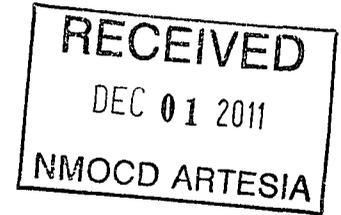




December 1, 2011



Mr. Mike Bratcher
NMOCD District 2
1301 West Grand Avenue
Artesia, NM 88210

AMARILLO
921 North Bivins
Amarillo, Texas 79107
Phone 806.467.0607
Fax 806.467.0622

ARTESIA
408 West Texas Ave.
Artesia, New Mexico 88210
Phone 575.746.8768
Fax 575.746.8905

AUSTIN
911 West Anderson Lane
Suite 202
Austin, Texas 78757
Phone 512.989.3428
Fax 512.989.3487

HOBBS
318 East Taylor Street
Hobbs, New Mexico 88240
Phone 575.393.4261
Fax 575.393.4658

MIDLAND
2901 State Hwy 349
Midland, Texas 79706
Phone 432.522.2133
Fax 432.522.2180

SAN ANTONIO
11 Commercial Place
Schertz, Texas 78154
Phone 210.265.8025
Fax 210.568.2191

TULSA
525 South Main Street
Suite 535
Tulsa, Oklahoma 74103
Phone 918.742.0871
Fax 918.382.0232

Subject: **Soil Assessment and Remediation Work Plan**
Quantum Resources Management, LLC
Artesia Battery 1 to Battery 3 Transfer Line Release
API # 30-015-01747 – 2RP-775
Revision

Dear Mr. Bratcher,

Quantum Resources Management, LLC has contracted Talon/LPE (Talon) to perform soil assessment and remediation services at the referenced Artesia Battery 1 to Battery 3 Transfer Line release. Talon's soil assessment results and proposed remediation activities consist of the following:

Incident Date

April 29, 2011

Background Information

The Artesia Battery 1 to 3 Transfer Line is located approximately sixteen (16) miles southeast of Artesia, New Mexico. The legal location for the site is Section 35, Township 17 South and Range 28 East in Eddy County, New Mexico. More Specifically the latitude and longitude for the release are 32.79069 North and -104.14837 West.

This site lies on undulating plains and low hills consisting of wind worked sandy deposits. Drainage courses in this area are normally dry. The local surface and shallow geology consists of Quaternary Age sedimentary deposits comprised of alluvium and eolian sands underlain by sand stone and hard caliches. The New Mexico State Engineer web site indicates the nearest ground water data to be in S35-T18S-R28E. The ground water in Section 35 is reported to be 65' below ground surface (bgs). The referenced groundwater data is presented in Appendix I.

The ranking for this site is 10 based on the as following:

| | |
|--------------------------------|----------|
| Depth to ground water | 50'-100' |
| Wellhead Protection Area | >1000' |
| Distance to surface water body | >1000' |

ENVIRONMENTAL CONSULTING
ENGINEERING
DRILLING
CONSTRUCTION
SPILL MANAGEMENT
GENERAL CONTRACTING

Toll Free: 866.742.0742
www.talonlpe.com

Incident Description

On April 29, 2011 the water transfer line coming from the Artesia Battery No. 1 to the Artesia Battery No. 3 had developed a leak. The line was shut-in, excavated, repaired and placed back into service. Ten (10) barrels of produced water were released with no fluids recovered. The impacted area is located north of the Apache Corporation D State No. 17 well location. It measured approximately 45-feet long by 30-feet wide. The visually impacted soil was immediately excavated to a depth of 5-feet and placed on a liner.

Actions Taken

On May 9, 2011 Talon/LPE mobilized personnel to begin the assessment and soil sampling for the construction of a work plan. Grab soil samples were collected utilizing a backhoe. The soil samples labeled S-1 were collected from the impacted area to a depth of 8-foot.

On May 26, 2011 Talon/LPE mobilized personnel again to the site for soil sampling at greater depths utilizing a split spoon auger rig. Grab soil samples from location S-1 were collected from 10-foot bgs within the impacted area to a depth of 30-foot bgs. Soil samples were also collected from a second location (S-2) east of excavated area for delineation under the lease road. Samples were obtained from location S-2 at 10-foot and 12-foot deep.

