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

JUN 26 2009

Form C-141
Revised October 10, 2003

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

Release Notification and Corrective Action

OPERATOR

☐ Initial Report X **Final Report**

Name of Company Fairway Resources Operating, LLC	Contact Matt Eagleston
Address 538 Silicon Drive, Ste. 101, Southlake, Texas 76092	Telephone No. (817) 416-1946
Facility Name **South Red Lake II Unit Central Battery**	Facility Type Produced Water Tanks

Surface Owner State of New Mexico	Mineral Owner State of New Mexico	Lease No. NMNM109695X

30015000658

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
"I"	35	17S	27E	2,125'	South	150	East	Eddy

Latitude 32.78898° North **Longitude** -104.24337° West

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 200 bbls water, 10 bbls crude oil	Volume Recovered 5 bbls crude oil; 150 bbls water
Source of Release Storage Tank	Date and Hour of Occurrence 11/02/07 @ 5 am	Date and Hour of Discovery 11/02/07 @ 8 am
Was Immediate Notice Given? Yes ☐ No ☒ Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken: An electrical malfunction caused an injection pump to stop operating and a high level tank alarm malfunctioned causing the storage tanks to overflow. Following initial response activities, including the recovery of free liquids, the electrical malfunctions were repaired and the facility was restarted.

Describe Area Affected and Cleanup Action Taken. A soil investigation was completed and analytical results indicated soil impact was not present below the gypsum cap. Excavation of the impacted soil was initiated and soil samples were collected and submitted to the laboratory for analysis. Approximately 2,239 cubic yards of impacted soil was transported to Lea Land Landfill (Permit #NM-01-0035) for disposal. With NMOCD Artesia Office approval a risk- based site closure was employed, utilizing a polyethylene liner. Following the installation of the liner the excavation was backfilled with locally purchased native soil. A *Remediation Summary and Site Closure Request* dated January 2009 was submitted to the NMOCD Artesia Office and contains additional details and documentation not contained in this document.

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: Matt Eagleston	OIL CONSERVATION DIVISION
Printed Name: Matt Eagleston	Approved by District Supervisor:
Title: President and CEO	Approval Date: 6-29-09 Expiration Date: N/K
E-mail Address: meagleston@fairwayresources.com	Conditions of Approval: N/A 2RP-0125
Date: 2/25/09 Phone: (817) 416-1946	

Basin Environmental Service Technologies, LLC

2800 Plains Highway
P. O. Box 301
Lovington, New Mexico 88260
cdstanley@basin-consulting.com
Office: (575) 396-2378 Fax: (575) 396-1429

Effective Solutions

JUN 26 2009

REMEDIATION SUMMARY

AND

SITE CLOSURE REQUEST

Fairway Resources Operating, LLC

South Red Lake II Unit Central Battery

Eddy County, New Mexico
UNIT "I" (NE/SE), Section 35, Township 17S, Range 27E
Latitude 32.78898° North, Longitude 104.24337° West

2RP-125

Prepared For:

Fairway Resources Operating, LLC
538 Silicon Drive, Suite 101
Southlake, Texas 76092

Prepared By:
Basin Environmental Service Technologies, LLC

February 2009

Curt D. Stanley
Project Manager

TABLE OF CONTENTS

JUN 26 2009

INTRODUCTION AND BACKGROUND INFORMATION

Basin Environmental Service Technologies, LLC (Basin), on behalf of Fairway Resources Operating, LLC (Fairway), has prepared this Remediation Summary and Site Closure Request for the release site known as South Red Lake II Unit Central Battery. The legal description of the release site is NE ¼ SE ¼ (Unit Letter I), Section 35, Township 17 South, Range 27 East in Eddy County, New Mexico. The property is owned by the New Mexico State Land Office (SLO). The release site GPS coordinates are 32.78898° North and 104.24337° West. A Site Location and Site Map are provided as Figures 1 and 2, respectively. The Release Notification and Corrective Action (Form C-141) is provided as Appendix E.

The Eddy County Soil Survey (2004) indicates the release site soil type is Reeves-Gypsum land complex with 0 – 3% slopes and Largo – Stoney land complex with 0 – 25% slopes. Visual observation indicates the area surrounding the release site is in active oil and gas production.

On November 2, 2007, an electrical malfunction at the South Red Lake II Unit Central Battery caused an injection pump to stop operating; the electrical malfunction resulted in the facility storage tanks filling to capacity. A malfunction in the storage tank high level alarm caused the storage tanks to overflow. The Release Notification and Corrective Action (Form C-141) indicates 200 barrels (BBL) of produced water and 10 BBL of crude oil were released as a result of the malfunctions. The Form C-141 indicates 150 BBL of produced water and 5 BBL of crude oil were recovered during initial response activities. The release net loss was 50 BBL of produced water and 5 BBL of crude oil.

On February 6, 2008, Fairway submitted a Proposed Response Plan to the New Mexico Oil Conservation Division (NMOCD) – Artesia District Office. The Plan detailed remediation activities designed to progress the site toward on NMOCD approved site closure. On February 7, 2008, the NMOCD approved the Proposed Response Plan submitted by Fairway. NMOCD correspondence is provided as Appendix A.

NMOCD SITE CLASSIFICATION

As described in Section 3A of the *Guidelines for Remediation of Leaks, Spills and Releases* (NMOCD, 1993), the following characteristics are used to determine the site soil ranking criteria, which influences the site-specific clean-up standards applicable for this site. The depth to groundwater is between 50 - 100 feet from the base of the impacted zone, resulting in ten (10) points being assigned to the site as a result of this criterion.

The water well database, maintained by the New Mexico Office of the State Engineer (NMOSE), was accessed to determine the location and type of nearby registered water wells in the area. The database indicated there are no water wells less than 1,000 feet from the release, resulting in zero (0) points being assigned to this site as a result of this criterion.

There is no surface water body located within 1,000 feet of the site. Based on the NMOCD ranking system zero (0) points will be assigned to the site as a result of the criterion. The Guidelines indicate the South Red Lake II Unit Central Battery release site has a ranking score of

ten (10). Based on this score, the soil remediation levels for a site with a ranking score of ten (10) points are as follows:

- Benzene – 10 mg/Kg (ppm)
- BTEX – 50 mg/Kg (ppm)
- TPH – 1,000 mg/Kg (ppm)

The NMOCD chloride clean-up concentration levels are site specific.

SUMMARY OF RECENT FIELD ACTIVITIES

In March 2008, initial excavation activities commenced at the South Red Lake II Unit Central Battery. Impacted soil was excavated by Gandy Corporation (Gandy) of Lovington, New Mexico, to a depth of approximately eight (8) to ten (10) feet below ground surface (bgs). The impacted soil was stockpiled on site pending transportation to an NMOCD approved landfill. Approximately 1,809 cubic yards (cy) of soil was transported to an NMOCD approved facility for disposal.

In April 2008, Fairway approached Basin and requested assistance in horizontally and vertically delineating the release site. Following an initial site assessment, Basin recommended advancing soil borings to thoroughly investigate the horizontal and vertical extent of impact at the site.

On May 1, 2008, an air rotary drill rig was mobilized to advance seven (7) soil borings (SB-1 through SB-7) at the release site. The soil borings were advanced to a maximum depth of twenty-five (25) feet bgs and soil samples were collected at five (5) foot drilling intervals.

Soil boring SB-1 was advanced east of the initial South Red Lake II Unit Central Battery excavation. The soil boring was advanced to a depth of twenty-five (25) feet bgs. The analytical results indicated the benzene concentration was less than the laboratory MDL of 0.001 mg/Kg in the soil sample collected at ten (10) feet bgs. The analytical results indicated the BTEX concentration was less than the laboratory MDL of 0.002 mg/Kg in the soil sample collected at ten (10) feet bgs. Soil samples from the five (5) and ten (10) foot drilling intervals were selected for TPH analysis. The analytical results indicated TPH concentrations in both the five (5) and ten (10) soil samples was less the laboratory MDL of 17.2 mg/Kg and 18.1 mg/Kg, respectively. Soil samples from the five (5), ten (10), fifteen (15) and twenty-five (25) foot intervals were selected for chloride analysis. The analytical results indicated chloride concentrations ranged from less than the laboratory MDL of 5 mg/Kg at five (5) and ten (10) feet bgs to 226 mg/Kg at fifteen (15) feet bgs. These results indicate benzene, BTEX, TPH and chloride concentrations were below NMOCD regulatory clean-up levels in this soil boring. Soil boring logs are included as Appendix B. A summary of Concentrations of Benzene, BTEX, TPH and Chlorides in Soil is provided as Table 1 and laboratory reports are provided as Appendix C.

Soil boring SB-2 was advanced west of the initial South Red Lake II Unit Central Battery excavation. The soil boring was advanced to a depth of twenty-five (25) feet bgs. The analytical results indicated the benzene concentration was less than the laboratory MDL of 0.001 mg/Kg in soil samples collected at five (5) and ten (10) feet bgs. The analytical results indicated the BTEX

concentration ranged from less than the laboratory MDL of 0.002 mg/Kg at ten (10) feet bgs to 0.0362 mg/Kg at five (5) feet bgs. Soil samples from the five (5), ten (10), and fifteen (15) foot drilling intervals were selected for TPH analysis. The analytical results indicated TPH concentrations ranged from less the laboratory MDL of 16.9 mg/Kg at fifteen (15) feet bgs to 1,191 mg/Kg at five (5) feet bgs. Soil samples from the five (5), ten (10), fifteen (15) and twenty-five (25) foot intervals were selected for chloride analysis. The analytical results indicated chloride concentrations ranged from 42.54 mg/Kg at twenty-five (25) feet bgs to 2,552 mg/Kg at five (5) feet bgs. The analytical results indicate benzene and BTEX concentrations were below NMOCD regulatory clean-up levels for this soil boring. The analytical results further indicate TPH concentrations exceeding the NMOCD regulatory clean-up levels were exhibited in the five (5) foot bgs soil sample. Chloride concentrations exceeding the NMOCD regulatory clean-up levels were exhibited in the five (5) and ten (10) foot bgs soil samples.

Soil boring SB-3 was advanced northwest of the initial South Red Lake II Unit Central Battery excavation. The soil boring was advanced to a depth of fifteen (15) feet bgs. The soil sample from the ten (10) foot drilling interval was selected for TPH analysis. The analytical results indicated the TPH concentration was less than the laboratory MDL of 17 mg/Kg. Soil samples from the ten (10) and fifteen (15) foot intervals were selected for chloride analysis. The analytical results indicated chloride concentrations ranged from 106.4 mg/Kg at fifteen (15) feet bgs to 808.3 mg/Kg at ten (10) feet bgs. Chloride concentrations exceeding the NMOCD regulatory clean-up levels were exhibited in the ten (10) foot bgs soil sample.

Soil boring SB-4 was advanced southwest of the initial South Red Lake II Unit Central Battery excavation. The soil boring was advanced to a depth of fifteen (15) feet bgs. The analytical results indicated a benzene concentration of less than the laboratory MDL of 0.001 mg/Kg at ten (10) feet bgs. The analytical results indicated a BTEX concentration of less than the laboratory MDL of 0.002 mg/Kg at ten (10) feet bgs. Soil samples from the ten (10) and fifteen (15) foot intervals were selected for TPH analysis. The analytical results indicated TPH concentrations ranged from 106.8 mg/Kg at ten (10) feet bgs to 155.1 mg/Kg at five (5) feet bgs. Soil samples from the ten (10) and fifteen (15) foot intervals were selected for chloride analysis. The analytical results indicated chloride concentrations ranged from 186.1 mg/Kg at fifteen (15) feet bgs to 2,765 mg/Kg at ten (10) feet bgs. The analytical results indicate benzene, BTEX and TPH concentrations were below NMOCD regulatory clean-up levels for this soil boring. Chloride concentrations exceeding the NMOCD regulatory clean-up levels were exhibited in the ten (10) foot bgs soil sample.

Soil boring SB-5 was advanced northeast of the initial South Red Lake II Unit Central Battery excavation. The soil boring was advanced to a depth of ten (10) feet bgs. The analytical results indicated the TPH concentration at ten (10) feet bgs was less the laboratory MDL of 17.6 mg/Kg. Soil samples from the five (5) and ten (10) foot intervals were selected for chloride analysis. The analytical results indicated chloride concentrations ranged from 3,084 mg/Kg at five (5) feet bgs to 3,829 mg/Kg at ten (10) feet bgs. The analytical results indicate the TPH concentration was below NMOCD regulatory clean-up levels for this soil boring. Chloride concentrations exceeding the NMOCD regulatory clean-up levels were exhibited in the five (5) and ten (10) foot bgs soil samples.

Soil boring SB-6 was advanced in the release flowpath, approximately two hundred (200) feet northeast of the initial South Red Lake II Unit Central Battery excavation. The soil boring was advanced to a depth of five (5) feet bgs. The soil boring was continuously sampled in a composite sample from two (2) to five (5) feet bgs. The analytical results indicated the TPH concentration was 69.1 mg/Kg. The analytical results indicated the chloride concentration was 265.9 mg/Kg. The analytical results indicate the TPH and chloride concentrations were below NMOCD regulatory clean-up levels for this soil boring.

Soil boring SB-7 was advanced upslope and approximately five hundred (500) feet southwest of the initial South Red Lake II Unit Central Battery excavation. The soil boring was advanced to evaluate off-site background concentrations of chlorides. The soil boring was advanced to a depth of fifteen (15) feet bgs. The analytical results indicated the chloride concentrations ranged from 340.3 mg/Kg at five (5) feet bgs to 1,255 mg/Kg to ten (10) feet bgs. The analytical results indicate the background chloride concentrations were above NMOCD regulatory clean-up levels for this soil boring.

In May 2008, following the evaluation of the soil boring and analytical data, a *Soil Investigation Summary and Amended Soil Closure Proposal* (Proposal) was submitted and subsequently approved by the NMOCD – Artesia District Office. The Proposal detailed activities proposed to progress the release site toward an NMOCD approved site closure.

On June 19, 2008, five (5) sidewall soil samples (NSW-1, ESW-1, WSW-1, WSW-2 and SSW-1) and two (2) excavation floor soil samples (Floor-1 and Floor-2) were collected and submitted to the laboratory for analysis. The soil samples were analyzed for concentrations of benzene, BTEX, TPH and chlorides.

The analytical results for benzene concentrations indicated all of the sidewall soil samples exhibited benzene concentrations less than the laboratory MDL. The analytical results of the sidewall soil samples for BTEX concentrations ranged from less than the laboratory MDL in soil samples NSW-1, WSW-1, WSW-2 and SSW-1 to 0.5648 mg/Kg in soil sample ESW-1. The analytical results of the sidewall soil samples for TPH concentrations ranged from 107.7 mg/Kg in soil sample WSW-1 to 15,779 mg/Kg in soil sample ESW-1. The analytical results of the sidewall soil samples for chloride concentrations ranged from 2,110 mg/Kg in soil sample ESW-1 to 15,000 mg/Kg in soil sample WSW-2.

The analytical results for benzene and BTEX concentrations indicated the excavation floor soil samples exhibited benzene and BTEX concentrations less than the laboratory MDL. The analytical results of the excavation floor soil samples for TPH concentrations ranged from 52.2 mg/Kg in soil sample Floor-1 to 61.7 mg/Kg in soil sample Floor-2. The analytical results of the excavation floor soil samples for chloride concentrations ranged from 6,150 mg/Kg in soil sample Floor-2 to 14,300 mg/Kg in soil sample Floor-1.

On June 19, 2008, a stockpile soil sample was collected to evaluate the status of the excavated soil. The analytical results indicated benzene and BTEX concentrations were below the laboratory MDL of 0.001 mg/Kg and 0.0021 mg/Kg, respectively. The TPH concentration was 822 mg/Kg and the chloride concentration was 8,380 mg/Kg.

Following the collection and analysis of the excavation sidewall and floor soil samples, additional excavation activities commenced. The analytical results indicated additional excavation was required on all of the excavation sidewalls and the excavation floor.

In August 2008, excavation activities ceased, due to numerous on-site health, safety and environmental hazards. A high voltage power line located to the west of the excavation, high-pressure water injection pipelines located to the north of the excavation, a City of Carlsbad, New Mexico municipal water line located to the east of the excavation and the South Red Lake II Unit Central Battery facility located to the south of excavation, were identified.

On or about August 28, 2008, Basin on behalf on Fairway requested and received verbal approval from the NMOCD – Artesia District Office to proceed with a risk-based closure of the South Red Lake II Unit Central Battery release site. On September 4, 2008, Basin on behalf of Fairway submitted, via email a formal request to the NMOCD for a risk-based site closure and on September 9, 2008, Basin received written NMOCD approval.

