Mike Bratcher
New Mexico Oil Conservation Division
1301 W. Grand Avenue
Artesia, New Mexico 88210

Mewbourne Oil Company State JL 36 Battery Release

Dear Mr. Bratcher,

Mewbourne Oil Company would like to submit the following proposal for risk based closure on the State JL #36 Battery remediation for your review and approval.

On November 26, 2009 Mewbourne was the victim of vandalism/sabotage. A valve was removed from the flow line to the separator on location. The volume of the release was approximately 4 barrels. Mewbourne responded very promptly to the matter; visually impacted soil was excavated and taken to CRI. Mewbourne then horizontally and vertically delineated the site and excavated approximately 1500 yards of the impacted soil surrounding the release point. The excavated soil was disposed, and clean backfill was hauled to location from Lea Land, LLC. The results of the delineation show that benzene, TPH, and BTEX levels are not an issue at this site. The highest chloride concentration found in the area was 4240 parts per million (ppm) at the release point, and this area has been excavated.

Mewbourne Oil Company proposes that the excavated area be backfilled with the clean soil that Mewbourne Oil Company has hauled to location immediately upon approval from NMOCD. Mewbourne believes this sight does not pose a threat to public health, fresh waters or the environment based on the following information:

A. This sight has a total ranking score of zero based on the *Guidelines for Remediation of Leaks, Spills and Releases, Section IV A.2.b.* (NMOCD 1993) and the following characteristics of the site:

   1. Ground water level is greater than 100 feet below ground surface.
   2. Distance to the nearest wellhead protection area exceeds 1000 feet.
   3. Distance to the nearest surface water body exceeds 1000 feet.

   The recommended remediation levels for a site with a total ranking score of zero are:

   Benzene 10 mg/kg (ppm)
   BTEX 50 mg/kg (ppm)
   TPH 5000 mg/kg (ppm)

   Benzene, BTEX, and TPH levels were all well under the levels shown above. Benzene & BTEX were both less than 0.02 ppm, and TPH was less than 50 ppm. Chlorides are highly unlikely to reach ground water at this depth, since chloride levels less than 200 ppm have been confirmed at

16 feet below ground surface at the release point. Furthermore, the chloride impacted soil does not extend farther than the location boundaries.

B. Native vegetation can be sustained in soil containing the highest level of chlorides which Mewbourne proposes to leave on location.

In conclusion, Mewbourne Oil Company has remediated this site to the point that there is not reasonable probabibility of groundwater contamination and native vegetation can be obtained. This release has not been due to negligence on Mewbourne Oil Company's part; it has been due to an act of vandalism. As a result, Mewbourne Oil Company has suffered losses in the $100,000 range. Mewbourne has responded properly to this matter and proposes that the location be backfilled with clean soil as soon as possible, so that production operations can continue.