All soil samples were collected by Talon personnel wearing clean nitrile gloves. The soil samples were placed in laboratory provided sample containers and transported to Cardinal Laboratories in Hobbs, New Mexico for analysis of chlorides using method SM4500Cl-B. The complete laboratory report is attached as Appendix II.

Analytical Results

Analytical results received from Cardinal Laboratories dated May 17, 2011 and June 4, 2011 are summarized below:

| <u>Sample, Depth</u> | <u>Chlorides (mg/kg)</u> | <u>Sample, Depth</u> | <u>Chlorides (mg/kg)</u> |
|----------------------|--------------------------|----------------------|--------------------------|
| S-1 1' | 800 | S-1 16' | 3600 |
| S-1 2' | 10800 | S-1 18' | 1200 |
| S-1 4' | 12400 | S-1 20' | 1250 |
| S-1 6' | 11800 | S-1 24' | 144 |
| S-1 8' | 7000 | S-1 26' | 336 |
| S-1 10' | 12200 | S-1 28' | 624 |
| S-1 12' | 12600 | S-1 30' | 288 |
| S-1 14' | 9800 | | |

| <u>Sample, Depth</u> | <u>Chlorides (mg/kg)</u> |
|----------------------|--------------------------|
| S-2 10' | 128 |
| S-2 12' | 272 |

Summary and Conclusion

- Groundwater in the project vicinity is greater than 50-feet below land surface per the New Mexico State Engineer Database.
- Based upon the results of the laboratory data obtained for this investigation, the vertical of the chloride release have been documented to be 144 mg/kg in the soil sample S-1 at 24-feet bgs.

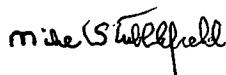
Proposed Remedial Actions

- The chloride impacted soil from this release will be excavated to the maximum extent practicable. The excavated soil will be transported to an NMOCD approved solid waste disposal facility.
- Soil samples will be collected for analytical testing from the side walls of the excavated area. The soil samples collected will be submitted to Cardinal Laboratories for analysis of chlorides using method SM4500Cl-B.
- Upon OCD approval of confirmation samples, a 20 Mil liner may be installed into the bottom of the excavated area.
- The excavated area will be backfilled to grade using new material transported from a local borrow pit, contoured to match existing terrain and seeded using an approved seed mixture for the area.
- A final report documenting all field activities and lab reports will be provided to the NMOCD Artesia Office including Form C-141.

If we can provide additional information or be of further assistance please contact our office at 575.746.8768.

Respectfully submitted,

TALON/LPE



Mike Stubblefield
Project Manager



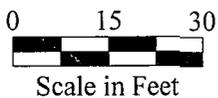
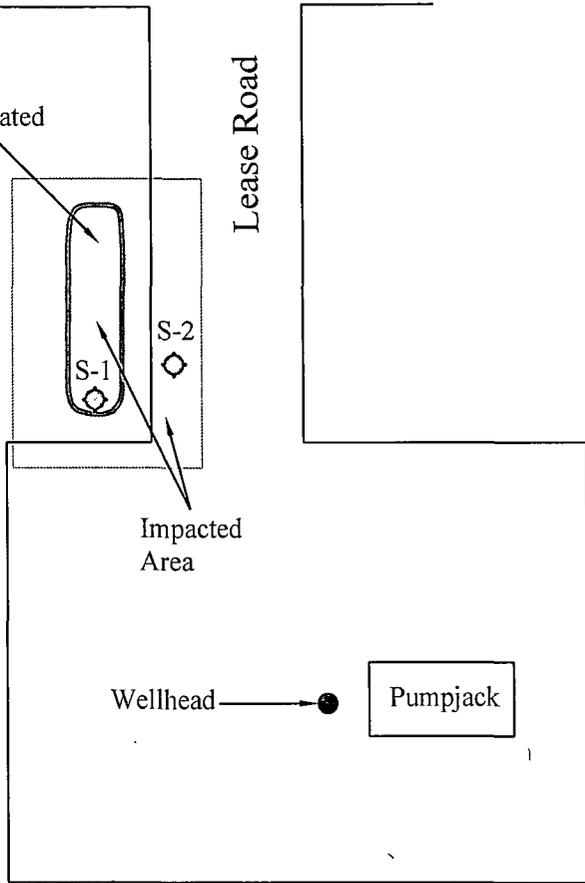
David J. Adkins
District Manager