Following NMOCD approval, backfilling activities detailed in the formal request letter commenced. As approved, excavated material was screened to remove large gypsum blocks which could not be disposed of at the NMOCD approved landfill. A total of approximately 2,239 cy of screened soil was stockpiled and transported to Lea Land Landfill (Permit #NM-01-0035). As approved, large gypsum blocks were placed in the excavation to approximately seven (7) feet bgs and locally purchased native caliche was placed in the excavation and compacted with the large gypsum blocks to minimize potential settling of the excavation area. No additional moisture was required to efficiently compact the caliche and gypsum blocks. Approximately one (1) foot of non-impacted sand was placed on top of the gypsum and caliche to provide a cushioning layer between the compacted caliche / gypsum material and the impermeable liner.

On September 16, 2008, a twenty (20) mil polyethylene was placed in the excavation at approximately six (6) feet bgs. The sand layer beneath the liner was mounded to encourage the shedding of moisture to the edges of the liner. This engineered control is designed to minimize the vertical migration of contaminants below the liner, by the process of shedding moisture to the edge of the liner and beyond the maximum horizontal extent of underlying impacted soil. Photographs of the liner installation, excavation activities and backfilling activities are provided as Appendix D.

Following the liner installation an additional one (1) foot of non-impacted sand placed on top of the liner to protect the liner from damage during the backfilling activities. Following the placement of the protective sand layer, locally purchased native caliche was used and compacted in eighteen (18) inch lifts to complete the backfilling of the excavation. The release occurred in an active oil and gas facility and will not be seeded.

SITE CLOSURE REQUEST

Basin recommends Fairway provide the NMOCD – Artesia District Office a copy of this Remediation Summary and Site Closure Request and request the NMOCD grant a risk-based site closure to the South Red Lake II Unit Central Battery release.

LIMITATIONS

Basin Environmental Service Technologies, LLC has prepared this Remediation Summary and Site Closure Request to the best of its ability. No other warranty, expressed or implied, is made or intended.

Basin Environmental Service Technologies, LLC has examined and relied upon documents referenced in the report and has relied on oral statements made by certain individuals. Basin Environmental Service Technologies, LLC has not conducted an independent examination of the facts contained in referenced materials and statements. We have presumed the genuineness of the documents and that the information provided in documents or statements is true and accurate. Basin Environmental Service Technologies, LLC has prepared this report, in a professional manner, using the degree of skill and care exercised by similar environmental consultants. Basin Environmental Service Technologies, LLC also notes that the facts and conditions referenced in this report may change over time and the conclusions and recommendations set forth herein are applicable only to the facts and conditions as described at the time of this report.

This report has been prepared for the benefit of Fairway Resources Operating, LLC. The information contained in this report, including all exhibits and attachments, may not be used by any other party without the express consent of Basin Environmental Service Technologies, LLC and/or Fairway Resources Operating, LLC.

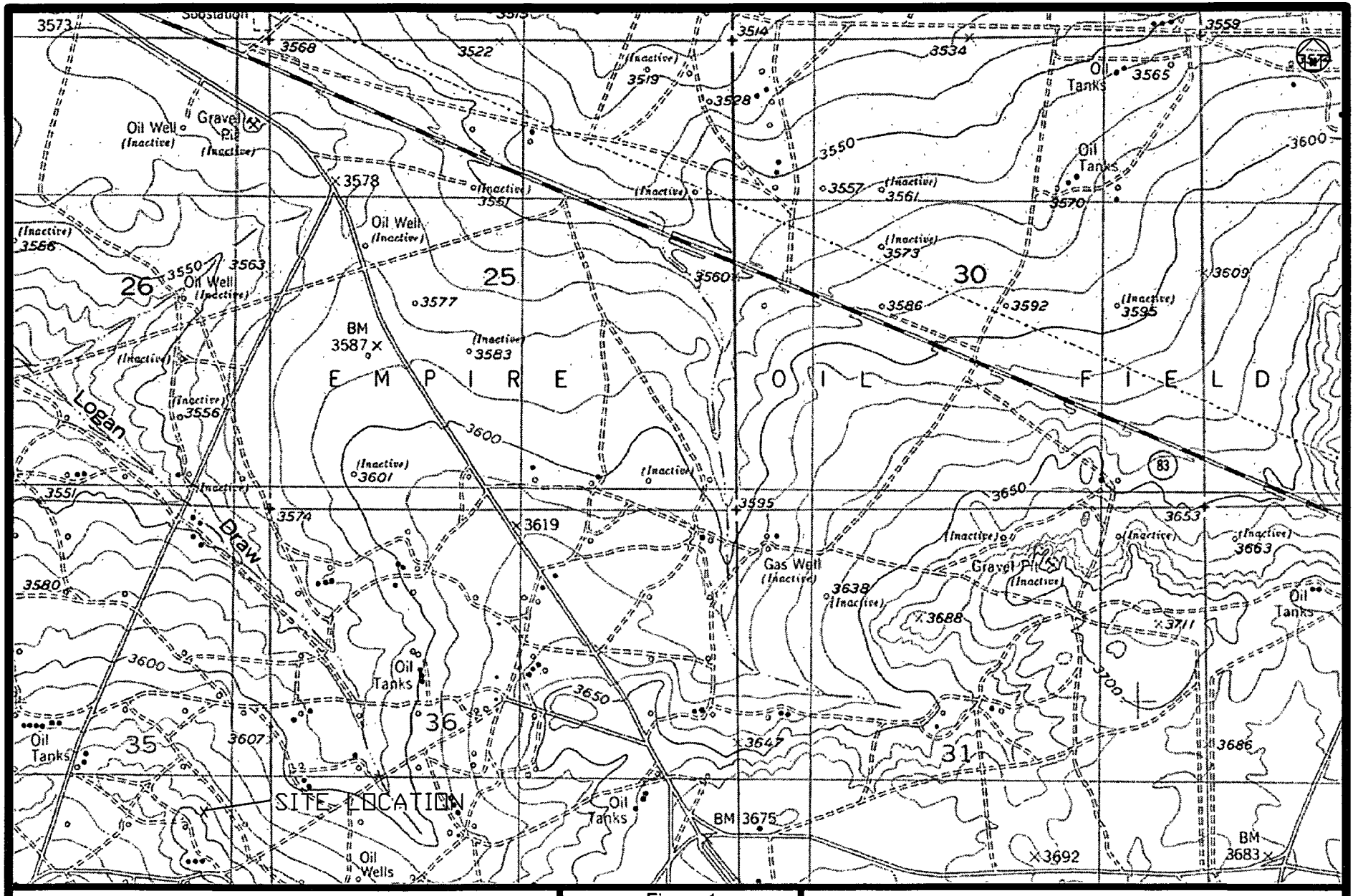
DISTRIBUTION:

Copy 1: Sherry Bonham
New Mexico Oil Conservation Division
District 2
1301 W. Grand Avenue
Artesia, New Mexico 88210

Copy 2: Matt Eagleston
Fairway Resources Operating, LLC.
538 Silicon Drive,
Suite 101
Southlake, Texas 76092

Copy 3: Curt D. Stanley
Basin Environmental Consulting, LLC.
P.O. Box 301
Lovington, New Mexico 88220
cdstanley@basin-consulting.com

Figures



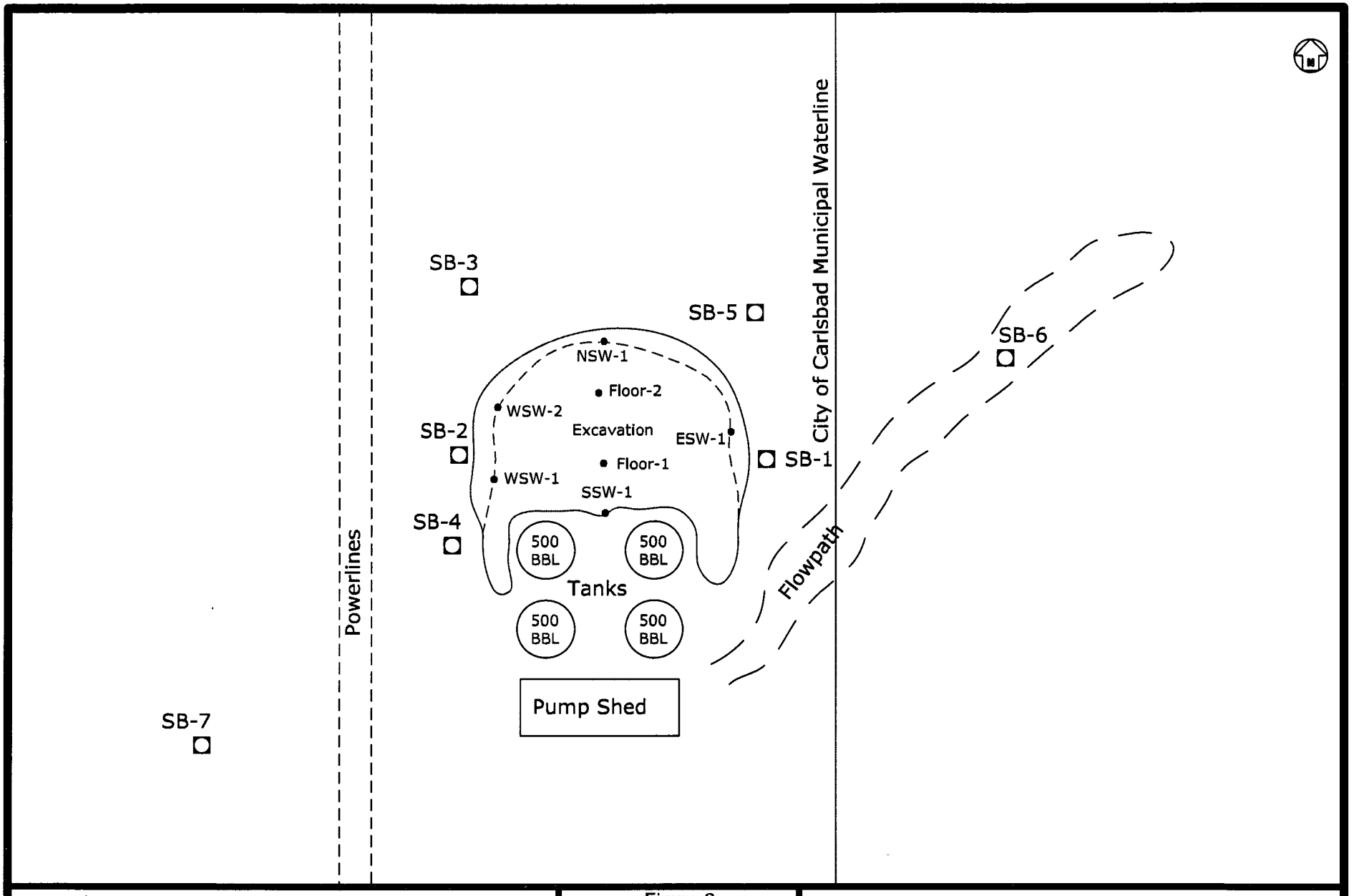
1500 750 0 750 1500

Distance in Feet

Figure 1
Site Location Map
Fairway Resources
South Red Lake II Unit
Central Battery
Eddy County, New Mexico

Basin Environmental Services

Prep By: CDS	Checked By: CDS
May 12, 2008	Scale 1"=1,500'



Legend

- Pipeline
- Excavation Extent
- Powerline
- SB-7 Soil Boring Location
- Sample Location

Figure 2
Schematic Site
and Sample Location Map
Fairway Resources
South Red Lake II Unit
Central Battery
Eddy County, New Mexico

Basin Environmental Services

Prep By: CDS	Checked By: CDS
January 29, 2009	Not to Scale

Tables

Table 1

CONCENTRATIONS of BENZENE, BTEX, TPH and CHLORIDE IN SOIL
FAIRWAY RESOURCES - SOUTH RED LAKE II UNIT CENTRAL BATTERY
EDDY COUNTY, NEW MEXICO

All measurments recorded in mg/kg

SAMPLE DATE	SAMPLE LOCATION	SAMPLE DEPTH	SOIL STATUS	Methods: EPA SW 846-8021B, 5030							EPA SW 846-8015M				EPA 4500
				BENZENE (mg/Kg)	TOLUENE mg/Kg)	ETHYL-BENZENE (mg/Kg)	m,p-XYLENE (mg/Kg)	o-XYLENE (mg/Kg)	TOTAL XYLENE (mg/Kg)	BTEX (mg/Kg)	GRO C_6-C_{12} (mg/Kg)	DRO C_{12}-C_{28} (mg/Kg)	ORO C_{28}-C_{35} (mg/Kg)	BTEX C_6-C_{35} (mg/Kg)	CHLORIDE (mg/Kg)
05/01/08	SB1 - 5'	5'	In-Situ	-	-	-	-	-	-	-	<17 2	<17 2	<17 2	<17 2	<5
05/01/08	SB1 - 10'	10'	In-Situ	<0 001	<0 002	<0 001	<0 002	<0 001	<0 002	<0 002	<18 1	<18 1	<18 1	<18 1	<5
05/01/08	SB1 - 15'	15'	In-Situ	-	-	-	-	-	-	-	-	-	-	-	226
05/01/08	SB1 - 25'	25'	In-Situ	-	-	-	-	-	-	-	-	-	-	-	138 3
05/01/08	SB2 - 5'	5'	In-Situ	<0 001	<0 002	0 0071	0 0131	0 016	0 0291	0 0362	69	886	236	**1,191**	**2,552**
05/01/08	SB2 - 10'	10'	In-Situ	<0 001	<0 002	<0 001	<0 002	<0 001	<0 002	<0 002	<18	78 8	40 9	119 7	**1,149**
05/01/08	SB2 - 15'	15'	In-Situ	-	-	-	-	-	-	-	<16 9	<16 9	<16 9	<16 9	106 4
05/01/08	SB2 - 25'	25'	In-Situ	-	-	-	-	-	-	-	-	-	-	-	42 54
05/01/08	SB3 - 10'	10'	In-Situ	-	-	-	-	-	-	-	<17	<17	<17	<17	**808.3**
05/01/08	SB3 - 15'	15'	In-Situ	-	-	-	-	-	-	-	-	-	-	-	106 4
05/01/08	SB4 - 5'	5'	In-Situ	-	-	-	-	-	-	-	<17 4	85 7	69 4	155 1	-
05/01/08	SB4 - 10'	10'	In-Situ	<0 001	<0 002	<0 001	<0 002	<0 001	<0 002	<0 002	<18 2	75 3	31 5	106 8	**2,765**
05/01/08	SB4 - 15'	15'	In-Situ	-	-	-	-	-	-	-	-	-	-	-	186 1
05/01/08	SB5 - 5'	5'	In-Situ	-	-	-	-	-	-	-	-	-	-	-	**3,084**
05/01/08	SB5 - 10'	10'	In-Situ	-	-	-	-	-	-	-	<17 6	<17 6	<17 6	<17 6	**3,829**
05/01/08	SB6 2 - 5'	2-5'	In-Situ	-	-	-	-	-	-	-	<16 9	48 6	20 5	69 1	265 9
05/01/08	SB7 - 5'	5'	In-Situ	-	-	-	-	-	-	-	-	-	-	-	340 3
05/01/08	SB7 - 10'	10'	In-Situ	-	-	-	-	-	-	-	-	-	-	-	**1,255**
05/01/08	SB7 - 15'	15	In-Situ	-	-	-	-	-	-	-	-	-	-	-	**510.5**
06/19/08	NSW-1	10'	In-Situ	<0 0010	<0 0020	<0 0010	<0 0020	<0 0010	<0 0020	<0 0020	64 1	130	90 7	284 8	**2,140**
06/19/08	ESW-1	10'	In-Situ	<0 0051	<0 0102	0 0669	0 2326	0 2653	0 4979	0 5648	609	12600	2570	**15,779**	**2,110**
06/19/08	WSW-1	10'	In-Situ	<0 0011	<0 0021	<0 0011	<0 0021	<0 0011	<0 0021	<0 0021	<15 9	89 6	18 1	107 7	**4,070**
06/19/08	WSW-2	10'	In-Situ	<0 0011	<0 0022	<0 0011	<0 0022	<0 0011	<0 0022	<0 0022	34 7	3180	836	**4,050.7**	**15,000**
06/19/08	SSW-1	10'	In-Situ	<0 0012	<0 0024	<0 0012	<0 0024	<0 0012	<0 0024	<0 0024	45 9	1670	432	**2,147.9**	**4,620**
06/19/08	Stockpile	-	Transported	<0 0010	<0 0021	<0 0010	<0 0021	<0 0010	<0 0021	<0 0021	29 5	646	146	822	**8,380**
06/19/08	Floor-1	12'	In-Situ	<0 0011	<0 0021	<0 0011	<0 0021	<0 0011	<0 0021	<0 0021	21 2	31	<16 1	52 2	**14,300**
06/19/08	Floor-2	12'	In-Situ	<0 0011	<0 0021	<0 0011	<0 0021	<0 0011	<0 0021	<0 0021	40 9	20 8	<15 9	61 7	**6,150**
NMOCD REGULATORY STANDARD		-		**10**	-	-	-	-	-	**50**	-	-	-	**1,000**	**500**

BOLD indicates concentration exceeding NMOCD regulatory standards

Appendices

Appendix A
NMOCD Correspondence

Kenneth Pearce

From: Bonham, Sherry, EMNRD [Sherry.Bonham@state.nm.us]
Sent: Thursday, February 07, 2008 4:21 PM
To: kpearce@fairwayresources.com
Subject: South Red Lake II Unit Central Battery Work Plan Approval with Stipulations

February 7, 2008

Fairway Resources Operating, LLC
638 Silicon dr., Ste 101
Southlake, TX 76092

Attn: Kenneth Pearce

Reference: South Red Lake II Unit Central Battery 35, T17S, R27E UL: E Eddy County, New Mexico
2RP-125

Mr. Pearce,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of a work plan proposal (plan) for remediation of a release of produced fluids occurring at the above referenced facility on November 2, 2007. The plan proposes excavation and disposal of impacted soils exceeding the OCD Recommended Remedial Action Levels (RRAL) for this site.

