced facility (hereinafter, the Site). The proposed scope of work is based on information received from yourself and Mr. Venkat Puranapanda, with ACE USA.

A crude oil release reported after a Bridger, LLC (Bridger) truck driver inadvertently left a valve open. On July 10, 2015, an 18 barrel (bbl) crude oil release was reported to the New Mexico Department of Energy, Minerals and Natural Resources Department (NMNRD) Oil Conservation Division (OCD) to Ms. Kelli Jones. It is Apex's understanding the property is operated by OXY Permian.

The objectives of the scope of work are as follows:

1. The primary objective of the corrective actions is to reduce the concentration of constituents of concern (COCs) in the on-Site soils to below the NMOCD *Remediation Action Levels* using the NMOCD's *Guidelines for Remediation of Leaks, Spills and Releases* as guidance.
2. Conduct field screening during drilling utilizing a photo-ionization detector (PID) meter to evaluate the potential presence of volatile organic compounds (VOCs) to assist in determining the extent of the release and in determining the soil sample locations.
3. Collect soil confirmation samples for analysis of total petroleum hydrocarbons (TPH) and benzene, toluene, ethylbenzene and xylenes (BTEX) to demonstrate remaining soil and/or groundwater are not impacted above the applicable regulatory standards.
4. A final Corrective Action Report will be prepared for submittal to the NMOCD District Office.

I. SCOPE OF SERVICES

I.A. Health and Safety Plan

Apex will develop a site specific Health and Safety Plan (HSP) for the performance of the scope of services described in this proposal. For the purposes of this HSP, it is assumed that the chemicals of concern include petroleum hydrocarbons. For the purposes of this proposal, it is assumed that the scope of services can be conducted under modified Level D personal protective equipment (PPE), which will include flame resistant (FR) clothing, a hard hat, steel-toed boots, protective eyewear, and gloves. Should the need arise to upgrade PPE (e.g. respiratory protection), the client will be notified, and the HSP will be modified accordingly. Although it is not anticipated at this time, it should be noted that a PPE upgrade will constitute a change in scope of work, requiring a change order.

It is Apex's understanding that Talon LPE will clear utilities through Texas One Call and will coordinate with the utility companies to evaluate the line locations in order to select the soil boring locations. Any additional information pertaining to the utility locations at the site should be provided by the client prior to mobilization.

I.B. Site Ranking

In accordance with the New Mexico ENMRD OCD's *Guidelines for Remediation of Leaks, Spills and Releases*, Apex TITAN, Inc. (Apex) will utilize the general site characteristics obtained during the completion of corrective action activities and information available from the Office of the New Mexico Office of the State Engineer (OSE) to determine the appropriate "ranking" for the Site. The ranking criteria and are provided in the following table:

| Ranking Criteria | | | Ranking Score |
|--|-------------------|----|---------------|
| Depth to Groundwater | <50 feet | 20 | |
| | 50 to 99 feet | 10 | |
| | >100 feet | 0 | |
| Wellhead Protection Area • <1,000 feet from a water source, or; <200 feet from private domestic water source. | Yes | 20 | |
| | No | 0 | |
| Distance to Surface Water Body | <200 feet | 20 | |
| | 200 to 1,000 feet | 10 | |
| | >1,000 feet | 0 | |
| Total Ranking Score | | | |

I.C. Confirmation Sampling

Apex's soil sampling program will include the collection of up to 12 final confirmation samples (C-1 through C-12), from the resulting excavation for laboratory analysis.

The confirmation soil samples will be collected and placed in laboratory prepared glassware, labeled/sealed using the laboratory supplied labels, and placed on ice in a cooler, secured with a custody seal. The sample cooler and completed chain-of-custody form will be relinquished to Trace Laboratory in Lubbock, Texas for rush analysis.

I.D. Laboratory Analytical Methods

The confirmation soil samples will be analyzed for benzene, toluene, ethylbenzene, and total xylenes (BTEX) utilizing Environmental Protection Agency (EPA) SW-846 Method #8021, and total petroleum hydrocarbons (TPH) gasoline range organics (GRO) and diesel range organics (DRO) utilizing EPA



SW-846 Method #8015.