SITE MAP

Lease Road

Excavated Area

Lease Road



| Legend | | | |
|---------|----------------------------|---------|--|
| ○ | - Monitor Well | - - - - | - Overhead Powerline |
| ⊙ | - Proposed Monitor Well | - - - - | - Underground Electric Line |
| ◇ | - Soil Boring | - - - - | - Sanitary Sewer |
| ⊕ | - Proposed Soil Boring | - - - - | - Storm Sewer |
| ⊠ | - Recovery Well | - - - - | - Telephone Line |
| ⊙ | - Vapor Recovery Well | - - - - | - Fence line |
| ⊙ | - Domestic Well | - - - - | - City Utilities |
| ⊕ | - Plugged & Abandoned Well | - - - - | - Underground Cable |
| ⊕ | - Observation Well | - - - - | - Railroad Tracks |
| △ | - Surface Soil Samples | - - - - | - Groundwater Gradient Contour Line |
| ● | - Vapor Monitoring Point | 81.30 | - Groundwater Gradient Contour Elevation |
| - - - - | - Water Main | → | - Groundwater Flow Direction |
| - - - - | - Gas Line | | |



Date: 07/08/2011

Scale: 1" = 30'

Drawn By: TJS

Artesia Battery 1 to Battery 3 Transfer Line - Artesia Unit No. 22
Quantum Resources Management, LLC
Eddy County, New Mexico

APPENDIX I
INITIAL C-141
GROUNDWATER DATA



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

| POD Number | POD Code | Subbasin | County | Q 64 | Q 16 | Q 4 | Sec | Tws | Rng | X | Y | Distance | Depth Well | Depth Water | Water Column |
|------------|----------|----------|--------|------|------|-----|-----|-----|--------|----------|----------|----------|------------|-------------|--------------|
| L 01142 | POD1 | L | LE | 2 | 4 | 15 | 18S | 28E | 578921 | 3623453* | 4564 | 80 | | | |
| L 01150 | POD1 | L | LE | 1 | 1 | 35 | 18S | 28E | 579344 | 3619433* | 8561 | 135 | 65 | 70 | |
| RA 04561 | | | ED | 4 | 2 | 26 | 17S | 27E | 570871 | 3630142* | 8782 | 250 | | | |
| RA 09588 | | | ED | 1 | 2 | 33 | 18S | 28E | 576976 | 3619384* | 8941 | 300 | | | |
| RA 04048 | | | LE | 1 | 4 | 4 | 14 | 18S | 27E | 570841 | 3623030* | 9883 | 2096 | | |

Average Depth to Water: **65 feet**
 Minimum Depth: **65 feet**
 Maximum Depth: **65 feet**

Record Count: 5

UTMNAD83 Radius Search (in meters):

Easting (X): 579387

Northing (Y): 3627994

Radius: 10000

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

30-015-01747

Release Notification and Corrective Action

nmlb 1112932046 *243874* OPERATOR Initial Report Final Report

| | |
|--|-----------------------------------|
| Name of Company Quantum Resources Management, LLC | Contact Garrett Newton |
| Address 1905 West Sears Ave., Artesia, New Mexico 88210 | Telephone No. 575-513-0230 |
| Facility Name Artesia Battery 1 to Battery 3 Transfer line | Facility Type Water Transfer line |

| | | |
|---------------------|---------------------|-----------|
| Surface Owner State | Mineral Owner State | Lease No. |
|---------------------|---------------------|-----------|

LOCATION OF RELEASE

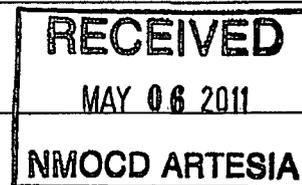
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| K | 35 | T17S | R28E | 2187' | FSL | 2310' | FWL | EDDY |

Latitude 32.79069N Longitude 104.14837W

NATURE OF RELEASE

| | | |
|--|---|------------------------------------|
| Type of Release Produced Water | Volume of Release 10 BBLS | Volume Recovered -0- |
| Source of Release Water Transfer line | Date and Hour of Occurrence 04/29/2011 2:00 pm | Date and Hour of Discovery same |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? NMOCD/Mike Bratcher | |
| By Whom? Garrett Newton | Date and Hour 04/29/2011 2:15 pm | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

If a Watercourse was Impacted, Describe Fully.*



Describe Cause of Problem and Remedial Action Taken.*

The water transfer line coming from the Artesia Battery No. 1 to the Artesia Battery No. 3 was found to be leaking. The line was shut-in, excavated and repaired.