The plan is accepted with the following stipulations:

- Notify the OCD 24 hours prior to commencement of activities.
- Notify the OCD 48 hours prior to obtaining samples where analyses are to be submitted to the OCD.
- Results of analytical data obtained through sampling shall be forwarded to OCD for approval **prior** to any backfilling activities
- A final Report C-141 is to be submitted to the OCD upon satisfactory completion of remediation project.
- Remediation requirements may be subject to change as site conditions warrant.
- Remediation to be completed on or before April 4, 2008.

Please be advised that NMOCD acceptance of this plan 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 this plan does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

Respectfully,

Sherry Bonham
NMOCD District 2
1301 W Grand Avenue
Artesia, NM 88210
575.748.1283 ext. 109
sherry.bonham@state.nm.us

February 6, 2008

Gerry Guye
Compliance Officer
NMOCD District II, Artesia

RE: South Red Lake II Unit Central Battery

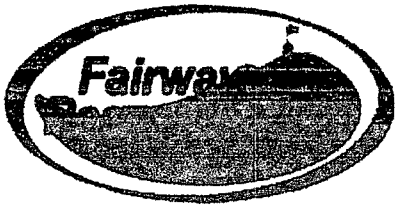
Gerry,

As per your letter dated 11-27-2207 and our recent phone conversation on 1-28-2008, I am attaching a proposed spill remediation plan for the SRLIIU central tank battery spill we experienced on 11-2-2007. Please review and let me know if this is acceptable or if we let to make any modifications. I am mailing copies of this to you today as well.

I apologize for the delay with our response. Apparently, we misplaced your letter of 11-27-2007.

Sincerely,

Kenneth Pearce
Sr. Operations Engineer
Fairway Resources
538 Silicon Dr., Suite 101
Southlake, TX 76092
office: 817-416-1946
fax: 817-416-1949
email: kpearce@fairwayresources.com



February 6, 2008

Fairway Resources Operating, LLC
South Red Lake II Unit - Central Battery
Sec. 35, T17S, R27E
Eddy Co., NM
11-2-2007 Oil and Produced Water Spill
(C-141 filed 11-27-2007)

Proposed Response Plan

Initial Response Actions Taken

11-5-2007 All wells were shut-in, stopping the source of the spill from the water and oil tanks.
Liquids were contained in the berm system around tanks.
Free liquids were recovered from the berm area and put back into the production facility for processing.
Caliche was placed over contaminated area within berms.

Soil and Water Remediation Action Levels

Ranking Criteria	Depth to Ground Water;	50' - 99'	score 10
	Wellhead Protection Area;	>1000' from water source >200' from private domestic water source	score 0
	Distance to Surface Water Body;	>1000' horizontal feet	score 0
			Total Score; 10

Required Remediation Action Level

Benzene (ppm)	10
BTEX (ppm)	50
TPH (ppm)	1,000
Chlorides (ppm)	500

Proposed Remediation Plan

Notes: Remediation work will be resumed as soon as possible after this plan is approved, and equipment and services are available.
All soil sampling and analyzes will be done using EPA methods and/or OCD approved standards.

1) Soil samples will be collected and analyzed within the affected area at the South Red Lake II Unit Central Battery to determine the specific area and depth of contamination above the OCD limits shown above.

2) The affected soil will be excavated and hauled to an off-site OCD approved treatment or disposal facility. Excavation will continue until representative samples from the walls and bottom of the excavation are below the contaminant specific remediation levels shown on the table above.

3) Clean soil will be hauled in and placed in the excavated area, any damaged berms will be repaired.

4) Remedial action will be terminated once contaminant concentrations are below OCD specified levels, as shown above, or these levels cannot be practically attained and the remaining contaminant concentrations pose no threat to fresh water, the public, or the environment, subject to OCD evaluation and approval.

5) After all remedial activities are completed, a final report summarizing all actions taken to mitigate damage related to the spill will be provided to the OCD for approval.

due 2/6/08

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

30-015-00658

November 27, 2007

Fairway Resources Operating, LLC
538 Silicon Dr. Ste 101
Southlake, TX 76092

ATTN: Kenneth Pearce

RE: South Red Lake II Unit Central Battery

Dear Sir:

This office is in receipt of your C-141 on the oil and produced water release, at this facility.

NMOCD Rule 19.15.3.116 states in part ..."The responsible person must complete **division approved corrective action** for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC."

Information and tools for proper corrective action may be found in the Environmental Handbook on our web site www.emnrd.state.nm.us/ocd under the heading publications.

Remediation requirements may be subject to other federal, state and local laws or regulations.

Within 30 days, **on or before December 27, 2007,** completion of a remediation work plan should be finalized and submitted to the Division, summarizing all actions taken or to be taken to mitigate environmental damage related to the leak, spill or release, for approval.

Please be advised that NMOCD acceptance and/or approval of documents or work plans 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 and/or approval of documents or work plans do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I may be of further service or if you have any questions please feel free to contact me.

Sincerely,

Gerry Guye
Compliance Officer
NMOCD District II, Artesia
(505) 748-1283 ext 105
Cell (505) 626-0843
E-mail: gerry.guye@state.nm.us

Kenneth Pearce

From: Guye, Gerry, EMNRD [gerry.guye@state.nm.us]
Sent: Monday, January 28, 2008 12:00 PM
To: Kenneth Pearce
Cc: Bonham, Sherry, EMNRD
Subject: South Red Lake II Unit Central Battery

Kenneth
In reference to my letter of November 27, 2007 on this spill, I was to receive your proposed work plan by December 27, 2007.
I have not received the work plan or the analytical data needed to close this project.
To preclude further enforcement action please forward this information to me on or before February 6, 2008.

Gerry Guye
Compliance Officer
NMOCD - Artesia
Office (505)748-1283x105
Mobile (505)626-0843
E-Mail: gerry.guye@state.nm.us

Curt D. Stanley

From: "Bonham, Sherry, EMNRD" <Sherry.Bonham@state.nm.us>
To: "Curt Stanley" <cstanley@basinenv.com>
Cc: "Kenneth Pearce" <kpearce@fairwayresources.com>
Sent: Tuesday, September 09, 2008 2:01 PM
Subject: RE: South Red Lake II Unit Central Battery 30 015 00658 2RP-125

Dear Mr. Stanley,

Based on evidence presented and site specific review, the proposal to a risk-based closure as outlined in the September 4, 2008 email for the South Red Lake II Unit Central Battery and the procedures for backfilling are approved. Please provide notification of commencement of activities.

Please be advised that NMOCD acceptance 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 do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

Respectfully,
Sherry Bonham
NMOCD District II
1301 West Grand Avenue
Artesia, NM 88210
575.748.1283

From: Curt Stanley [mailto:cstanley@basinenv.com]
Sent: Thursday, September 04, 2008 9:27 AM
To: Bonham, Sherry, EMNRD
Cc: kpearce@fairwayresources.com
Subject: South Red Lake II Unit Central Battery

Re: Fairway Resources
South Red Lake II Unit Central Battery
Eddy County, New Mexico
API # 30-015-00658
NMOCD Ref # 2 RP-125
Unit "I" (NE/SE) Sec. 35, T17S, R27E

Dear Ms. Bonham,

As we discussed last week (week beginning August 25, 2008), the remediation of the Fairway Resources (Fairway), South Red Lake II Unit Central Battery release as referenced above, has not yielded the expected outcome.

The excavation of impacted soil from the sidewalls of excavation has ceased due to numerous potential on-site safety hazards.

On the west side of the excavation a high voltage power line and numerous surface poly lines pose a significant health and environmental hazard. On the north and east sides of the excavation, high-pressure injection pipelines have been identified, as well as a City of Carlsbad municipal water line. The Fairway

Resources South Red Lake II Central Battery Water Flood Station and four (4) 500 barrel produced water storage tanks are located on the south side of the excavation.

In May 2008, seven (7) soil borings were advanced to provide vertical and horizontal delineation of the impacted soil. Due to the above stated on-site hazards, horizontal delineation was not possible. The soil borings did indicate benzene, toluene, ethyl-benzene, and xylene (BTEX), total petroleum hydrocarbon (TPH) and chloride concentrations were below the New Mexico Oil Conservation Division (NMOCD) regulatory clean-up levels at fifteen (15) feet below ground surface (bgs).

Based on the observed health and environmental hazards and data collected to date, Fairway Resources proposes a risk-based closure of the South Red Lake II Unit Central Battery Release Site. Fairway proposes to partially backfill the existing excavation with gypsum rock separated from the excavation stockpile. The soil separated from the excavation stockpile will be transported to a NMOCD approved landfill for disposal. Following the partial backfilling of the excavation, non-impacted sand or sandy caliche will be placed in the excavation and an appropriate volume of water will be used to wash the sand or sandy caliche into the voids created by the rock. Following the application of water, heavy equipment will be utilized to compact the excavation backfill. Following compaction of the backfill additional non-impacted caliche will be placed in the excavation and compacted in eighteen (18) inch lifts to approximately six (6) feet below ground surface (bgs). Sand will be mounded in the center of the excavation and a twenty (20) mil polyethylene liner will be placed on top of the sand. Following the placement of the liner an approximately one (1) foot layer of cushioning sand will be placed on top of the liner. Following the installation of the liner, locally purchased caliche will be used to complete the backfilling of the excavation. An appropriately sized secondary containment berm will be rebuilt around the South Red Lake II Unit water flood station storage tanks as required.

Following the completion of the above activities, a Remediation Summary and Risk-Based Closure Request will be prepared and submitted to the NMOCD-Artesia District Office for approval.

Thank you for your consideration in this matter.

On behalf of Fairway Resources,

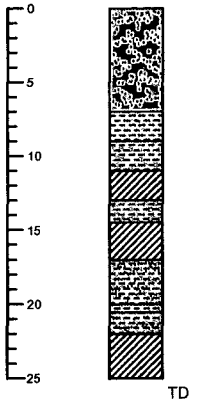
Curt D. Stanley
Senior Project Manager
Basin Environmental Service Technologies
P.O. Box 301
Lovington, New Mexico 88260
(O) 575396-2378
(C) 575-441-2244
(F) 575-396-1429

cc Mr. Kenneth Pearce, Fairway Resources

Appendix B
Soil Boring Logs

Soil Boring SB-1

Depth (feet)	Soil Columns	PID Reading	Petroleum Odor	Petroleum Stain
0 - 5		2.0	None	None
5 - 10		1.8	None	None
10 - 15		0.8	None	None
15 - 20		0.2	None	None
20 - 25		1.1	None	None



Soil Description

0 - 7' - Sand, brown to tan with a few caliche nodules

7 - 9' - Clay, red to green, silty, moist

9 - 11' - Clay, red, silty

11 - 13' - Gypsum, white, soft

13 - 14.5' - Clay, red, silty

14.5 - 17' - Gypsum, white, soft

17 - 20' - Clay, red, silty with some sand stringers

20 - 20.5' - Clay, brown, clayey

20.5 - 22' - Sand, tan, very fine grained with red clay stringers

22 - 25' - Gypsum, white, soft

Soil Boring Details

Date Drilled May 1, 2008

Thickness of Bentonite Seal 25 Ft

Depth of Exploratory Boring 25 Ft

Depth to Groundwater _____

Ground Water Elevation _____

▼ Indicates the PSH level measured on _____

▼ Indicates the groundwater level measured on _____

⬭ Indicates samples selected for Laboratory Analysis

PID Head-space reading in ppm obtained with a photo-ionization detector

Notes

1) The soil boring was advanced on date using air rotary drilling techniques.

2) The lines between material types shown on the profile log represent approximate boundaries Actual transitions may be gradual

3) The depths indicated are referenced from below ground surface (bgs)

Boring Log Details
Soil Boring SB-1
South Red Lake II Unit Central Battery Eddy County, New Mexico
Fairway Resources

Basin Environmental Services

Prep By CDS	Checked By CDS
May 12, 2008	

Soil Boring SB-2

Depth (feet)	Soil Columns	PID Reading	Petroleum Odor	Petroleum Stain
0				
5		(149.8)	Moderate	Slight
			Moderate	Heavy
10		(19.0)	None	None
15		(1.5)	None	None
20		2.1	None	None
25		(7.5)	None	None
	TD			

Soil Description

0 - 1.5' - Caliche Pad
1.5 - 5' - Clay, green to black, silty, moist, moderate odor, slight staining,
5 - 8' - Clay, green to black, silty, moist, moderate odor, heavy staining,
8 - 9' - Clay, red, silty
9 - 11' - Gypsum, white, soft
11 - 14" - Clay, red, silty
14 - 16' - Gypsum, white, soft
16 - 21' - Clay, red, silty
21 - 25' - Gypsum, white, soft

Soil Boring Details

Date Drilled May 1, 2008
Thickness of Bentonite Seal 25 Ft
Depth of Exploratory Boring 25 Ft
Depth to Groundwater _____
Ground Water Elevation _____

▼ Indicates the PSH level measured on _____
▼ Indicates the groundwater level measured on _____
⬭ Indicates samples selected for Laboratory Analysis.
PID Head-space reading in ppm obtained with a photo-ionization detector

Notes

1) The soil boring was advanced on date using air rotary drilling techniques
2) The lines between material types shown on the profile log represent approximate boundaries. Actual transitions may be gradual
3) The depths indicated are referenced from below ground surface (bgs)

Boring Log Details
Soil Boring SB-2
South Red Lake II Unit Central Battery Eddy County, New Mexico
Fairway Resources

Basin Environmental Services

Prep By CDS	Checked By CDS
May 12, 2008	

Soil Boring SB-3

Depth (feet)	Soil Columns	PID Reading	Petroleum Odor	Petroleum Stain
0 - 5		3.1	None	None
5 - 10		2.2	None	None
10 - 15		0.7	None	None
TD				

Soil Description

0 - 6' - Sand, brown, clayey with some caliche fragments

6 - 7' - Clay, greenish, silty

7 - 8' - Clay, red, silty

8 - 10' - Gypsum, white, soft

10 - 14' - Clay, brown, sandy

14 - 15' - Gypsum, white, soft

Soil Boring Details

Date Drilled May 1, 2008

Thickness of Bentonite Seal 15 Ft

Depth of Exploratory Boring 15 Ft

Depth to Groundwater _____

Ground Water Elevation _____

▼ Indicates the PSH level measured on _____

▼ Indicates the groundwater level measured on _____

⬭ Indicates samples selected for Laboratory Analysis

PID Head-space reading in ppm obtained with a photo-ionization detector

Notes

1) The soil boring was advanced on date using air rotary drilling techniques

2.) The lines between material types shown on the profile log represent approximate boundaries Actual transitions may be gradual

3.) The depths indicated are referenced from below ground surface (bgs)

Boring Log Details
Soil Boring SB-3
South Red Lake II Unit Central Battery Eddy County, New Mexico
Fairway Resources