Respectfully,

Manny Ortega

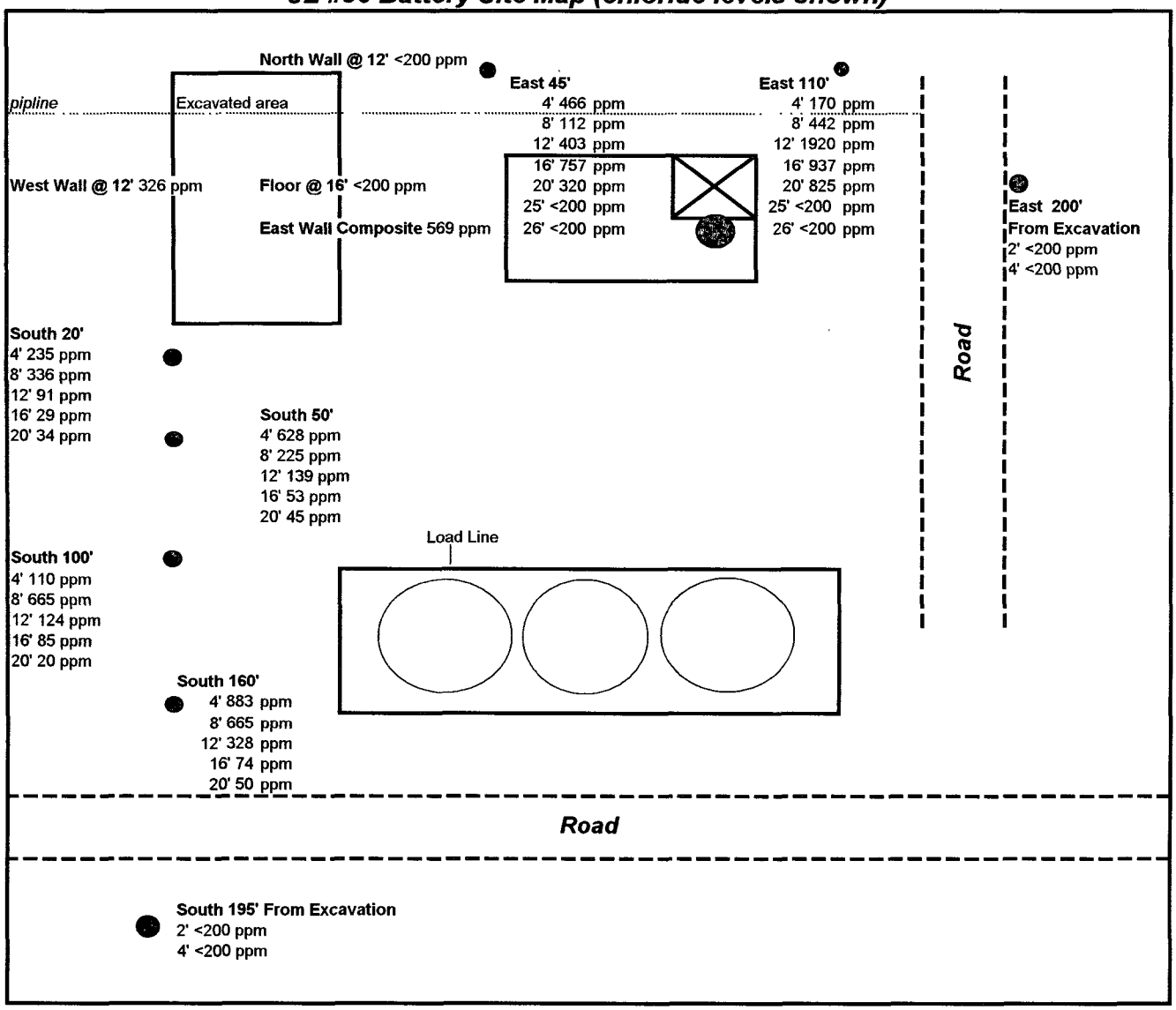
Mewbourne Oil Company
701 S. Cecil
Hobbs, NM 88240
Office: 575-393-5905
Cellular: 575-390-4111
Fax: 575-397-6252
hobprod@mewbourne.com

Attachments: Battery Site Map
Analytical Results from last soil sampling on 7-21-10

Attachment A

Battery Site Map

JL #36 Battery Site Map (chloride levels shown)



Attachment B

Analytical Results

TRACEANALYSIS, INC.

6701 Aberdeen Avenue, Suite 9 Lubbock, Texas 79424 800•378•1296 806•794•1296 FAX 806•794•1298
200 East Sunset Road, Suite E El Paso, Texas 79922 888•588•3443 915•585•3443 FAX 915•585•4944
5002 Basin Street, Suite A1 Midland, Texas 79703 432•689•6301 FAX 432•689•6313
8808 Camp Bowie Blvd. West, Suite 180 Ft. Worth, Texas 76116 817•201•5260 FAX 817•560•4336
E-Mail: lab@traceanalysis.com

Certifications

WBENC: 237019 **HUB:** 1752439743100-86536 **DBE:** VN 20657
NCTRCA WFWB38444Y0909

NELAP Certifications

Lubbock: T104704219-08-TX LELAP-02003 Kansas E-10317 **El Paso:** T104704221-08-TX LELAP-02002 **Midland:** T104704392-08-TX

Analytical and Quality Control Report

Mike Stubblefield
Talon LPE-Artesia
408 West Texas St.
Artesia, NM, 88210

Report Date: August 3, 2010

Work Order: 10072804

Project Location: Sec. 36, 18S-29E
Project Name: State 5L 36 #1
Project Number: 700738.021.01

Enclosed are the Analytical Report and Quality Control Report for the following sample(s) submitted to TraceAnalysis, Inc.