Describe Area Affected and Cleanup Action Taken.*

The impacted area is located north of the Apache Corporation D State No. 17 well location. The weather at the time of the release was dry and windy. The impacted area was measured to be by forty-five feet (45') long by thirty feet (30') wide. The impacted soil was immediately excavated and placed on a liner. Talon/LPE has been contracted for the construction of a work plan and the correction of the impacted area.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

| | | |
|--|----------------------------------|-----------------------------------|
| Signature: <i>Garrett L Newton</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Garrett Newton | Signed By <i>Mike Bratcher</i> | |
| Title: Field Supervisor | Approved by District Supervisor: | |
| E-mail Address: gnewton@pvtnetworks.net | Approval Date: <i>5/9/2011</i> | Expiration Date: |
| Date: 05/4/2011 Phone: 575-513-0230 | Conditions of Approval: | Attached <input type="checkbox"/> |

* Attach Additional Sheets If Necessary

*Accident Tracking: Artesia Unit #22
30-015-01747*

Remediation per OCD Rules & Guidelines. **SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:**
6/9/2011

2RP-775

APPENDIX II
LABORTORY REPORT



PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

May 17, 2011

MIKE STUBBLEFIELD
TALON LPE
408 W. TEXAS AVE.
ARTESIA, NM 88210

RE: ARTESIA BATTERY 1 TO BATTERY 3 TRANSFER LINE

Enclosed are the results of analyses for samples received by the laboratory on 05/13/11 13:02.

Cardinal Laboratories is accredited through Texas NELAP for:

| | |
|--------------------|--|
| Method SW-846 8021 | Benzene, Toluene, Ethyl Benzene, and Total Xylenes |
| Method SW-846 8260 | Benzene, Toluene, Ethyl Benzene, and Total Xylenes |
| Method TX 1005 | Total Petroleum Hydrocarbons |

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|------------------------------|
| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.4 | Regulated VOCs (V2, V3) |

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Celey D. Keene". The signature is written in a cursive, flowing style.

Celey D. Keene
Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

| | | | |
|-------------------|------------------------------------|---------------------|----------------|
| Received: | 05/13/2011 | Sampling Date: | 05/09/2011 |
| Reported: | 05/17/2011 | Sampling Type: | Soil |
| Project Name: | ARTESIA BATTERY 1 TO BATTERY 3 TRA | Sampling Condition: | ** (See Notes) |
| Project Number: | 701407.011.01 | Sample Received By: | Jodi Henson |
| Project Location: | 701407.008.01 | | |

Sample ID: S - 1 1' (H100990-01)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: HM | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 800 | 16.0 | 05/16/2011 | ND | 432 | 108 | 400 | 0.00 | | |

Sample ID: S - 1 2' (H100990-02)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: HM | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 10800 | 16.0 | 05/16/2011 | ND | 432 | 108 | 400 | 0.00 | | |

Sample ID: S - 1 4' (H100990-03)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: HM | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 12400 | 16.0 | 05/16/2011 | ND | 416 | 104 | 400 | 3.77 | | |

Sample ID: S - 1 6' (H100990-04)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: HM | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 11800 | 16.0 | 05/16/2011 | ND | 416 | 104 | 400 | 3.77 | | |

Cardinal Laboratories

* = Accredited Analyte

PLEASE NOTE Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

| | | | |
|-------------------|------------------------------------|---------------------|----------------|
| Received: | 05/13/2011 | Sampling Date: | 05/09/2011 |
| Reported: | 05/17/2011 | Sampling Type: | Soil |
| Project Name: | ARTESIA BATTERY 1 TO BATTERY 3 TRA | Sampling Condition: | ** (See Notes) |
| Project Number: | 701407.011.01 | Sample Received By: | Jodi Henson |
| Project Location: | 701407.008.01 | | |

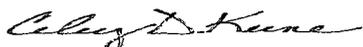
Sample ID: S - 1 8' (H100990-05)

| Chloride, SM4500Cl-B | mg/kg | Analyzed By: HM | | | | | | | |
|----------------------|-------------|-----------------|------------|--------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 7000 | 16.0 | 05/16/2011 | ND | 416 | 104 | 400 | 3.77 | |