Basin Environmental Services

Prep By CDS	Checked By CDS
May 12, 2008	

Soil Boring SB-4

Depth (feet)	Soil Columns	PID Reading	Petroleum Odor	Petroleum Stain
0				
5		3.3	Very Slight	None
10		22.0	None	None
15		3.7	None	None
TD				

Soil Description

0 - 4.5' - Gypsum, white, soft
4.5 - 5' - Clay, red, silty
5 - 5.5' - Gypsum, white, soft
5.5 - 9' - Clay, red to green to black, silty, moist
9 - 11' - Clay, red, silty, moist
11 - 12' - Gypsum, white, soft with red clay lenses
12 - 15' - Clay, red, sandy

Soil Boring Details

Date Drilled May 1, 2008
Thickness of Bentonite Seal 15 Ft
Depth of Exploratory Boring 15 Ft
Depth to Groundwater _____
Ground Water Elevation _____

▼ Indicates the PSH level measured on _____
▼ Indicates the groundwater level measured on _____
⬭ Indicates samples selected for Laboratory Analysis
PID Head-space reading in ppm obtained with a photo-ionization detector

Notes

1) The soil boring was advanced on date using air rotary drilling techniques.
2) The lines between material types shown on the profile log represent approximate boundaries Actual transitions may be gradual
3) The depths indicated are referenced from below ground surface (bgs)

Boring Log Details
Soil Boring SB-4
South Red Lake II Unit central Battery Eddy County, New Mexico
Fairway Resources

Basin Environmental Services

Prep By CDS	Checked By CDS
May 12, 2008	

Soil Boring SB-5

Depth (feet)	Soil Columns	PID Reading	Petroleum Odor	Petroleum Stain
0				
5		6.0	None	None
10	TD	3.5	None	None

Soil Description

0 - 0.5' - Pad caliche
0.5 - 5' - Clay, red, silty
5 - 6' - Gypsum, white, soft
6 - 8' - Clay, greenish yellow
8 - 10' - Clay, red, silty

Soil Boring Details

Date Drilled May 1, 2008
Thickness of Bentonite Seal 10 Ft
Depth of Exploratory Boring 10 Ft
Depth to Groundwater _____
Ground Water Elevation _____

▼ Indicates the PSH level measured on _____
▼ Indicates the groundwater level measured on _____
⬭ Indicates samples selected for Laboratory Analysis
PID Head-space reading in ppm obtained with a photo-ionization detector

Notes

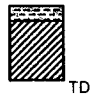
1) The soil boring was advanced on date using air rotary drilling techniques.
2) The lines between material types shown on the profile log represent approximate boundaries. Actual transitions may be gradual
3) The depths indicated are referenced from below ground surface. (bgs)

Boring Log Details
Soil Boring SB-5
South Red Lake II Unit Central Battery Eddy County, New Mexico
Fairway Resources

Basin Environmental Services

Prep By CDS	Checked By CDS
May 12, 2008	

Soil Boring SB-6

Depth (feet)	Soil Columns	PID Reading	Petroleum Odor	Petroleum Stain
0 - 5		7.7	None	None

Soil Description

0 - 1' - Clay, red, silty

1 - 5' - Gypsum, white, soft

Soil Boring Details

Date Drilled May 1, 2008

Thickness of Bentonite Seal 5 Ft

Depth of Exploratory Boring 5 Ft

Depth to Groundwater _____

Ground Water Elevation _____

▼ Indicates the PSH level measured on _____

▼ Indicates the groundwater level measured on _____

⬭ Indicates samples selected for Laboratory Analysis

PID Head-space reading in ppm obtained with a photo-ionization detector

Notes

1) The soil boring was advanced on date using air rotary drilling techniques

2) The lines between material types shown on the profile log represent approximate boundaries. Actual transitions may be gradual

3) The depths indicated are referenced from below ground surface. (bgs)

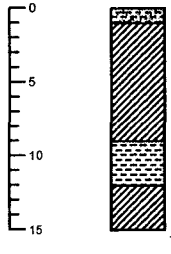
Boring Log Details
Soil Boring SB-6
South Red Lake II Unit Central Battery Eddy County, New Mexico
Fairway Resources

Basin Environmental Services

Prep By CDS	Checked By CDS
May 12, 2008	

Soil Boring SB-7

Depth (feet)	Soil Columns	PID Reading	Petroleum Odor	Petroleum Stain
0				
5		1.7	None	None
10		1.2	None	None
15	TD	1.7	None	None



Soil Description

0 - 1' - Sand, brown, clayey

1 - 9' - Gypsum, white, soft

9 - 12' - Clay, greenish yellow, silty

12 - 15' - Gypsum, white, soft

Soil Boring Details

Date Drilled May 1, 2008
Thickness of Bentonite Seal 15 Ft
Depth of Exploratory Boring 15 Ft
Depth to Groundwater _____
Ground Water Elevation _____

▼ Indicates the PSH level measured on _____

▼ Indicates the groundwater level measured on _____

⬭ Indicates samples selected for Laboratory Analysis.

PID Head-space reading in ppm obtained with a photo-ionization detector

Notes

1) The soil boring was advanced on date using air rotary drilling techniques

2) The lines between material types shown on the profile log represent approximate boundaries Actual transitions may be gradual

3) The depths indicated are referenced from below ground surface (bgs)

Boring Log Details
Soil Boring SB-7
South Red Lake II Unit Central Battery Eddy County, New Mexico
Fairway Resources

Basin Environmental Services

Prep By CDS	Checked By CDS
May 12, 2008	

Appendix C
Laboratory Reports

Analytical Report 303082

for

Basin Enivronmental Services

Project Manager: Curt Stanley

Fairway Resources-Red Lake II Central Bat

Red Lake II Central Bat

08-MAY-08

12600 West I-20 East Odessa, Texas 79765

Texas certification numbers:
Houston, TX T104704215

Florida certification numbers:
Houston, TX E871002 - Miami, FL E86678 - Tampa, FL E86675
Norcross(Atlanta), GA E87429

South Carolina certification numbers:
Norcross(Atlanta), GA 98015

North Carolina certification numbers:
Norcross(Atlanta), GA 483

Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America
Midland - Corpus Christi - Atlanta

08-MAY-08

Project Manager: **Curt Stanley**
Basin Enivronmental Services
P.O. Box 301
Lovington, NM 88260

Reference: XENCO Report No: **303082**
Fairway Resources-Red Lake II Central Bat
Project Address: East of Artesia, NM

Curt Stanley:

We are reporting to you the results of the analyses performed on the samples received under the project name referenced above and identified with the XENCO Report Number 303082. All results being reported under this Report Number apply to the samples analyzed and properly identified with a Laboratory ID number. Subcontracted analyses are identified in this report with either the NELAC certification number of the subcontract lab in the analyst ID field, or the complete subcontracted report attached to this report.

Unless otherwise noted in a Case Narrative, all data reported in this Analytical Report are in compliance with NELAC standards. Estimation of data uncertainty for this report is found in the quality control section of this report unless otherwise noted. Should insufficient sample be provided to the laboratory to meet the method and NELAC Matrix Duplicate and Matrix Spike requirements, then the data will be analyzed, evaluated and reported using all other available quality control measures.

The validity and integrity of this report will remain intact as long as it is accompanied by this letter and reproduced in full, unless written approval is granted by XENCO Laboratories. This report will be filed for at least 5 years in our archives after which time it will be destroyed without further notice, unless otherwise arranged with you. The samples received, and described as recorded in Report No. 303082 will be filed for 60 days, and after that time they will be properly disposed without further notice, unless otherwise arranged with you. We reserve the right to return to you any unused samples, extracts or solutions related to them if we consider so necessary (e.g., samples identified as hazardous waste, sample sizes exceeding analytical standard practices, controlled substances under regulated protocols, etc).

We thank you for selecting XENCO Laboratories to serve your analytical needs. If you have any questions concerning this report, please feel free to contact us at any time.

Respectfully,

Brent Barron, II
Odessa Laboratory Manager

Sample Cross Reference 303082

Basin Enivronmental Services, Lovington, NM

Fairway Resources-Red Lake II Central Bat

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
SB1 - 5'	S	May-01-08 08:30		303082-001
SB1 - 10'	S	May-01-08 08:35		303082-002
SB1 - 15'	S	May-01-08 08:40		303082-003
SB1 - 25'	S	May-01-08 08:50		303082-005
SB2 - 5'	S	May-01-08 09:00		303082-006
SB2 - 10'	S	May-01-08 09:05		303082-007
SB2 - 15'	S	May-01-08 09:10		303082-008
SB2 - 25'	S	May-01-08 09:20		303082-010
SB3 - 10'	S	May-01-08 10:10		303082-012
SB3 - 15'	S	May-01-08 10:15		303082-013
SB4 - 5'	S	May-01-08 10:30		303082-014
SB4 - 10'	S	May-01-08 10:35		303082-015
SB4 - 15'	S	May-01-08 10:40		303082-016
SB5 - 5'	S	May-01-08 11:00		303082-017
SB5 - 10'	S	May-01-08 11:10		303082-018
SB6 2'-5'	S	May-01-08 12:00		303082-019
SB7 - 5'	S	May-01-08 12:20		303082-020
SB7 - 10'	S	May-01-08 12:25		303082-021
SB7 - 15'	S	May-01-08 12:30		303082-022

Certificate of Analysis Summary 303082

Basin Enivronmental Services, Lovington, NM

Project Name: Fairway Resources-Red Lake II Central Bat

Project Id: Red Lake II Central Bat
Contact: Curt Stanley
Project Location: East of Artesia, NM

Date Received in Lab: Fri May-02-08 02:23 pm
Report Date: 08-MAY-08
Project Manager: Brent Barron, II

Analysis Requested													
	Lab Id:	303082-001		303082-002		303082-003		303082-005		303082-006		303082-007	
	Field Id:	SB1 - 5'		SB1 - 10'		SB1 - 15'		SB1 - 25'		SB2 - 5'		SB2 - 10'	
	Depth:												
	Matrix:	SOIL		SOIL		SOIL		SOIL		SOIL		SOIL	
	Sampled:	May-01-08 08:30		May-01-08 08.35		May-01-08 08:40		May-01-08 08:50		May-01-08 09:00		May-01-08 09.05	
BTEX by EPA 8021B	*Extracted:*			May-05-08 16:35						May-05-08 16:35		May-05-08 16:35	
	Analyzed:			May-05-08 20:31						May-05-08 20:55		May-05-08 21.19	
	Units/RL:			mg/kg	RL					mg/kg	RL	mg/kg	RL
Benzene				ND	0 0010					ND	0 0010	ND	0.0010
Toluene				ND	0.0020					ND	0 0020	ND	0 0020
Ethylbenzene				ND	0.0010					0.0071	0.0010	ND	0.0010
m,p-Xylenes				ND	0.0020					0 0131	0 0020	ND	0.0020
o-Xylene				ND	0.0010					0 0160	0 0010	ND	0.0010
Xylenes, Total				ND						0.0291		ND	
Total BTEX				ND						0 0362		ND	
Chloride by SM4500-CI- B	*Extracted:*												
	Analyzed:	May-06-08 00:00		May-06-08 00:00		May-06-08 00.00		May-06-08 00:00		May-06-08 00.00		May-06-08 00:00	
	Units/RL:	mg/kg	RL	mg/kg	RL	mg/kg	RL	mg/kg	RL	mg/kg	RL	mg/kg	RL
Chloride		ND		ND		226 0	5 000	138 3	5.000	2552	5 000	1149	5.000
Percent Moisture	*Extracted:*												
	Analyzed:	May-05-08 15:35		May-05-08 15:35						May-05-08 15:35		May-05-08 15 35	
	Units/RL:	%	RL	%	RL					%	RL	%	RL
Percent Moisture		12.9	1.00	17.3	1.00					13.2	1 00	16.8	1.00
TPH by SW8015 Mod	*Extracted:*	May-05-08 16:55		May-05-08 16:55						May-05-08 16.55		May-05-08 16:55	
	Analyzed:	May-06-08 00:20		May-06-08 00:45						May-06-08 01.11		May-06-08 01:36	
	Units/RL:	mg/kg	RL	mg/kg	RL					mg/kg	RL	mg/kg	RL
C6-C12 Gasoline Range Hydrocarbons		ND	17.2	ND	18.1					69 0	17.3	ND	18.0
C12-C28 Diesel Range Hydrocarbons		ND	17 2	ND	18.1					886	17.3	78 8	18 0
C28-C35 Oil Range Hydrocarbons		ND	17 2	ND	18 1					236	17.3	40 9	18 0
Total TPH		ND		ND						1191		119.7	

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Brent Barron
Odessa Laboratory Director

Certificate of Analysis Summary 303082

Basin Enivronmental Services, Lovington, NM

Project Name: Fairway Resources-Red Lake II Central Bat

Project Id: Red Lake II Central Bat
Contact: Curt Stanley
Project Location: East of Artesia, NM

Date Received in Lab: Fri May-02-08 02:23 pm
Report Date: 08-MAY-08
Project Manager: Brent Barron, II

Analysis Requested	*Lab Id:*	303082-008		303082-010		303082-012		303082-013		303082-014		303082-015	
	Field Id:	SB2 - 15'		SB2 - 25'		SB3 - 10'		SB3 - 15'		SB4 - 5'		SB4 - 10'	
	Depth:												
	Matrix:	SOIL		SOIL		SOIL		SOIL		SOIL		SOIL	
	Sampled:	May-01-08 09.10		May-01-08 09:20		May-01-08 10:10		May-01-08 10:15		May-01-08 10:30		May-01-08 10:35	
BTEX by EPA 8021B	*Extracted:*											May-05-08 16:35	
	Analyzed:											May-05-08 21:43	
	Units/RL:											mg/kg	RL
Benzene												ND	0 0010
Toluene												ND	0 0020
Ethylbenzene												ND	0 0010
m,p-Xylenes												ND	0.0020
o-Xylene												ND	0.0010
Xylenes, Total												ND	
Total BTEX												ND	
Chloride by SM4500-Cl- B	*Extracted:*												
	Analyzed:	May-06-08 00 00		May-06-08 00:00		May-06-08 00:00		May-06-08 00:00				May-06-08 00:00	
	Units/RL:	mg/kg	RL	mg/kg	RL	mg/kg	RL	mg/kg	RL			mg/kg	RL
Chloride		106 4	5.000	42 54	5 000	808.3	5.000	106 4	5.000			2765	5 000
Percent Moisture	*Extracted:*												
	Analyzed:	May-05-08 15:35				May-05-08 15:35				May-05-08 15:35		May-05-08 15:35	
	Units/RL:	%	RL			%	RL			%	RL	%	RL
Percent Moisture		11 5	1 00			11.7	1.00			14 0	1 00	17.5	1 00
TPH by SW8015 Mod	*Extracted:*	May-05-08 16:55				May-05-08 16:55				May-05-08 16:55		May-05-08 16:55	
	Analyzed:	May-06-08 02:02				May-06-08 02:28				May-06-08 02 54		May-06-08 03.19	
	Units/RL:	mg/kg	RL			mg/kg	RL			mg/kg	RL	mg/kg	RL
C6-C12 Gasoline Range Hydrocarbons		ND	16.9			ND	17.0			ND	17.4	ND	18 2
C12-C28 Diesel Range Hydrocarbons		ND	16.9			ND	17.0			85 7	17.4	75.3	18 2
C28-C35 Oil Range Hydrocarbons		ND	16.9			ND	17.0			69 4	17.4	31 5	18.2
Total TPH		ND				ND				155 1		106 8	

Brent Barron
Odessa Laboratory Director

Certificate of Analysis Summary 303082

Basin Enivronmental Services, Lovington, NM

Project Name: Fairway Resources-Red Lake II Central Bat

Project Id: Red Lake II Central Bat
Contact: Curt Stanley
Project Location: East of Artesia, NM

Date Received in Lab: Fri May-02-08 02:23 pm
Report Date: 08-MAY-08
Project Manager: Brent Barron, II

Analysis Requested													
	Lab Id:	303082-016		303082-017		303082-018		303082-019		303082-020		303082-021	
	Field Id:	SB4 - 15'		SB5 - 5'		SB5 - 10'		SB6 2'-5'		SB7 - 5'		SB7 - 10'	
	Depth:												
	Matrix:	SOIL		SOIL		SOIL		SOIL		SOIL		SOIL	
	Sampled:	May-01-08 10:40		May-01-08 11.00		May-01-08 11 10		May-01-08 12:00		May-01-08 12 20		May-01-08 12 25	
Chloride by SM4500-Cl- B	*Extracted:*												
	Analyzed:	May-06-08 00:00		May-06-08 00·00		May-06-08 00:00		May-06-08 00.00		May-06-08 00 00		May-07-08 00 00	
	Units/RL:	mg/kg	RL	mg/kg	RL	mg/kg	RL	mg/kg	RL	mg/kg	RL	mg/kg	RL
Chloride		186.1	5.000	3084	5.000	3829	5 000	265.9	5 000	595.6	5 000	1255	5 000
Percent Moisture	*Extracted:*												
	Analyzed:					May-05-08 15:35		May-05-08 15·35					
	Units/RL:					%	RL	%	RL				
Percent Moisture						14 6	1 00	11.4	1 00				
TPH by SW8015 Mod	*Extracted:*					May-05-08 16·55		May-05-08 16:55					
	Analyzed:					May-06-08 04.11		May-06-08 04·37					
	Units/RL:					mg/kg	RL	mg/kg	RL				
C6-C12 Gasoline Range Hydrocarbons						ND	17 6	ND	16.9				
C12-C28 Diesel Range Hydrocarbons						ND	17.6	48.6	16.9				
C28-C35 Oil Range Hydrocarbons						ND	17.6	20.5	16.9				
Total TPH						ND		69.1					

Brent Barron
Odessa Laboratory Director

Certificate of Analysis Summary 303082

Basin Enivronmental Services, Lovington, NM

Project Name: Fairway Resources-Red Lake II Central Bat

Project Id: Red Lake II Central Bat
Contact: Curt Stanley
Project Location: East of Artesia, NM

Date Received in Lab: Fri May-02-08 02:23 pm
Report Date: 08-MAY-08
Project Manager: Brent Barron, II

Analysis Requested	*Lab Id:*	303082-022					
	Field Id:	SB7 - 15'					
	Depth:						
	Matrix:	SOIL					
	Sampled:	May-01-08 12:30					
Chloride by SM4500-Cl- B	*Extracted:*						
	Analyzed:	May-06-08 00:00					
	Units/RL:	mg/kg RL					
Chloride		510 5 5 000					

Brent Barron
Odessa Laboratory Director

XENCO Laboratories

Flagging Criteria

X In our quality control review of the data a QC deficiency was observed and flagged as noted. MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to effect the recovery of the spike concentration. This condition could also effect the relative percent difference in the MS/MSD.