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
238830	001 Borehole #1 25' bgs E of Excavated Area 45'	soil	2010-07-21	16:30	2010-07-27
238831	002 Borehole #1 26' bgs E of Excavated Area 45'	soil	2010-07-21	17:15	2010-07-27
238832	003 Borehole #2 25' bgs E of Excavated Area 110'	soil	2010-07-21	18:00	2010-07-27
238833	004 Borehole #2 26' bgs E of Excavated Area 110'	soil	2010-07-21	18:45	2010-07-27
238834	005 Excavated Area East Side Wall	soil	2010-07-21	19:00	2010-07-27

These results represent only the samples received in the laboratory. The Quality Control Report is generated on a batch basis. All information contained in this report is for the analytical batch(es) in which your sample(s) were analyzed.

Dr. Blair Leftwich, Director
Dr. Michael Abel, Project Manager

Standard Flags

B - The sample contains less than ten times the concentration found in the method blank.

Case Narrative

Samples for project State 5L 36 #1 were received by TraceAnalysis, Inc. on 2010-07-27 and assigned to work order 10072804. Samples for work order 10072804 were received intact at a temperature of 4.0 C.

Samples were analyzed for the following tests using their respective methods.

Test	Method	Prep Batch	Prep Date	QC Batch	Analysis Date
Chloride (Titration)	SM 4500-Cl B	61835	2010-07-29 at 08:26	72165	2010-07-29 at 15:20

Results for these samples are reported on a wet weight basis unless data package indicates otherwise.

A matrix spike (MS) and matrix spike duplicate (MSD) sample is chosen at random from each preparation batch. The MS and MSD will indicate if a site specific matrix problem is occurring, however, it may not pertain to the samples for work order 10072804 since the sample was chosen at random. Therefore, the validity of the analytical data reported has been determined by the laboratory control sample (LCS) and the method blank (MB). These quality control measures are performed with each preparation batch to ensure data integrity.

All other exceptions associated with this report have been footnoted on the appropriate analytical page to assist in general data comprehension. Please contact the laboratory directly if there are any questions regarding this project.

Analytical Report

Sample: 238830 - 001 Borehole #1 25' bgs E of Excavated Area 45'

Laboratory:	Midland				
Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	72165	Date Analyzed:	2010-07-29	Analyzed By:	AR
Prep Batch:	61835	Sample Preparation:	2010-07-29	Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		<200	mg/Kg	50	4.00

Sample: 238831 - 002 Borehole #1 26' bgs E of Excavated Area 45'

Laboratory:	Midland				
Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	72165	Date Analyzed:	2010-07-29	Analyzed By:	AR
Prep Batch:	61835	Sample Preparation:	2010-07-29	Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		<200	mg/Kg	50	4.00

Sample: 238832 - 003 Borehole #2 25' bgs E of Excavated Area 110'

Laboratory:	Midland				
Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	72165	Date Analyzed:	2010-07-29	Analyzed By:	AR
Prep Batch:	61835	Sample Preparation:	2010-07-29	Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		<200	mg/Kg	50	4.00

Sample: 238833 - 004 Borehole #2 26' bgs E of Excavated Area 110'

Laboratory:	Midland				
Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	72165	Date Analyzed:	2010-07-29	Analyzed By:	AR
Prep Batch:	61835	Sample Preparation:	2010-07-29	Prepared By:	AR

continued ...

sample 238833 continued ...

Parameter	Flag	RL Result	Units	Dilution	RL

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		<200	mg/Kg	50	4.00

Sample: 238834 - 005 Excavated Area East Side Wall

Laboratory:	Midland				
Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	72165	Date Analyzed:	2010-07-29	Analyzed By:	AR
Prep Batch:	61835	Sample Preparation:	2010-07-29	Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**569**	mg/Kg	50	4.00

Method Blank (1) QC Batch: 72165

QC Batch:	72165	Date Analyzed:	2010-07-29	Analyzed By:	AR
Prep Batch:	61835	QC Preparation:	2010-07-29	Prepared By:	AR

Parameter	Flag	MDL Result	Units	RL
Chloride		<2.18	mg/Kg	4

Laboratory Control Spike (LCS-1)

QC Batch:	72165	Date Analyzed:	2010-07-29	Analyzed By:	AR
Prep Batch:	61835	QC Preparation:	2010-07-29	Prepared By:	AR