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

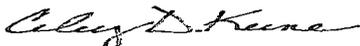
Notes and Definitions

| | |
|-----|--|
| ND | Analyte NOT DETECTED at or above the reporting limit |
| RPD | Relative Percent Difference |
| ** | Samples not received at proper temperature of 6°C or below. |
| *** | Insufficient time to reach temperature. |
| - | Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report |

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

June 04, 2011

MIKE STUBBLEFIELD

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: ARTESIA BATTERY 1 TO BATTERY 3 TRANSFER LINE

Enclosed are the results of analyses for samples received by the laboratory on 06/02/11 11:45.

Cardinal Laboratories is accredited through Texas NELAP for:

| | |
|--------------------|--|
| Method SW-846 8021 | Benzene, Toluene, Ethyl Benzene, and Total Xylenes |
| Method SW-846 8260 | Benzene, Toluene, Ethyl Benzene, and Total Xylenes |
| Method TX 1005 | Total Petroleum Hydrocarbons |

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|------------------------------|
| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.4 | Regulated VOCs (V2, V3) |

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

| | | | |
|-------------------|-----------------------------------|---------------------|----------------|
| Received: | 06/02/2011 | Sampling Date: | 05/26/2011 |
| Reported: | 06/04/2011 | Sampling Type: | Soil |
| Project Name: | ARTESIA BATTERY 1 TO BATTERY 3 TR | Sampling Condition: | ** (See Notes) |
| Project Number: | 701407.011.01 | Sample Received By: | Jodi Henson |
| Project Location: | 35-T17S-R28E | | |

Sample ID: S - 1 10' (H101135-01)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: HM | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 12200 | 16.0 | 06/03/2011 | ND | 416 | 104 | 400 | 3.77 | | |

Sample ID: S - 1 12' (H101135-02)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: HM | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 12600 | 16.0 | 06/03/2011 | ND | 416 | 104 | 400 | 3.77 | | |

Sample ID: S - 1 14' (H101135-03)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: HM | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 9800 | 16.0 | 06/03/2011 | ND | 416 | 104 | 400 | 3.77 | | |

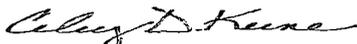
Sample ID: S - 1 16' (H101135-04)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: HM | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 3600 | 16.0 | 06/03/2011 | ND | 416 | 104 | 400 | 3.77 | | |

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

| | | | |
|-------------------|------------------------------------|---------------------|----------------|
| Received: | 06/02/2011 | Sampling Date: | 05/26/2011 |
| Reported: | 06/04/2011 | Sampling Type: | Soil |
| Project Name: | ARTESIA BATTERY 1 TO BATTERY 3 TRA | Sampling Condition: | ** (See Notes) |
| Project Number: | 701407.011.01 | Sample Received By: | Jodi Henson |
| Project Location: | 35-T17S-R28E | | |

Sample ID: S - 1 18' (H101135-05)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: HM | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 1200 | 16.0 | 06/03/2011 | ND | 416 | 104 | 400 | 3.77 | | |

Sample ID: S - 1 20' (H101135-06)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: HM | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 1250 | 16.0 | 06/03/2011 | ND | 416 | 104 | 400 | 3.77 | | |

Sample ID: S - 1 24' (H101135-07)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: HM | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 144 | 16.0 | 06/03/2011 | ND | 416 | 104 | 400 | 3.77 | | |

Sample ID: S - 1 26' (H101135-08)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: HM | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 336 | 16.0 | 06/03/2011 | ND | 416 | 104 | 400 | 3.77 | | |

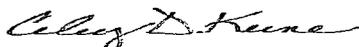
Sample ID: S - 1 28' (H101135-09)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: HM | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 624 | 16.0 | 06/03/2011 | ND | 416 | 104 | 400 | 3.77 | | |

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

| | | | |
|-------------------|------------------------------------|---------------------|----------------|
| Received: | 06/02/2011 | Sampling Date: | 05/26/2011 |
| Reported: | 06/04/2011 | Sampling Type: | Soil |
| Project Name: | ARTESIA BATTERY 1 TO BATTERY 3 TRP | Sampling Condition: | ** (See Notes) |
| Project Number: | 701407.011.01 | Sample Received By: | Jodi Henson |
| Project Location: | 35-T17S-R28E | | |