B A target analyte or common laboratory contaminant was identified in the method blank. Its presence indicates possible field or laboratory contamination.

D The sample(s) were diluted due to targets detected over the highest point of the calibration curve, or due to matrix interference. Dilution factors are included in the final results. The result is from a diluted sample.

E The data exceeds the upper calibration limit; therefore, the concentration is reported as estimated.

F RPD exceeded lab control limits.

J The target analyte was positively identified below the MQL(PQL) and above the SQL(MDL).

U Analyte was not detected.

L The LCS data for this analytical batch was reported below the laboratory control limits for this analyte. The department supervisor and QA Director reviewed data. The samples were either reanalyzed or flagged as estimated concentrations.

H The LCS data for this analytical batch was reported above the laboratory control limits. Supporting QC Data were reviewed by the Department Supervisor and QA Director. Data were determined to be valid for reporting.

K Sample analyzed outside of recommended hold time.

* Outside XENCO'S scope of NELAC Accreditation

Form 2 - Surrogate Recoveries

Project Name: Fairway Resources-Red Lake II Central Bat

Work Order #: 303082 **Project ID:** Red Lake II Central Bat

Lab Batch #: 721748 **Sample:** 303082-002 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

BTEX by EPA 8021B Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0327	0.0300	109	80-120	
4-Bromofluorobenzene	0.0287	0.0300	96	80-120	

Lab Batch #: 721748 **Sample:** 303082-006 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

BTEX by EPA 8021B Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0326	0.0300	109	80-120	
4-Bromofluorobenzene	0.0340	0.0300	113	80-120	

Lab Batch #: 721748 **Sample:** 303082-007 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

BTEX by EPA 8021B Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0329	0.0300	110	80-120	
4-Bromofluorobenzene	0.0271	0.0300	90	80-120	

Lab Batch #: 721748 **Sample:** 303082-015 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

BTEX by EPA 8021B Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0332	0.0300	111	80-120	
4-Bromofluorobenzene	0 0289	0 0300	96	80-120	

Lab Batch #: 721748 **Sample:** 508533-1-BKS / BKS **Batch:** 1 **Matrix:** Solid

Units: mg/kg

BTEX by EPA 8021B Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0282	0.0300	94	80-120	
4-Bromofluorobenzene	0.0290	0.0300	97	80-120	

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = 100 * A / B

All results are based on MDL and validated for QC purposes.

Form 2 - Surrogate Recoveries

Project Name: Fairway Resources-Red Lake II Central Bat

Work Order #: 303082 **Project ID:** Red Lake II Central Bat

Lab Batch #: 721748 **Sample:** 508533-1-BLK / BLK **Batch:** 1 **Matrix:** Solid

Units: mg/kg

BTEX by EPA 8021B Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0333	0.0300	111	80-120	
4-Bromofluorobenzene	0.0273	0.0300	91	80-120	

Lab Batch #: 721748 **Sample:** 508533-1-BSD / BSD **Batch:** 1 **Matrix:** Solid

Units: mg/kg

BTEX by EPA 8021B Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0286	0.0300	95	80-120	
4-Bromofluorobenzene	0.0296	0.0300	99	80-120	

Lab Batch #: 721818 **Sample:** 303082-001 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	84.5	100	85	70-135	
o-Terphenyl	47.8	50.0	96	70-135	

Lab Batch #: 721818 **Sample:** 303082-002 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	90.4	100	90	70-135	
o-Terphenyl	51.2	50.0	102	70-135	

Lab Batch #: 721818 **Sample:** 303082-006 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	95.6	100	96	70-135	
o-Terphenyl	54.2	50.0	108	70-135	

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = 100 * A / B

All results are based on MDL and validated for QC purposes.

Form 2 - Surrogate Recoveries

Project Name: Fairway Resources-Red Lake II Central Bat

Work Order #: 303082 **Project ID:** Red Lake II Central Bat

Lab Batch #: 721818 **Sample:** 303082-007 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	94.8	100	95	70-135	
o-Terphenyl	53.4	50.0	107	70-135	

Lab Batch #: 721818 **Sample:** 303082-008 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	91.1	100	91	70-135	
o-Terphenyl	49.7	50.0	99	70-135	

Lab Batch #: 721818 **Sample:** 303082-012 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	93.5	100	94	70-135	
o-Terphenyl	51.9	50.0	104	70-135	

Lab Batch #: 721818 **Sample:** 303082-014 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	95.4	100	95	70-135	
o-Terphenyl	53.0	50.0	106	70-135	

Lab Batch #: 721818 **Sample:** 303082-015 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	95.2	100	95	70-135	
o-Terphenyl	54.0	50.0	108	70-135	

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = 100 * A / B

All results are based on MDL and validated for QC purposes

Form 2 - Surrogate Recoveries

Project Name: Fairway Resources-Red Lake II Central Bat

Work Order #: 303082 **Project ID:** Red Lake II Central Bat

Lab Batch #: 721818 **Sample:** 303082-018 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	91.2	100	91	70-135	
o-Terphenyl	51.4	50.0	103	70-135	

Lab Batch #: 721818 **Sample:** 303082-018 S / MS **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	103	100	103	70-135	
o-Terphenyl	53.4	50.0	107	70-135	

Lab Batch #: 721818 **Sample:** 303082-018 SD / MSD **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	98.9	100	99	70-135	
o-Terphenyl	50.9	50.0	102	70-135	

Lab Batch #: 721818 **Sample:** 303082-019 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	88.0	100	88	70-135	
o-Terphenyl	47.3	50.0	95	70-135	

Lab Batch #: 721818 **Sample:** 508575-1-BKS / BKS **Batch:** 1 **Matrix:** Solid

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	106	100	106	70-135	
o-Terphenyl	53.5	50.0	107	70-135	

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = 100 * A / B

All results are based on MDL and validated for QC purposes.

Form 2 - Surrogate Recoveries

Project Name: Fairway Resources-Red Lake II Central Bat

Work Order #: 303082 **Project ID:** Red Lake II Central Bat

Lab Batch #: 721818 **Sample:** 508575-1-BLK / BLK **Batch:** 1 **Matrix:** Solid

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	100	100	100	70-135	
o-Terphenyl	56.7	50.0	113	70-135	

Lab Batch #: 721818 **Sample:** 508575-1-BSD / BSD **Batch:** 1 **Matrix:** Solid

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	101	100	101	70-135	
o-Terphenyl	50.7	50.0	101	70-135	

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = 100 * A / B

All results are based on MDL and validated for QC purposes.

Blank Spike Recovery

Project Name: Fairway Resources-Red Lake II Central Bat

Work Order #: 303082 **Project ID:** Red Lake II Central Bat

Lab Batch #: 721891 **Sample:** 721891-1-BKS **Matrix:** Solid
Date Analyzed: 05/06/2008 **Date Prepared:** 05/06/2008 **Analyst:** LATCOR
Reporting Units: mg/kg **Batch #:** 1

Chloride by SM4500-CI- B Analytes	Blank Result [A]	Spike Added [B]	Blank Spike Result [C]	Blank Spike %R [D]	Control Limits %R	Flags
	BLANK /BLANK SPIKE RECOVERY STUDY					
Chloride	ND	100.0	93.59	94	70-125	

Lab Batch #: 722031 **Sample:** 722031-1-BKS **Matrix:** Solid
Date Analyzed: 05/07/2008 **Date Prepared:** 05/07/2008 **Analyst:** LATCOR
Reporting Units: mg/kg **Batch #:** 1

Chloride by SM4500-CI- B Analytes	Blank Result [A]	Spike Added [B]	Blank Spike Result [C]	Blank Spike %R [D]	Control Limits %R	Flags
	BLANK /BLANK SPIKE RECOVERY STUDY					
Chloride	ND	100.0	95.18	95	70-125	

Blank Spike Recovery [D] = 100*[C]/[B]
All results are based on MDL and validated for QC purposes

XENCO Laboratories

BS / BSD Recoveries

Project Name: Fairway Resources-Red Lake II Central Bat

Work Order #: 303082 **Project ID:** Red Lake II Central Bat

Analyst: SHE **Date Prepared:** 05/05/2008 **Date Analyzed:** 05/05/2008

Lab Batch ID: 721748 **Sample:** 508533-1-BKS **Batch #:** 1 **Matrix:** Solid

Units: mg/kg

BLANK /BLANK SPIKE / BLANK SPIKE DUPLICATE RECOVERY STUDY

BTEX by EPA 8021B Analytes	Blank Sample Result [A]	Spike Added [B]	Blank Spike Result [C]	Blank Spike %R [D]	Spike Added [E]	Blank Spike Duplicate Result [F]	Blk. Spk Dup. %R [G]	RPD %	Control Limits %R	Control Limits %RPD	Flag
Benzene	ND	0.1000	0.0903	90	0.1	0.0803	80	12	70-130	35	
Toluene	ND	0.1000	0.0920	92	0 1	0.0819	82	12	70-130	35	
Ethylbenzene	ND	0.1000	0.1061	106	0.1	0.0944	94	12	71-129	35	
m,p-Xylenes	ND	0.2000	0.2180	109	0.2	0.1945	97	11	70-135	35	
o-Xylene	ND	0.1000	0.1039	104	0.1	0.0933	93	11	71-133	35	

Analyst: ASA **Date Prepared:** 05/05/2008 **Date Analyzed:** 05/05/2008

Lab Batch ID: 721818 **Sample:** 508575-1-BKS **Batch #:** 1 **Matrix:** Solid

Units: mg/kg

BLANK /BLANK SPIKE / BLANK SPIKE DUPLICATE RECOVERY STUDY

TPH by SW8015 Mod Analytes	Blank Sample Result [A]	Spike Added [B]	Blank Spike Result [C]	Blank Spike %R [D]	Spike Added [E]	Blank Spike Duplicate Result [F]	Blk. Spk Dup. %R [G]	RPD %	Control Limits %R	Control Limits %RPD	Flag
C6-C12 Gasoline Range Hydrocarbons	ND	1000	1140	114	1000	1070	107	6	70-135	35	
C12-C28 Diesel Range Hydrocarbons	ND	1000	1000	100	1000	934	93	7	70-135	35	

Relative Percent Difference RPD = 200*|(D-F)/(D+F)|
Blank Spike Recovery [D] = 100*(C)/[B]
Blank Spike Duplicate Recovery [G] = 100*(F)/[E]
All results are based on MDL and Validated for QC Purposes

Form 3 - MS / MSD Recoveries

Project Name: Fairway Resources-Red Lake II Central Bat

Work Order # : 303082 **Project ID:** Red Lake II Central Bat

Lab Batch ID: 721891 **QC- Sample ID:** 303082-005 S **Batch #:** 1 **Matrix:** Soil
Date Analyzed: 05/06/2008 **Date Prepared:** 05/06/2008 **Analyst:** LATCOR
Reporting Units: mg/kg

Chloride by SM4500-CI- B Analytes	MATRIX SPIKE / MATRIX SPIKE DUPLICATE RECOVERY STUDY										
	Parent Sample Result [A]	Spike Added [B]	Spiked Sample Result [C]	Spiked Sample %R [D]	Spike Added [E]	Duplicate Spiked Sample Result [F]	Spiked Dup. %R [G]	RPD %	Control Limits %R	Control Limits %RPD	Flag
Chloride	138.3	1000	1191	105	1000	1170	103	2	70-125	25	

Lab Batch ID: 722031 **QC- Sample ID:** 303082-021 S **Batch #:** 1 **Matrix:** Soil
Date Analyzed: 05/07/2008 **Date Prepared:** 05/07/2008 **Analyst:** LATCOR
Reporting Units: mg/kg

Chloride by SM4500-CI- B Analytes	MATRIX SPIKE / MATRIX SPIKE DUPLICATE RECOVERY STUDY										
	Parent Sample Result [A]	Spike Added [B]	Spiked Sample Result [C]	Spiked Sample %R [D]	Spike Added [E]	Duplicate Spiked Sample Result [F]	Spiked Dup. %R [G]	RPD %	Control Limits %R	Control Limits %RPD	Flag
Chloride	1255	2000	3063	90	2000	3020	88	2	70-125	25	

Lab Batch ID: 721818 **QC- Sample ID:** 303082-018 S **Batch #:** 1 **Matrix:** Soil
Date Analyzed: 05/06/2008 **Date Prepared:** 05/05/2008 **Analyst:** ASA
Reporting Units: mg/kg

TPH by SW8015 Mod Analytes	MATRIX SPIKE / MATRIX SPIKE DUPLICATE RECOVERY STUDY										
	Parent Sample Result [A]	Spike Added [B]	Spiked Sample Result [C]	Spiked Sample %R [D]	Spike Added [E]	Duplicate Spiked Sample Result [F]	Spiked Dup. %R [G]	RPD %	Control Limits %R	Control Limits %RPD	Flag
C6-C12 Gasoline Range Hydrocarbons	ND	1170	1220	104	1170	1190	102	2	70-135	35	
C12-C28 Diesel Range Hydrocarbons	ND	1170	1170	100	1170	1030	88	13	70-135	35	

Matrix Spike Percent Recovery [D] = 100*(C-A)/B
Relative Percent Difference RPD = 200*(D-G)/(D+G)

Matrix Spike Duplicate Percent Recovery [G] = 100*(F-A)/E

ND = Not Detected, J = Present Below Reporting Limit, B = Present in Blank, NR = Not Requested, I = Interference, NA = Not ApplicableN = See Narrative, EQL = Estimated Quantitation Limit

Sample Duplicate Recovery

Project Name: Fairway Resources-Red Lake II Central Bat

Work Order #: 303082

Lab Batch #: 721909 **Project ID:** Red Lake II Central Bat

Date Analyzed: 05/05/2008 **Date Prepared:** 05/05/2008 **Analyst:** WRU

QC- Sample ID: 303082-001 D **Batch #:** 1 **Matrix:** Soil

Reporting Units: %

Percent Moisture Analyte	SAMPLE / SAMPLE DUPLICATE RECOVERY Parent Sample Result [A]	Sample Duplicate Result [B]	RPD	Control Limits %RPD	Flag
Percent Moisture	12.9	12.8	1	20	

Spike Relative Difference RPD 200 * | (B-A)/(B+A) |
All Results are based on MDL and validated for QC purposes.