Param	LCS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	97.5	mg/Kg	1	100	<2.18	98	85 - 115

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Param	LCSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit	RPD	RPD Limit
Chloride	103	mg/Kg	1	100	<2.18	103	85 - 115	6	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Matrix Spike (MS-1) Spiked Sample: 238834

QC Batch: 72165 | Date Analyzed: 2010-07-29 | Analyzed By: AR
Prep Batch: 61835 | QC Preparation: 2010-07-29 | Prepared By: AR

Param	MS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	10500	mg/Kg	100	10000	569	99	85 - 115

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Param	MSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit	RPD	RPD Limit
Chloride	10700	mg/Kg	100	10000	569	101	85 - 115	2	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Standard (ICV-1)

QC Batch: 72165 | Date Analyzed: 2010-07-29 | Analyzed By: AR

Param	Flag	Units	ICVs True Conc.	ICVs Found Conc.	ICVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	102	102	85 - 115	2010-07-29

Standard (CCV-1)

QC Batch: 72165 | Date Analyzed: 2010-07-29 | Analyzed By: AR

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	98.4	98	85 - 115	2010-07-29

6701 Aberdeen Avenue, Ste. 9
Lubbock, Texas 79424
Tel (806) 794-1296
Fax (806) 794-1298
1 (800) 378-1296

TraceAnalysis, Inc.

155 McCutcheon,Suite H
El Paso, Texas 79932
Tel (915) 585-3443
Fax (915) 585-4944
1 (888) 588-3443

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

LAB Order ID # 100728804

Company Name: Talon LPE
Phone #: 575-441-7254
Address: (Street, City, Zip) 408 W. Texas Ave.
Fax #: 575-746-8905
Contact Person: Mike Stubblefield
Invoice to: (If different from above) Newbourne Oil Company Att: Manny Ortega
Project #: 700738.021.01
Project Name: State SL 36 #1
Project Location: Sec. 36-18s-29e
Sampler Signature: Mike Stubblefield

LAB # (LAB USE ONLY)	FIELD CODE	# CONTAINERS	Volume/Amount	MATRIX: WATER	SOIL	AIR	SLUDGE	PRESERVATIVE METHOD: HCl	HNO_3	H_2SO_4	NaOH	ICE	NONE	SAMPLING: DATE	TIME
238800	001 Borehole #1 25' bgs				✓							✓		7/21/10	4:30P
831	East of excavated area 45'														
832	002 Borehole #1 26' bgs				✓							✓		7/21/10	5:15P
833	East of excavated area 45'														
832	003 Borehole #2 25' bgs				✓							✓		7/21/10	6:00P
	East of excavated area 110'														
833	004 Borehole #2 26' bgs				✓							✓		7/21/10	6:45P
	East of excavated area 110'														
834	005 Excavated Area				✓							✓		7/21/10	7:00P
	East side Wall														

ANALYSIS REQUEST (Circle or Specify Method No.)

MTBE 8021B/602	BTEX 8021B/602	TPH 418.1/TX1005	PAH 8270C	Total Metals Ag As Ba Cd Cr Pb Se Hg 6010B/200.7	TCLP Metals Ag As Ba Cd Cr Pb Se Hg	TCLP Volatiles	TCLP Semi Volatiles	TCLP Pesticides	RCI	GC/MS Vol. 8260B/624	GC/MS Semi Vol. 8270C/625	PCB's 8082/608	Pesticides 8081A/608	BOD, TSS, pH	Total Chlorides					Turn Around Time if different from standard	Hold
															✓						
															✓						
															✓						

Relinquished by:	Date:	Time:	Received by:	Date:	Time:
Mike Stubblefield	7/23/2010	3:08P		7/27/2010	4:00
Relinquished by:	Date:	Time:	Received by:	Date:	Time:
Relinquished by:	Date:	Time:	Received at Laboratory by:	Date:	Time:

LAB USE ONLY
Intact (Y) / N
Headspace Y / (N)
Temp 4.6 °
Log-in Review

REMARKS: All tests Midland

☐ Check If Special Reporting Limits Are Needed

Carrier # Pick-up

Submittal of samples constitutes agreement to Terms and Conditions listed on reverse side of C.O.C.

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