Sample ID: S - 1 30' (H101135-10)

| Chloride, SM4500CI-B | | mg/kg | | Analyzed By: HM | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 288 | 16.0 | 06/03/2011 | ND | 416 | 104 | 400 | 3.77 | |

Sample ID: S - 2 10' (H101135-11)

| Chloride, SM4500CI-B | | mg/kg | | Analyzed By: HM | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 128 | 16.0 | 06/03/2011 | ND | 416 | 104 | 400 | 3.77 | |

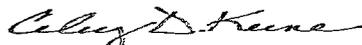
Sample ID: S - 2 12' (H101135-12)

| Chloride, SM4500CI-B | | mg/kg | | Analyzed By: HM | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 272 | 16.0 | 06/03/2011 | ND | 416 | 104 | 400 | 3.77 | |

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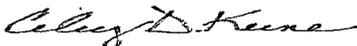
Notes and Definitions

- ND Analyte NOT DETECTED at or above the reporting limit
- RPD Relative Percent Difference
- ** Samples not received at proper temperature of 6°C or below.
- *** Insufficient time to reach temperature.
- Chloride by SM4500Cl-B does not require samples be received at or below 6°C
Samples reported on an as received basis (wet) unless otherwise noted on report

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Celey D. Keene, Lab Director/Quality Manager

Laboratories

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

| Company Name: <i>Jalon/LPE</i> | | P.O. #: | | ANALYSIS REQUEST | | | | | | | | | | | | | | | | | | | | | | |
|---|----------------|---------------------------|--------------|------------------------|------------|------|-----|--------|---------|-----------|------------|----------|----------------|--------------|--|--|--|--|--|--|--|--|--|--|--|--------------|
| Project Manager: | | Company: <i>Jalon/LPE</i> | | <i>Total Chlorides</i> | | | | | | | | | | | | | | | | | | | | | | |
| Address: <i>408 W. Texas</i> | | Attn: | | | | | | | | | | | | | | | | | | | | | | | | |
| City: <i>Artesia</i> State: <i>NM</i> Zip: <i>88410</i> | | Address: | | | | | | | | | | | | | | | | | | | | | | | | |
| Phone #: <i>575-746-8768</i> Fax #: <i>575-746-8905</i> | | City: | | | | | | | | | | | | | | | | | | | | | | | | |
| Project #: Project Owner: <i>Quantum</i> | | State: Zip: | | | | | | | | | | | | | | | | | | | | | | | | |
| Project Name: <i>Artesia Battery 1 to 3</i> | | Phone #: | | | | | | | | | | | | | | | | | | | | | | | | |
| Project Location: <i>35-TMS-R28E</i> | | Fax #: | | | | | | | | | | | | | | | | | | | | | | | | |
| Sampler Name: <i>Mike Stubblefield</i> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FOR LAB USE ONLY | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lab ID. | Sample ID. | (G.P. & OR) (COMP) | # CONTAINERS | MATRIX | | | | | PRESERV | | | SAMPLING | | | | | | | | | | | | | | |
| | | | | GROUNDWATER | WASTEWATER | SOIL | OIL | SLUDGE | OTHER | ACID/BASE | ICE / COOL | OTHER | DATE | | | | | | | | | | | | | TIME |
| <i>H10185</i> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>-1</i> | <i>S-1 10'</i> | | | | | | | | | | | | <i>5-26-11</i> | | | | | | | | | | | | | <i>2:44p</i> |
| <i>2</i> | <i>S-1 12'</i> | | | | | | | | | | | | <i>5-26-11</i> | | | | | | | | | | | | | <i>2:50p</i> |
| <i>3</i> | <i>S-1 14'</i> | | | | | | | | | | | | <i>5-26-11</i> | | | | | | | | | | | | | <i>2:59p</i> |
| <i>4</i> | <i>S-1 16'</i> | | | | | | | | | | | | <i>5-26-11</i> | | | | | | | | | | | | | <i>3:05p</i> |
| <i>5</i> | <i>S-1 18'</i> | | | | | | | | | | | | <i>5-26-11</i> | | | | | | | | | | | | | <i>3:12p</i> |
| <i>6</i> | <i>S-1 20'</i> | | | | | | | | | | | | <i>5-26-11</i> | | | | | | | | | | | | | <i>3:13p</i> |
| <i>7</i> | <i>S-1 24'</i> | | | | | | | | | | | | <i>5-26-11</i> | | | | | | | | | | | | | <i>3:32p</i> |
| <i>8</i> | <i>S-1 26'</i> | | | | | | | | | | | | <i>5-26-11</i> | <i>3:52p</i> | | | | | | | | | | | | |
| <i>9</i> | <i>S-1 28'</i> | | | | | | | | | | | | <i>5-26-11</i> | <i>4:13p</i> | | | | | | | | | | | | |