Environmental Lab of Texas

A Xenco Laboratories Company

12600 West I-20 East
Odessa, Texas 79765

Phone: 432-563-1800
Fax: 432-563-1713

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

Project Manager: Curt Stanley
Company Name: Basin Environmental
Company Address: P O Box 301
City/State/Zip: Lovington, New Mexico 88260
Telephone No: 575-441-2244
Fax No: 575-396-1429
Sampler Signature:
e-mail:

Project Name: Fairway Resources - Red Lake II Central Bat
Project #: SAME
Project Loc: East of Artesia NM
PO #:
Report Format: [X] Standard [ ] TRRP [ ] NPDES

(lab use only)
ORDER #: 303082

LAB # (lab use only)	FIELD CODE	Beginning Depth	Ending Depth	Date Sampled	Time Sampled	Field Filtered	Total # of Containers	Ice	HNO_3	HCl	H_2SO_4	NaOH	$Na_2S_2O_3$	None	Other (Specify)	Matrix (DW=Drinking Water SL=Sludge GW=Groundwater S=Soil/Solid NP=Non-Potable Specify Other)	TPH 418.1 8015M 8015B	TPH TX 1005 TX 1006	Cations (Ca, Mg, Na, K)	Anions (Cl, SO4, Alkalinity)	SAR / ESP / CEC	Metals: As Ag Ba Cd Cr Pb Hg Se	Volatiles	Semivolatiles	BTEX 8021B/5030 or BTEX 8260	RCI	N.O.R.M.	Chlorides 4500		HOLD	RUSH TAT (Pre-Schedule) 24, 48, 72 hrs	Standard TAT
001	SB1 - 5'			5/1/2008	830		1	X								S	X											X				X
002	SB1 - 10'			5/1/2008	835		1	X								S	X								X			X				X
003	SB1 - 15'			5/1/2008	840		1	X								S												X				X
004	SB1 - 20'			5/1/2008	845		1	X								S														X		X
005	SB1 - 25'			5/1/2008	850		1	X								S												X				X
006	SB2 - 5'			5/1/2008	900		1	X								S	X								X			X				X
007	SB2 - 10'			5/1/2008	905		1	X								S	X								X			X				X
008	SB2 - 15'			5/1/2008	910		1	X								S	X											X				X
009	SB2 - 20'			5/1/2008	915		1	X								S														X		X
010	SB2 - 25'			5/1/2008	920		1	X								S												X				X

Analyze For: TCLP / TOTAL

Special Instructions:

Relinquished by	Date	Time	Received by	Date	Time
	5/2/08	1623			
Relinquished by	Date	Time	Received by	Date	Time
Relinquished by	Date	Time	Received by ELOT	Date	Time
				5/2/08	16:23

Laboratory Comments:
Sample Containers Intact? Y N
VOCs Free of Headspace? Y N
Labels on container(s) Y N
Custody seals on container(s) Y N
Custody seals on cooler(s) Y N
Sample Hand Delivered Y N
by Sampler/Client Rep ? Y N
by Courier? UPS DHL FedEx Lone Star
Temperature Upon Receipt 9.5 °C

Environmental Lab of Texas

A Xenco Laboratories Company

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

2-07-08

12600 West I-20 East
Odessa, Texas 79765

Phone: 432-563-1800
Fax. 432-563-1713

Project Manager: Curt Stanley
Company Name: Basin Environmental
Company Address: P.O. Box 301
City/State/Zip: Lovington, New Mexico 88260
Telephone No: 575-441-2244 Fax No: 575-396-1429
Sampler Signature:

Project Name: Fairway Resources - Red Lake II Central Bat
Project #: SAME
Project Loc: East of Artesia, NM
PO #:
Report Format: [X] Standard [ ] TRRP [ ] NPDES
e-mail:

(lab use only)
ORDER #: 303082

LAB # (lab use only)	FIELD CODE	Beginning Depth	Ending Depth	Date Sampled	Time Sampled	Field Filtered	Total # of Containers	Preservation & # of Containers: Ice	HNO3	HCl	H2SO4	NaOH	Na2S2O3	None	Other (Specify)	Matrix: DW=Drinking Water SL=Sludge GW=Groundwater S=Soil/Solid NP=Non-Potable Specify Other	Analyze For: TCLP/TOTAL: 8015M	TPH 418.1	TPH TX 1005	Cations (Ca, Mg, Na, K)	Anions (Cl, SO4, Alkalinity)	SAR / ESP / CEC	Metals As Ag Ba Cd Cr Pb Hg Se	Volatiles	Semivolatiles	BTEX 8021B/5030 or 8TEX 8260	RCI	N O R M	Chlorides 4500		HOLD	RUSH TAT (Pre-Schedule) 24, 48, 72 hrs	Standard TAT
011	SB3 - 5'			5/1/2008	1015		1	X								S														X		X
012	SB3 - 10'			5/1/2008	1010		1	X								S		X												X			X
013	SB3 - 15'			5/1/2008	1015		1	X								S														X			X
014	SB4 - 5'			5/1/2008	1030		1	X								S		X															X
015	SB4 - 10'			5/1/2008	1035		1	X								S		X									X			X			X
016	SB4 - 15'			5/1/2008	1040		1	X								S														X			X
017	SB5 - 5'			5/1/2008	1100		1	X								S														X			X
018	SB5 - 10'			5/1/2008	1110		1	X								S		X												X			X
019	SB6 2'-5'			5/1/2008	1200		1	X								S		X												X			X
020	SB7 - 5'			5/1/2008	1220		1	X								S														X			X

Special Instructions:

Relinquished by	Date	Time	Received by	Date	Time
	5/2/08	1625			
Relinquished by	Date	Time	Received by	Date	Time
Relinquished by	Date	Time	Received by ELOT	Date	Time
				5/2/08	16:23

Laboratory Comments:

Sample Containers Intact?	Y	N
VOCs Free of Headspace?	Y	N
Labels on container(s)	Y	N
Custody seals on container(s)	Y	N
Custody seals on cooler(s)	Y	N
Sample Hand Delivered	Y	N
by Sampler/Client Rep ?	Y	N

by Courier? UPS DHL FedEx Lone Star

Temperature Upon Receipt °C

Environmental Lab of Texas

A Xenco Laboratories Company

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

12600 West I-20 East
Odessa, Texas 79765
Phone: 432-563-1800
Fax: 432-563-1713

Project Manager: Curt Stanley
Company Name: Basin Environmental
Company Address: P.O. Box 301
City/State/Zip: Lovington, New Mexico 88260
Telephone No: 575-441-2244 Fax No: 575-396-1429
Sampler Signature:
e-mail:

Project Name: Fairway Resources - Red Lake II Central Bat
Project #: SAME
Project Loc: East of Artesia, NM
PO #:
Report Format: [X] Standard [ ] TRRP [ ] NPDES

(lab use only)
ORDER #: 303082

LAB # (lab use only)	FIELD CODE	Beginning Depth	Ending Depth	Date Sampled	Time Sampled	Field Filtered	Total # of Containers	Preservation & # of Containers: Ice	HNO3	HCl	H2SO4	NaOH	Na2S2O3	None	Other (Specify)	Matrix: DW=Drinking Water SL=Sludge	GW=Groundwater S=Soil/Solid	NP=Non-Potable Specify Other	Analyze For: TCLP: 8015B	TCLP: 8021B/5030 or BTEX 8260	TOTAL: 8015B	TPH 418.1	TPH TX 1005	Cations (Ca, Mg, Na, K)	Anions (Cl, SO4, Alkalinity)	SAR / ESP / CEC	Metals: As Ag Ba Cd Cr Pb Hg Se	Volatiles	Semivolatiles	BTEX 8021B/5030 or BTEX 8260	RCI	NORM	Chlorides 4500	HOLD	RUSH TAT (Pre-Schedule) 24, 48, 72 hrs	Standard TAT
021	SB7 - 10'			5/1/2008	1225		1	X									S																X	X		X
022	SB7 - 15'			5/1/2008	1230		1	X									S																X			X

Special Instructions:

Relinquished by	Date	Time	Received by	Date	Time
	5/2/08	1623			
Relinquished by	Date	Time	Received by	Date	Time
Relinquished by	Date	Time	Received by ELOT	Date	Time
				5/2/08	16:23

Laboratory Comments.

Sample Containers Intact?	Y	N
VOCs Free of Headspace?	Y	N
Labels on container(s)	Y	N
Custody seals on container(s)	Y	N
Custody seals on cooler(s)	Y	N
Sample Hand Delivered	Y	N
by Sampler/Client Rep. ?	Y	N

by Courier? UPS DHL FedEx Lone Star

Temperature Upon Receipt °C

Environmental Lab of Texas

Variance/ Corrective Action Report- Sample Log-In

Client: Basin Env.

Date/ Time: 5.2.08 16.23

Lab ID #: 303082

Initials: AL

Sample Receipt Checklist

					Client Initials
#1	Temperature of container/ cooler?	(Yes)	No	4.5 °C	
#2	Shipping container in good condition?	(Yes)	No		
#3	Custody Seals intact on shipping container/ cooler?	(Yes)	No	Not Present	
#4	Custody Seals intact on sample bottles/ container?	(Yes)	No	Not Present	
#5	Chain of Custody present?	(Yes)	No		
#6	Sample instructions complete of Chain of Custody?	(Yes)	No		
#7	Chain of Custody signed when relinquished/ received?	(Yes)	No		
#8	Chain of Custody agrees with sample label(s)?	(Yes)	No	ID written on Cont / Lid	
#9	Container label(s) legible and intact?	(Yes)	No	Not Applicable	
#10	Sample matrix/ properties agree with Chain of Custody?	(Yes)	No		
#11	Containers supplied by ELOT?	(Yes)	No		
#12	Samples in proper container/ bottle?	(Yes)	No	See Below	
#13	Samples properly preserved?	(Yes)	No	See Below	
#14	Sample bottles intact?	(Yes)	No		
#15	Preservations documented on Chain of Custody?	(Yes)	No		
#16	Containers documented on Chain of Custody?	(Yes)	No		
#17	Sufficient sample amount for indicated test(s)?	(Yes)	No	See Below	
#18	All samples received within sufficient hold time?	(Yes)	No	See Below	
#19	Subcontract of sample(s)?	Yes	No	(Not Applicable)	
#20	VOC samples have zero headspace?	(Yes)	No	Not Applicable	

Variance Documentation

Contact: Curt S. Contacted by: Lane. K. Date/ Time: 5/7/08 9:30

Regarding: Gen-16'(-02) was marked for CL & HLD.
Per phone call, Curt wants to run CL

Corrective Action Taken.

Check all that Apply:

- ☐ See attached e-mail/ fax
- ☐ Client understands and would like to proceed with analysis
- ☐ Cooling process had begun shortly after sampling event

Analytical Report 306370

for

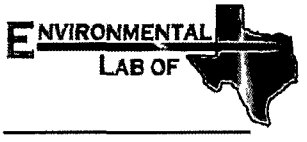
Basin Enivronmental Services

Project Manager: Curt Stanley

South Red Lake II Unit Central Bat

Same

27-JUN-08



12600 West I-20 East Odessa, Texas 79765

Texas certification numbers:
Houston, TX T104704215

Florida certification numbers:
Houston, TX E871002 - Miami, FL E86678 - Tampa, FL E86675
Norcross(Atlanta), GA E87429

South Carolina certification numbers:
Norcross(Atlanta), GA 98015

North Carolina certification numbers:
Norcross(Atlanta), GA 483

Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America
Midland - Corpus Christi - Atlanta

XENCO Laboratories

27-JUN-08

Project Manager: **Curt Stanley**
Basin Enivronmental Services
P.O. Box 301
Lovington, NM 88260

Reference: XENCO Report No: **306370**
South Red Lake II Unit Central Bat
Project Address: Artesia, NM

Curt Stanley:

We are reporting to you the results of the analyses performed on the samples received under the project name referenced above and identified with the XENCO Report Number 306370. All results being reported under this Report Number apply to the samples analyzed and properly identified with a Laboratory ID number. Subcontracted analyses are identified in this report with either the NELAC certification number of the subcontract lab in the analyst ID field, or the complete subcontracted report attached to this report.

Unless otherwise noted in a Case Narrative, all data reported in this Analytical Report are in compliance with NELAC standards. Estimation of data uncertainty for this report is found in the quality control section of this report unless otherwise noted. Should insufficient sample be provided to the laboratory to meet the method and NELAC Matrix Duplicate and Matrix Spike requirements, then the data will be analyzed, evaluated and reported using all other available quality control measures.

The validity and integrity of this report will remain intact as long as it is accompanied by this letter and reproduced in full, unless written approval is granted by XENCO Laboratories. This report will be filed for at least 5 years in our archives after which time it will be destroyed without further notice, unless otherwise arranged with you. The samples received, and described as recorded in Report No. 306370 will be filed for 60 days, and after that time they will be properly disposed without further notice, unless otherwise arranged with you. We reserve the right to return to you any unused samples, extracts or solutions related to them if we consider so necessary (e.g., samples identified as hazardous waste, sample sizes exceeding analytical standard practices, controlled substances under regulated protocols, etc).

We thank you for selecting XENCO Laboratories to serve your analytical needs. If you have any questions concerning this report, please feel free to contact us at any time.

Respectfully,

Brent Barron, II
Odessa Laboratory Manager

Sample Cross Reference 306370

Basin Enivronmental Services, Lovington, NM

South Red Lake II Unit Central Bat

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
NSW-1	S	Jun-19-08 12:00		306370-001
ESW-1	S	Jun-19-08 12:05		306370-002
WSW-1	S	Jun-19-08 12:10		306370-003
WSW-2	S	Jun-19-08 12:15		306370-004
SSW-1	S	Jun-19-08 12:20		306370-005
Stockpile	S	Jun-19-08 12:25		306370-006
Floor-1	S	Jun-19-08 12:30		306370-007
Floor-2	S	Jun-19-08 12:35		306370-008

ENVIRONMENTAL LAB OF

Certificate of Analysis Summary 306370

Basin Enivronmental Services, Lovington, NM

Project Name: South Red Lake II Unit Central Bat

Project Id: Same
Contact: Curt Stanley
Project Location: Artesia, NM

Date Received in Lab: Mon Jun-23-08 08:38 am
Report Date: 27-JUN-08
Project Manager: Brent Barron, II

Analysis Requested													
	Lab Id:	306370-001		306370-002		306370-003		306370-004		306370-005		306370-006	
	Field Id:	NSW-1		ESW-1		WSW-1		WSW-2		SSW-1		Stockpile	
	Depth:												
	Matrix:	SOIL		SOIL		SOIL		SOIL		SOIL		SOIL	
	Sampled:	Jun-19-08 12:00		Jun-19-08 12.05		Jun-19-08 12.10		Jun-19-08 12:15		Jun-19-08 12.20		Jun-19-08 12:25	
BTEX by EPA 8021B	*Extracted:*	Jun-23-08 15:00		Jun-24-08 12:00		Jun-23-08 15:00		Jun-23-08 15 00		Jun-23-08 15:00		Jun-23-08 15:00	
	Analyzed:	Jun-23-08 20 10		Jun-24-08 15:52		Jun-23-08 20:57		Jun-23-08 21:21		Jun-23-08 21:45		Jun-23-08 22 09	
	Units/RL:	mg/kg	RL	mg/kg	RL	mg/kg	RL	mg/kg	RL	mg/kg	RL	mg/kg	RL
Benzene		ND	0 0010	ND	0.0051	ND	0.0011	ND	0.0011	ND	0 0012	ND	0.0010
Toluene		ND	0 0020	ND	0 0102	ND	0.0021	ND	0 0022	ND	0.0024	ND	0 0021
Ethylbenzene		*ND*	*0.0010*	*0.0669*	*0 0051*	*ND*	*0 0011*	*ND*	*0 0011*	*ND*	*0 0012*	*ND*	*0 0010*
m,p-Xylenes		ND	0.0020	0 2326	0.0102	ND	0.0021	ND	0 0022	ND	0 0024	ND	0.0021
o-Xylene		ND	0.0010	0.2653	0 0051	ND	0 0011	ND	0.0011	ND	0.0012	ND	0 0010
Total Xylenes		ND		0.4979		ND		ND		ND		ND	
Total BTEX		ND		0.5648		ND		ND		ND		ND	
Inorganic Anions by EPA 300	*Extracted:*												
	Analyzed:	Jun-24-08 10:52		Jun-24-08 10:52		Jun-24-08 10:52		Jun-24-08 10.52		Jun-24-08 10.52		Jun-24-08 10:52	
	Units/RL:	mg/kg	RL	mg/kg	RL	mg/kg	RL	mg/kg	RL	mg/kg	RL	mg/kg	RL
Chloride		2140	102	2110	102	4070	212	15000	562	4620	118	8380	206
Percent Moisture	*Extracted:*												
	Analyzed:	Jun-23-08 17:00		Jun-23-08 17:00		Jun-23-08 17:00		Jun-23-08 17:00		Jun-23-08 17.00		Jun-23-08 17:00	
	Units/RL:	%	RL	%	RL	%	RL	%	RL	%	RL	%	RL
Percent Moisture		2 14		2.35		5.73		11		15 1		2.94	
TPH by SW8015 Mod	*Extracted:*	Jun-24-08 08:48		Jun-24-08 08:48		Jun-24-08 08:48		Jun-24-08 08:48		Jun-24-08 08 48		Jun-24-08 08:48	
	Analyzed:	Jun-25-08 14 38		Jun-25-08 15:09		Jun-25-08 16:06		Jun-25-08 16:34		Jun-25-08 17 01		Jun-25-08 17:28	
	Units/RL:	mg/kg	RL	mg/kg	RL	mg/kg	RL	mg/kg	RL	mg/kg	RL	mg/kg	RL
C6-C12 Gasoline Range Hydrocarbons		64.1	15.3	609	76.8	ND	15.9	34 7	16 9	45.9	17 7	29.5	15.5
C12-C28 Diesel Range Hydrocarbons		130	15.3	12600	76 8	89.6	15.9	3180	16.9	1670	17.7	646	15.5
C28-C35 Oil Range Hydrocarbons		90 7	15.3	2570	76.8	18.1	15 9	836	16.9	432	17 7	146	15.5
Total TPH		284 8		15779		107.7		4050.7		2147.9		821 5	