I.F Reporting

Apex will prepare a Final Corrective Action Report, to document the remedial activities at the site with the following attachments:

- Scaled Site diagram(s) showing location & layout of the crude oil impact; all sampling points, North arrow, scale, nearest intersection of main roads;
- Written description of site sampling activities, including sample equipment used, decontamination procedures, sample collection and handling methods, sampling locations, and summary of overall sampling rationale;
- Copies of signed laboratory reports, complete chain-of-custody, and laboratory check-in sheet documentation – including sample receipt temperature, sample preservation methods, date and time of sample collection, laboratory QA/QC, etc.;
- Photographs of the site showing the excavated area including excavation bottoms, stockpiles, etc.; and
- Final NMOCD Form C-141

II. PROJECT BUDGET

The Scope of Services as outlined in this proposal will be performed for an estimated cost of **\$8,800.00**. If as a result of these services, additional work is required outside the scope of this proposal, the client will be contacted, and upon request, proposed costs for additional work will be provided. Client authorization will be obtained prior to commencement of any additional work outside the scope of this proposal. A summary of estimated costs is provided below:

| ESTIMATED PROJECT COSTS | |
|--------------------------------|----------------|
| Consulting Labor | \$4,685 |
| Analytical Laboratory | \$2,990* |
| Expenses | \$1,125 |
| ESTIMATED COST | \$8,800 |

*Laboratory costs are based on a rush turnaround basis.

The estimated total cost is based on the scope of work outlined in this proposal and will be billed on a time and materials basis. Subcontracted costs include a 15% markup. The costs for analytical laboratory services is based on a rush turnaround. A total of three (3) site visits to document activities and take final confirmation samples are included in this proposal. If additional visits are required, Bridger will be contacted for approval.

Transportation and disposal of unaffected or affected drill cuttings and well development fluids is considered out-of-scope of this proposal, and upon request, may be addressed in a separate proposal once a final volume of waste is determined.



III. PROJECT SCHEDULE

Apex is prepared to commence work on this project immediately following notification to proceed and execution of a Master Services Agreement. Verbal results of the site investigation will be issued subsequent to receipt of laboratory analysis. The findings of the assessment activities will be presented in the Corrective Action Report.

IV. LIMITATIONS

This proposal has been prepared for Bridger, LLC. The deliverable prepared as part of the services herein shall be for the exclusive use and reliance of Bridger, LLC and any use by another party (other than a governmental agency having jurisdiction over the site) shall be strictly prohibited.

The results, findings, conclusions and recommendations, which will be provided in the Corrective Action Report, will be based solely on the conditions which are observed during the site investigation and the information reviewed by Apex. No warranties or representations, expressed or implied, will be made as to the condition of the site beyond that observed by Apex during its site investigation.

The client agrees to provide Apex with all existing as-built plans including underground utilities and structures prior to commencement of field activities.

In accordance with our Master Services Agreement, this proposal may be accepted by signing the Notice to Proceed and returning the executed copy to Apex. Apex's total fee is due within thirty (30) days following receipt of invoice. This proposal is valid only if authorized within sixty (60) days from the proposal date.

We appreciate the opportunity to provide this proposal and look forward to working with you on this project. If you should have any questions or comments regarding this proposal, please contact the undersigned at 214.350.5469.

Sincerely,
Apex TITAN, Inc.



Elizabeth A. Scaggs, P.G.
Division Manager



NOTICE-TO-PROCEED / PROPOSAL ACCEPTANCE SHEET

July 10, 2015

Apex Proposal No. P01151310

Estimated Cost \$8,800.00

FOR PAYMENT OF INVOICES - Charge to the Account of:

Client: Bridger, LLC

Address: 2009 Chenault Drive, Suite 100

Carrollton, TX Zip Code 75006

Attention: Mr. Rodney Galindo.

PROPOSAL ACCEPTED BY: Rodney Galindo Field Safety Rep. 7-10-15
Signature Title Date