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| | | | | |
|--|--|---------------------------------|--|--------------------------------|
| Relinquished By: | Date: <i>6/2/11</i> Time: <i>11:45</i> | Received By: <i>Jodi Nelson</i> | Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No | Add'l Phone #: Add'l Fax #: |
| Relinquished By: | Date: Time: | Received By: | REMARKS: | |
| Delivered By: (Circle One) Sampler - UPS - Bus - Other: | Sample Condition Cool <input type="checkbox"/> Inact <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> | CHECKED BY: <i>JA</i> | | |

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#26

Laboratories

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Warland, Hobbs, MN 58240
 (575) 393-2326 FAX (575) 393-2476

| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|----------------|---------------------------|--------------|------------------|--|----------|--|--|--|----------|--|--|----------------|--------------|--|-------------|------------|------|-----|--------|-------|-----------|----------|-------|------|------|--|
| Company Name: <i>Jalon/LPE</i> | | P.O. #: | | ANALYSIS REQUEST | | | | | | | | | | | | | | | | | | | | | | | |
| Project Manager: | | Company: <i>Jalon/LPE</i> | | Total Chlorides | | | | | | | | | | | | | | | | | | | | | | | |
| Address: <i>408 W. Texas</i> | | Attn: | | | | | | | | | | | | | | | | | | | | | | | | | |
| City: <i>Antonia</i> State: <i>NM</i> Zip: <i>88210</i> | | Address: | | | | | | | | | | | | | | | | | | | | | | | | | |
| Phone #: <i>575-746-8768</i> Fax #: <i>575-746-8905</i> | | City: | | | | | | | | | | | | | | | | | | | | | | | | | |
| Project #: Project Owner: <i>Quantum</i> | | State: Zip: | | | | | | | | | | | | | | | | | | | | | | | | | |
| Project Name: <i>Antonia Battery 1103</i> | | Phone #: | | | | | | | | | | | | | | | | | | | | | | | | | |
| Project Location: <i>315-T115-R23E</i> | | Fax #: | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sampler Name: <i>Mike Stubblefield</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FOR LAB USE ONLY | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lab I.D. | Sample I.D. | (GRAB OR C)OMP. | # CONTAINERS | | | | | | | | | | | | | GROUNDWATER | WASTEWATER | SOIL | OIL | SLUDGE | OTHER | ACID/BASE | ICE/COOL | OTHER | DATE | TIME | |
| <i>H101135</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>10</i> | <i>S-1 30'</i> | <i>1</i> | | | | <i>1</i> | | | | <i>1</i> | | | <i>5-26-11</i> | <i>4:25p</i> | | | | | | | | | | | | | |
| <i>11</i> | <i>S-2 10'</i> | <i>1</i> | | | | <i>1</i> | | | | <i>1</i> | | | <i>5-26-11</i> | <i>2:00p</i> | | | | | | | | | | | | | |
| <i>12</i> | <i>S-2 12'</i> | <i>1</i> | | | | <i>1</i> | | | | <i>1</i> | | | <i>5-26-11</i> | <i>2:45p</i> | | | | | | | | | | | | | |

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| | | | | |
|----------------------------|------------------------------|---|--|----------------|
| Relinquished By: | Date: <i>6/2/11</i> | Received By: <i>Jodi Benson</i> | Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No | Add'l Phone #: |
| | Time: <i>11:45</i> | | Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No | Add'l Fax #: |
| Relinquished By: | Date: | Received By: | REMARKS: | |
| | Time: | | | |
| Delivered By: (Circle One) | Sampler - UPS - Bus - Other: | Sample Condition Cool Intact | CHECKED BY: <i>GA</i> | |
| | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |

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