Brent Barron
Odessa Laboratory Director

Certificate of Analysis Summary 306370

Basin Enivronmental Services, Lovington, NM

Project Name: South Red Lake II Unit Central Bat

Project Id: Same
Contact: Curt Stanley
Project Location: Artesia, NM

Date Received in Lab: Mon Jun-23-08 08:38 am
Report Date: 27-JUN-08
Project Manager: Brent Barron, II

Analysis Requested							
	Lab Id:	306370-007		306370-008			
	Field Id:	Floor-1		Floor-2			
	Depth:						
	Matrix:	SOIL		SOIL			
	Sampled:	Jun-19-08 12:30		Jun-19-08 12:35			
BTEX by EPA 8021B	*Extracted:*	Jun-23-08 15 00		Jun-23-08 15:00			
	Analyzed:	Jun-23-08 22:33		Jun-23-08 23:44			
	Units/RL:	mg/kg	RL	mg/kg	RL		
Benzene		ND	0.0011	ND	0 0011		
Toluene		ND	0 0021	ND	0.0021		
Ethylbenzene		ND	0.0011	ND	0 0011		
m,p-Xylenes		ND	0 0021	ND	0.0021		
o-Xylene		ND	0 0011	ND	0.0011		
Total Xylenes		ND		ND			
Total BTEX		ND		ND			
Inorganic Anions by EPA 300	*Extracted:*						
	Analyzed:	Jun-24-08 10:52		Jun-24-08 10:52			
	Units/RL:	mg/kg	RL	mg/kg	RL		
Chloride		14300	536	6150	532		
Percent Moisture	*Extracted:*						
	Analyzed:	Jun-23-08 17.00		Jun-23-08 17:00			
	Units/RL:	%	RL	%	RL		
Percent Moisture		6 63		5.95			
TPH by SW8015 Mod	*Extracted:*	Jun-24-08 08:48		Jun-24-08 08:48			
	Analyzed:	Jun-26-08 10 30		Jun-26-08 12:42			
	Units/RL:	mg/kg	RL	mg/kg	RL		
C6-C12 Gasoline Range Hydrocarbons		21 2	16 1	40 9	15.9		
C12-C28 Diesel Range Hydrocarbons		31 0	16.1	20.8	15 9		
C28-C35 Oil Range Hydrocarbons		ND	16.1	ND	15 9		
Total TPH		52 2		61.7			

Brent Barron
Odessa Laboratory Director

XENCO Laboratories

Flagging Criteria

X In our quality control review of the data a QC deficiency was observed and flagged as noted. MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to effect the recovery of the spike concentration. This condition could also effect the relative percent difference in the MS/MSD.

B A target analyte or common laboratory contaminant was identified in the method blank. Its presence indicates possible field or laboratory contamination.

D The sample(s) were diluted due to targets detected over the highest point of the calibration curve, or due to matrix interference. Dilution factors are included in the final results. The result is from a diluted sample.

E The data exceeds the upper calibration limit; therefore, the concentration is reported as estimated.

F RPD exceeded lab control limits.

J The target analyte was positively identified below the MQL(PQL) and above the SQL(MDL).

U Analyte was not detected.

L The LCS data for this analytical batch was reported below the laboratory control limits for this analyte. The department supervisor and QA Director reviewed data. The samples were either reanalyzed or flagged as estimated concentrations.

H The LCS data for this analytical batch was reported above the laboratory control limits. Supporting QC Data were reviewed by the Department Supervisor and QA Director. Data were determined to be valid for reporting.

K Sample analyzed outside of recommended hold time.

* Outside XENCO'S scope of NELAC Accreditation

Form 2 - Surrogate Recoveries

Project Name: South Red Lake II Unit Central Bat

Work Order #: 306370 **Project ID:** Same

Lab Batch #: 726318 **Sample:** 306370-001 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

BTEX by EPA 8021B	SURROGATE RECOVERY STUDY				
Analytes	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0331	0.0300	110	80-120	
4-Bromofluorobenzene	0.0304	0.0300	101	80-120	

Lab Batch #: 726318 **Sample:** 306370-003 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

BTEX by EPA 8021B	SURROGATE RECOVERY STUDY				
Analytes	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0358	0.0300	119	80-120	
4-Bromofluorobenzene	0.0317	0.0300	106	80-120	

Lab Batch #: 726318 **Sample:** 306370-004 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

BTEX by EPA 8021B	SURROGATE RECOVERY STUDY				
Analytes	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0343	0.0300	114	80-120	
4-Bromofluorobenzene	0.0354	0.0300	118	80-120	

Lab Batch #: 726318 **Sample:** 306370-005 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

BTEX by EPA 8021B	SURROGATE RECOVERY STUDY				
Analytes	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0343	0.0300	114	80-120	
4-Bromofluorobenzene	0.0358	0.0300	119	80-120	

Lab Batch #: 726318 **Sample:** 306370-006 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

BTEX by EPA 8021B	SURROGATE RECOVERY STUDY				
Analytes	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0372	0.0300	124	80-120	**
4-Bromofluorobenzene	0.0298	0.0300	99	80-120	

** Surrogates outside limits, data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = 100 * A / B

All results are based on MDL and validated for QC purposes.

Form 2 - Surrogate Recoveries

Project Name: South Red Lake II Unit Central Bat

Work Order #: 306370 **Project ID:** Same

Lab Batch #: 726318 **Sample:** 306370-007 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

BTEX by EPA 8021B Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0350	0.0300	117	80-120	
4-Bromofluorobenzene	0.0332	0.0300	111	80-120	

Lab Batch #: 726318 **Sample:** 306370-008 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

BTEX by EPA 8021B Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0353	0.0300	118	80-120	
4-Bromofluorobenzene	0.0336	0.0300	112	80-120	

Lab Batch #: 726318 **Sample:** 511084-1-BKS / BKS **Batch:** 1 **Matrix:** Solid

Units: mg/kg

BTEX by EPA 8021B Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0306	0.0300	102	80-120	
4-Bromofluorobenzene	0.0355	0.0300	118	80-120	

Lab Batch #: 726318 **Sample:** 511084-1-BLK / BLK **Batch:** 1 **Matrix:** Solid

Units: mg/kg

BTEX by EPA 8021B Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0343	0.0300	114	80-120	
4-Bromofluorobenzene	0.0316	0.0300	105	80-120	

Lab Batch #: 726318 **Sample:** 511084-1-BSD / BSD **Batch:** 1 **Matrix:** Solid

Units: mg/kg

BTEX by EPA 8021B Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0269	0.0300	90	80-120	
4-Bromofluorobenzene	0.0320	0.0300	107	80-120	

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = 100 * A / B

All results are based on MDL and validated for QC purposes.

Form 2 - Surrogate Recoveries

Project Name: South Red Lake II Unit Central Bat

Work Order #: 306370 **Project ID:** Same

Lab Batch #: 726328 **Sample:** 306370-002 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

BTEX by EPA 8021B Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0342	0.0300	114	80-120	
4-Bromofluorobenzene	0.1529	0.0300	510	80-120	**

Lab Batch #: 726328 **Sample:** 511084-1-BKS / BKS **Batch:** 1 **Matrix:** Solid

Units: mg/kg

BTEX by EPA 8021B Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0270	0.0300	90	80-120	
4-Bromofluorobenzene	0.0323	0.0300	108	80-120	

Lab Batch #: 726328 **Sample:** 511084-1-BLK / BLK **Batch:** 1 **Matrix:** Solid

Units: mg/kg

BTEX by EPA 8021B Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0349	0.0300	116	80-120	
4-Bromofluorobenzene	0.0299	0.0300	100	80-120	

Lab Batch #: 726328 **Sample:** 511084-1-BSD / BSD **Batch:** 1 **Matrix:** Solid

Units: mg/kg

BTEX by EPA 8021B Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0282	0.0300	94	80-120	
4-Bromofluorobenzene	0.0318	0.0300	106	80-120	

Lab Batch #: 726418 **Sample:** 306327-001 S / MS **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	83.3	100	83	70-135	
o-Terphenyl	47.2	50.0	94	70-135	

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = 100 * A / B

All results are based on MDL and validated for QC purposes.

Form 2 - Surrogate Recoveries

Project Name: South Red Lake II Unit Central Bat

Work Order #: 306370 **Project ID:** Same

Lab Batch #: 726418 **Sample:** 306327-001 SD / MSD **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	83.8	100	84	70-135	
o-Terphenyl	48.2	50.0	96	70-135	

Lab Batch #: 726418 **Sample:** 306370-001 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	66.0	100	66	70-135	**
o-Terphenyl	36 6	50.0	73	70-135	

Lab Batch #: 726418 **Sample:** 306370-002 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	68.9	100	69	70-135	**
o-Terphenyl	54.9	50.0	110	70-135	

Lab Batch #: 726418 **Sample:** 306370-003 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	69 1	100	69	70-135	**
o-Terphenyl	38.8	50.0	78	70-135	

Lab Batch #: 726418 **Sample:** 306370-004 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	72.4	100	72	70-135	
o-Terphenyl	44.6	50.0	89	70-135	

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = 100 * A / B

All results are based on MDL and validated for QC purposes.

Form 2 - Surrogate Recoveries

Project Name: South Red Lake II Unit Central Bat

Work Order #: 306370 **Project ID:** Same

Lab Batch #: 726418 **Sample:** 306370-005 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	71.1	100	71	70-135	
o-Terphenyl	42.6	50.0	85	70-135	

Lab Batch #: 726418 **Sample:** 306370-006 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	72.9	100	73	70-135	
o-Terphenyl	43 5	50.0	87	70-135	

Lab Batch #: 726418 **Sample:** 306370-007 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	70.3	100	70	70-135	
o-Terphenyl	39.4	50.0	79	70-135	

Lab Batch #: 726418 **Sample:** 306370-008 / SMP **Batch:** 1 **Matrix:** Soil

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	65.5	100	66	70-135	**
o-Terphenyl	38.3	50.0	77	70-135	

Lab Batch #: 726418 **Sample:** 511165-1-BKS / BKS **Batch:** 1 **Matrix:** Solid

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	79.4	100	79	70-135	
o-Terphenyl	44.3	50.0	89	70-135	

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = 100 * A / B

All results are based on MDL and validated for QC purposes.

Form 2 - Surrogate Recoveries

Project Name: South Red Lake II Unit Central Bat

Work Order #: 306370 **Project ID:** Same

Lab Batch #: 726418 **Sample:** 511165-1-BLK / BLK **Batch:** 1 **Matrix:** Solid

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	73.0	100	73	70-135	
o-Terphenyl	41.3	50.0	83	70-135	

Lab Batch #: 726418 **Sample:** 511165-1-BSD / BSD **Batch:** 1 **Matrix:** Solid

Units: mg/kg

TPH by SW8015 Mod Analytes	SURROGATE RECOVERY STUDY Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	80.0	100	80	70-135	
o-Terphenyl	44.1	50.0	88	70-135	

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = 100 * A / B

All results are based on MDL and validated for QC purposes.

XENCO Laboratories

Blank Spike Recovery

Project Name: South Red Lake II Unit Central Bat

Work Order #: 306370 **Project ID:** Same

Lab Batch #: 726343 **Sample:** 726343-1-BKS **Matrix:** Solid

Date Analyzed: 06/24/2008 **Date Prepared:** 06/24/2008 **Analyst:** LATCOR

Reporting Units: mg/kg **Batch #:** 1

	BLANK /BLANK SPIKE RECOVERY STUDY					
Inorganic Anions by EPA 300 **Analytes**	**Blank Result [A]**	**Spike Added [B]**	**Blank Spike Result [C]**	**Blank Spike %R [D]**	**Control Limits %R**	**Flags**
Chloride	ND	10.0	11.4	114	75-125	

Blank Spike Recovery [D] = 100*[C]/[B]
All results are based on MDL and validated for QC purposes.

XENCO Laboratories

BS / BSD Recoveries

Project Name: South Red Lake II Unit Central Bat

Work Order #: 306370 **Project ID:** Same

Analyst: BRB **Date Prepared:** 06/23/2008 **Date Analyzed:** 06/23/2008

Lab Batch ID: 726318 **Sample:** 511084-1-BKS **Batch #:** 1 **Matrix:** Solid

Units: mg/kg

BTEX by EPA 8021B	BLANK /BLANK SPIKE / BLANK SPIKE DUPLICATE RECOVERY STUDY										
Analytes	Blank Sample Result [A]	Spike Added [B]	Blank Spike Result [C]	Blank Spike %R [D]	Spike Added [E]	Blank Spike Duplicate Result [F]	Blk. Spk Dup. %R [G]	RPD %	Control Limits %R	Control Limits %RPD	Flag
Benzene	ND	0.1000	0.1165	117	0.1	0.0984	98	17	70-130	35	
Toluene	ND	0.1000	0.1152	115	0.1	0.0961	96	18	70-130	35	
Ethylbenzene	ND	0.1000	0.1269	127	0.1	0.1060	106	18	71-129	35	
m,p-Xylenes	ND	0.2000	0.2584	129	0.2	0.2165	108	18	70-135	35	
o-Xylene	ND	0.1000	0.1255	126	0.1	0.1044	104	18	71-133	35	

Analyst: BRB **Date Prepared:** 06/24/2008 **Date Analyzed:** 06/24/2008

Lab Batch ID: 726328 **Sample:** 511084-1-BKS **Batch #:** 1 **Matrix:** Solid

Units: mg/kg

BTEX by EPA 8021B	BLANK /BLANK SPIKE / BLANK SPIKE DUPLICATE RECOVERY STUDY										
Analytes	Blank Sample Result [A]	Spike Added [B]	Blank Spike Result [C]	Blank Spike %R [D]	Spike Added [E]	Blank Spike Duplicate Result [F]	Blk. Spk Dup. %R [G]	RPD %	Control Limits %R	Control Limits %RPD	Flag
Benzene	ND	0.1000	0.0998	100	0.1	0.1047	105	5	70-130	35	
Toluene	ND	0.1000	0.0987	99	0.1	0.1035	104	5	70-130	35	
Ethylbenzene	ND	0.1000	0 1111	111	0.1	0.1166	117	5	71-129	35	
m,p-Xylenes	ND	0.2000	0.2237	112	0.2	0 2348	117	5	70-135	35	
o-Xylene	ND	0.1000	0.1083	108	0.1	0.1138	114	5	71-133	35	

Relative Percent Difference RPD = 200*|(D-F)/(D+F)|
Blank Spike Recovery [D] = 100*(C)/[B]
Blank Spike Duplicate Recovery [G] = 100*(F)/[E]
All results are based on MDL and Validated for QC Purposes

XENCO Laboratories

BS / BSD Recoveries

Project Name: South Red Lake II Unit Central Bat

Work Order #: 306370 **Project ID:** Same

Analyst: ASA **Date Prepared:** 06/24/2008 **Date Analyzed:** 06/25/2008

Lab Batch ID: 726418 **Sample:** 511165-1-BKS **Batch #:** 1 **Matrix:** Solid

Units: mg/kg

BLANK /BLANK SPIKE / BLANK SPIKE DUPLICATE RECOVERY STUDY

TPH by SW8015 Mod Analytes	Blank Sample Result [A]	Spike Added [B]	Blank Spike Result [C]	Blank Spike %R [D]	Spike Added [E]	Blank Spike Duplicate Result [F]	Blk. Spk Dup. %R [G]	RPD %	Control Limits %R	Control Limits %RPD	Flag
C6-C12 Gasoline Range Hydrocarbons	ND	1000	840	84	1000	838	84	0	70-135	35	
C12-C28 Diesel Range Hydrocarbons	ND	1000	838	84	1000	832	83	1	70-135	35	

Relative Percent Difference RPD = 200*|(D-F)/(D+F)|
Blank Spike Recovery [D] = 100*(C)/[B]
Blank Spike Duplicate Recovery [G] = 100*(F)/[E]
All results are based on MDL and Validated for QC Purposes

Form 3 - MS Recoveries

Project Name: South Red Lake II Unit Central Bat

Work Order #: 306370
Lab Batch #: 726343
Date Analyzed: 06/24/2008
QC- Sample ID: 306370-001 S
Reporting Units: mg/kg

Date Prepared: 06/24/2008
Batch #: 1

Project ID: Same
Analyst: LATCOR
Matrix: Soil

Inorganic Anions by EPA 300	MATRIX / MATRIX SPIKE RECOVERY STUDY					
Analytes	Parent Sample Result [A]	Spike Added [B]	Spiked Sample Result [C]	%R [D]	Control Limits %R	Flag
Chloride	2140	2040	5140	147	75-125	X

Matrix Spike Percent Recovery [D] = 100*(C-A)/B
Relative Percent Difference [E] = 200*(C-A)/(C+B)
All Results are based on MDL and Validated for QC Purposes

ENVIRONMENTAL LAB OF

Form 3 - MS / MSD Recoveries

Project Name: South Red Lake II Unit Central Bat

Work Order # : 306370 **Project ID:** Same

Lab Batch ID: 726418 **QC- Sample ID:** 306327-001 S **Batch #:** 1 **Matrix:** Soil

Date Analyzed: 06/26/2008 **Date Prepared:** 06/24/2008 **Analyst:** ASA

Reporting Units: mg/kg

	MATRIX SPIKE / MATRIX SPIKE DUPLICATE RECOVERY STUDY										
TPH by SW8015 Mod **Analytes**	**Parent Sample Result [A]**	**Spike Added [B]**	**Spiked Sample Result [C]**	**Spiked Sample %R [D]**	**Spike Added [E]**	**Duplicate Spiked Sample Result [F]**	**Spiked Dup. %R [G]**	**RPD %**	**Control Limits %R**	**Control Limits %RPD**	**Flag**
C6-C12 Gasoline Range Hydrocarbons	ND	1300	1090	84	1300	1090	84	0	70-135	0	
C12-C28 Diesel Range Hydrocarbons	ND	1300	1120	86	1300	1110	85	1	70-135	1	

Matrix Spike Percent Recovery [D] = 100*(C-A)/B
Relative Percent Difference RPD = 200*(D-G)/(D+G)

Matrix Spike Duplicate Percent Recovery [G] = 100*(F-A)/E

ND = Not Detected, J = Present Below Reporting Limit, B = Present in Blank, NR = Not Requested, I = Interference, NA = Not ApplicableN = See Narrative, EQL = Estimated Quantitation Limit

Sample Duplicate Recovery

Project Name: South Red Lake II Unit Central Bat

Work Order #: 306370

Lab Batch #: 726343 **Project ID:** Same

Date Analyzed: 06/24/2008 **Date Prepared:** 06/24/2008 **Analyst:** LATCOR

QC- Sample ID: 306370-001 D **Batch #:** 1 **Matrix:** Soil

Reporting Units: mg/kg

Inorganic Anions by EPA 300	SAMPLE / SAMPLE DUPLICATE RECOVERY				
Analyte	Parent Sample Result [A]	Sample Duplicate Result [B]	RPD	Control Limits %RPD	Flag
Chloride	2140	2300	7	20	

Lab Batch #: 726229

Date Analyzed: 06/23/2008 **Date Prepared:** 06/23/2008 **Analyst:** JLG

QC- Sample ID: 306371-001 D **Batch #:** 1 **Matrix:** Soil

Reporting Units: %

Percent Moisture	SAMPLE / SAMPLE DUPLICATE RECOVERY				
Analyte	Parent Sample Result [A]	Sample Duplicate Result [B]	RPD	Control Limits %RPD	Flag
Percent Moisture	15.9	16.2	2	20	

Spike Relative Difference RPD 200 * | (B-A)/(B+A) |
All Results are based on MDL and validated for QC purposes.

Environmental Lab of Texas

A Xenco Laboratories Company

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

12600 West I-20 East
Odessa, Texas 79765

Phone: 432-563-1800
Fax: 432-563-1713

Project Manager: CURT STANLEY
Company Name: BASIN ENVIRONMENTAL
Company Address: P.O. Box 301
City/State/Zip: Lovington, NM 88260
Telephone No: 575-441-2244 Fax No:
Sampler Signature: CAS
e-mail: CStanley@basinenv.com

Project Name: SOUTH KEDLAKE II UNIT CENTRAL BAT
Project #: SAME
Project Loc: ARTESIA, NM
PO #:
Report Format: Standard TRRP NPDES

(lab use only)
ORDER #: 300370

LAB # (lab use only)	FIELD CODE	Beginning Depth	Ending Depth	Date Sampled	Time Sampled	Field Filtered	Total # of Containers	Preservation & # of Containers: Ice	HNO3	HCl	H2SO4	NaOH	Na2S2O3	None	Other (Specify)	Matrix: DW=Drinking Water SL=Sludge GW=Groundwater S=Soil/Solid NP=Non-Potable Specify Other	Analyze For: TCLP / TOTAL: 8015B (GRO/DRO)	TPH 418.1	TPH TX 1005	TPH TX 1005	Cations (Ca, Mg, Na, K)	Anions (Cl, SO4, Alkalinity)	SAR / ESP / CEC	Metals As Ag Ba Cd Cr Pb Hg Se	Volatiles	Semivolatiles	BTEX (8260) or BTEX 8260	RCI	WORM	CHLORIDE 300	RUSH TAT (Pre-Scheduled) 24, 48, 72 hrs	Standard TAT
01	NSW-1			6/19	1200		1	X								S		X								X				X
02	ESW-1				1205		1																							
03	WSW-1				1210																									
04	WSW-2				1215																									
05	SSW-1				1220																									
06	STOCKPILE				1225																									
07	FLOOR-1				1230																									
08	FLOOR-2				1235																									

Special Instructions: BILL TO BASIN

Relinquished by	Date	Time	Received by	Date	Time
	6/23/08	830			
Relinquished by	Date	Time	Received by	Date	Time
Relinquished by	Date	Time	Received by ELOT: Bill Hellman	6/23/08	8:58

Laboratory Comments
Sample Containers Intact? Y N NA
VOCs Free of Headspace? Y N
Custody seals on container(s) Y N
Custody seals on cooler(s) Y N
Sample Hand Delivered Y N
by Sampler/Client Rep ? Y N
by Courier? UPS DHL FedEx Lone Star
9029 6755
Temperature Upon Receipt: 6.0 °C

Environmental Lab of Texas

Variance/ Corrective Action Report- Sample Log-In

Client: Basin Env.

Date/ Time: 6.23.08 8:38

Lab ID #: 306310

Initials: AL

Sample Receipt Checklist

					Client Initials
#1	Temperature of container/ cooler?	(Yes)	No	6.0 °C	
#2	Shipping container in good condition?	(Yes)	No		
#3	Custody Seals intact on shipping container/ cooler?	Yes	No	(Not Present)	
#4	Custody Seals intact on sample bottles/ container?	(Yes)	No	Not Present	
#5	Chain of Custody present?	(Yes)	No		
#6	Sample instructions complete of Chain of Custody?	(Yes)	No		
#7	Chain of Custody signed when relinquished/ received?	(Yes)	No		
#8	Chain of Custody agrees with sample label(s)?	(Yes)	No	ID written on Cont / Lid	
#9	Container label(s) legible and intact?	(Yes)	No	Not Applicable	
#10	Sample matrix/ properties agree with Chain of Custody?	(Yes)	No		
#11	Containers supplied by ELOT?	(Yes)	No		
#12	Samples in proper container/ bottle?	(Yes)	No	See Below	
#13	Samples properly preserved?	(Yes)	No	See Below	
#14	Sample bottles intact?	(Yes)	No		
#15	Preservations documented on Chain of Custody?	(Yes)	No		
#16	Containers documented on Chain of Custody?	(Yes)	No		
#17	Sufficient sample amount for indicated test(s)?	(Yes)	No	See Below	
#18	All samples received within sufficient hold time?	(Yes)	No	See Below	
#19	Subcontract of sample(s)?	Yes	No	(Not Applicable)	
#20	VOC samples have zero headspace?	(Yes)	No	Not Applicable	

Variance Documentation

Contact: _____ Contacted by: _____ Date/ Time: _____

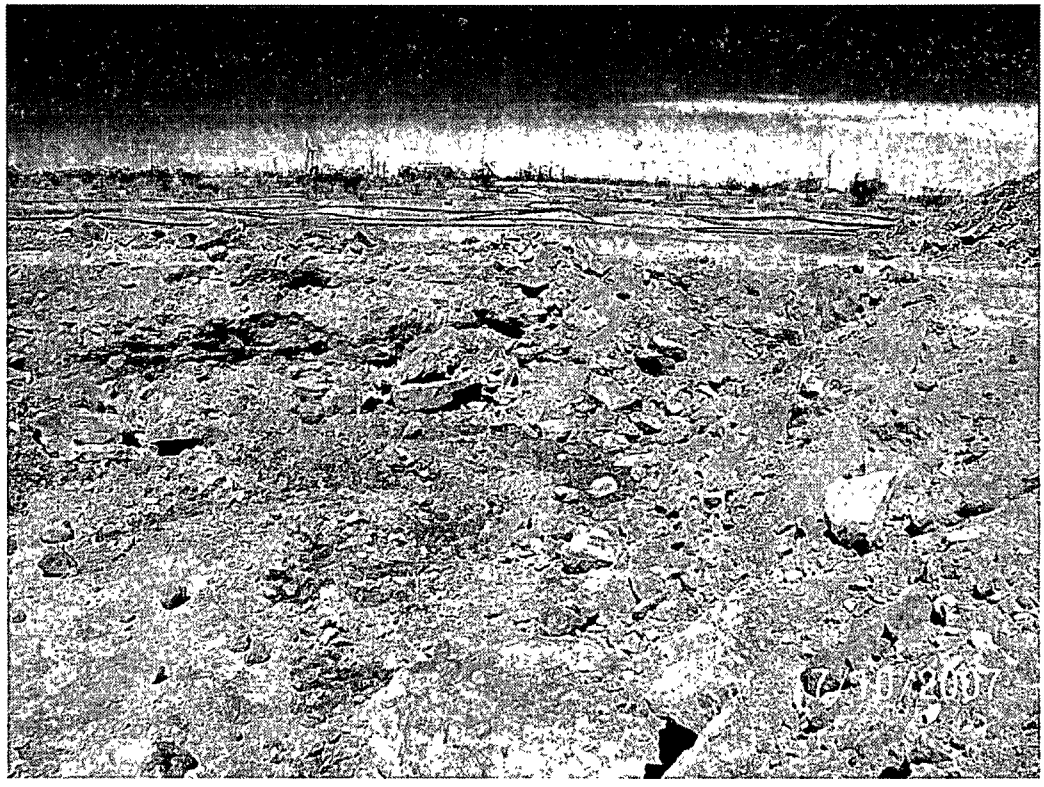
Regarding: _____

Corrective Action Taken:

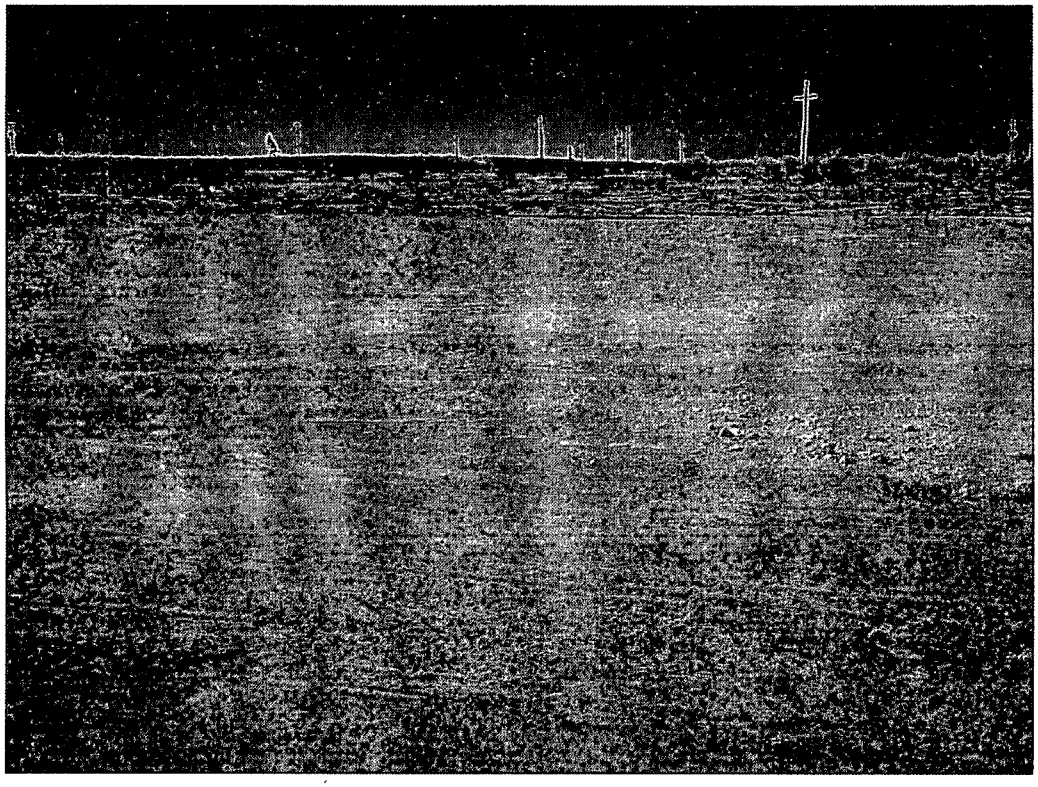
Check all that Apply

- ☐ See attached e-mail/ fax
- ☐ Client understands and would like to proceed with analysis
- ☐ Cooling process had begun shortly after sampling event

Appendix D
Photographs



Looking West - Excavation Activities in Progress



Looking West - Remediation Activities Completed and Excavation Backfilled

Appendix E
Release Notification and Corrective Action
(Form C-141)

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

NOV 27 2007
OCD-ARTESIA

Form C-141
Revised October 10, 2003

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

30-015-00658 00658

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Fairway Resources Operating, LLC	Contact Kenneth Pearce
Address 538 Silicon Dr., Ste. 101, Southlake, TX 76092	Telephone No. 817-416-1946
Facility Name South Red Lake II Unit Central Battery	Facility Type Produced water tanks

Surface Owner State of New Mexico	Mineral Owner State of New Mexico	Lease No. NMNM109695X

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
I	35	17S	27E	2,125'	South	150'	East	Eddy

Latitude 32.78898 degrees Longitude -104.24337 degrees

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 200 bbls water; 10 bbls oil	Volume Recovered 5 bbls oil; 150 bbls water
Source of Release Storage tank	Date and Hour of Occurrence 11/2/07 5 a.m.	Date and Hour of Discovery 11/2/07 8 a.m.
Was Immediate Notice Given? ☐ Yes ☒ No ☐ Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Injection pump went down due to electrical problem and high tank level alarm malfunction. Electrical problem and high level tank alarm repaired.

Describe Area Affected and Cleanup Action Taken.*

Berm around tanks. Water hauled to disposal and caliche placed around tanks.

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: Cindy Flood	OIL CONSERVATION DIVISION
Printed Name: Cindy Flood	Approved by District Supervisor: for
Title: Office Manager	Approval Date: NOV 27 2007 Expiration Date:
E-mail Address: cflood@fairwayresources.com	Conditions of Approval: See Stipulations Attached ☒
Date: 11/26/2007 Phone: 817-416-1946	

* Attach Additional Sheets If Necessary