1RP-1645

Assessment and closure Report

DATE:
Oct. 2009

TETRA TECH

October 12, 2009

Mr. Glenn von Gonten
Senior Hydrologist/Acting Environmental Bureau Chief
Environmental Bureau
Oil Conservation Division
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Assessment and Closure Report for the Pit Located at the Rock Queen Unit Tract 7 Tank Battery, Unit Letter I, Section 22, Township 13 South, Range 31 East, Chaves County, New Mexico, Operated by Celero Energy II, LP (NMOCD 1RP#1645)

Dear Mr. von Gonten:

Tetra Tech was contacted by Celero Energy (Celero) to assist in the closure of a pit at the Rock Queen Unit Tract 7 Tank Battery, located in Unit Letter I, Section 22, Township 13 South, Range 31 East, Chaves County, New Mexico (Site). The pit coordinates are N 33.17377° W 103.80454°. Both the State of New Mexico C-141 and C-144 (Initial and Final) are included in Appendix C. The Site is shown on Figures 1 and 2.

Background

On October 8, 2007, Highlander submitted an Investigation and Characterization work plan (ICP) for an open pit at this site. The ICP was approved by the New Mexico Oil Conservation Division (NMOCD).

The Tract 7 Tank Battery pit was dewatered and the residual sludge, tank bottom materials, and liner were removed in October 2007. Removed fluids were placed into an existing SWD system or taken to disposal, while the sludge, tank bottom materials, and liner were disposed of at Gandy-Marley, Inc. landfill site of Lovington, New Mexico. Upon completion of the removal of the fluids, sludge and liner, the underlying soils were visually inspected for obvious signs of impact. Approximately 440 cubic yards of soil were excavated and hauled to Gandy-Marley, Inc. for disposal. The pit was excavated to a point where the subsoil would support a soil boring rig.

Tetra Tech
1910 North Big Spring, Midland,TX 79705
Tel 432.682.4559 Fax 432.682.3946 www.tetratech.com

Groundwater and Regulatory

Neither the New Mexico State Engineer's Office database nor the USGS database show any wells in Section 22, Township 13 South, Range 31 East. Monitor wells installed near this site had depths to groundwater of greater than 100 feet below ground surface (bgs).

A risk-based evaluation was performed for the Site in accordance with the New Mexico Oil Conservation Division (NMOCD) Guidelines for Remediation of Leaks, Spills and Releases, dated August 13, 1993. The guidelines require a risk-based evaluation of the site to determine recommended remedial action levels (RRAL) for benzene, toluene, ethylbenzene and xylene (collectively referred to as BTEX) and total petroleum hydrocarbons (TPH) in soil. The proposed RRAL for benzene was determined to be 10 parts per million (ppm) or milligrams per kilogram (mg/kg) and 50 ppm for total BTEX (sum of benzene, toluene, ethylbenzene, and xylene). Based upon the depth to groundwater, the proposed RRAL for TPH is 5,000 mg/kg.

Assessment and Results

On October 19, 2007, Highlander supervised the installation of soil borings at the pit. Prior to the installation of the borings, a visual inspection was performed around the perimeter of the pit. The area of the pit excavation measured approximately 61 feet by 49 feet. One soil boring (SB-1) was installed in the center of the pit. The remaining boreholes (SB-2 through SB-10) were installed outside the edges of the pit. In order to complete the delineation of the site, on March 24, 2008, an additional two borings were installed to the south of the pit (SB-11 and SB-12). The boring locations and the approximate edge of the pit are shown on Figure 3.

The borings were installed using an air-rotary type drilling rig. Soil samples from soil boring SB-1 were collected at 5 foot intervals to 20 feet and then 10 foot intervals thereafter during drilling operations. The samples were field screened for hydrocarbons with a PID, and field screened for chlorides. Soil samples from the remaining soil borings were collected at 10 foot intervals to depths of 50 feet bgs.

The soil samples were field screened for chlorides to determine if impacts showed a distinctive decline with depth. Select soil samples were analyzed for Total Petroleum Hydrocarbons (TPH) by method modified 8015 DRO/GRO, benzene, toluene, ethylbenzene, and xylene (BTEX) by method 8021B and chloride by method 4500 Cl-B. All samples were collected and preserved in laboratory prepared sample containers with standard QA/QC procedures. All

samples were shipped under proper chain-of-custody control and analyzed within the standard holding times. The results of the sampling are shown in Table 1. The laboratory reports and chain-of-custody are included in Appendix A.

All down hole equipment was washed between boreholes or sampling events using a potable water and laboratory grade detergent. All down hole equipment (i.e., drill rods, drill bits, etc.) were thoroughly decontaminated between each use with a high-pressure hot water wash and rinse. Soil cuttings from drilling were stockpiled adjacent to the borehole. Following the completion of the drilling activities, all boreholes were grouted to the surface.

Referring to Table 1, the samples selected for TPH and BTEX analysis were all below the reporting limits. Chloride impact was found throughout SB-1. The perimeter soil borings SB-2 through SB-6 showed elevated chloride concentrations with depth. Soil borings SB-7 through SB-12 showed minimal chloride impact.

Soil Capping

During the week of January 17, 2008, Gandy-Marley Corporation of Lovington, New Mexico was onsite to install a one foot thick clay liner for the pit. The pit area was further extended out approximately 25 feet west, 75 feet east, and 50 feet south of the original dimensions based upon the results of borehole samples. See Figure 3 for pit liner dimensions. The soils were excavated to a depth of 4 feet bgs. The soils excavated were placed back into the center of the original excavation in order to bring the original excavation up to a depth of 4 feet bgs. Upon completion of the clay liner, overburden material stripped from the expansion of the pit was utilized as backfill for the site and brought up to grade. A copy of the sieve analysis/permeability data for the clay is included in Appendix B.

Proposed Monitor Well

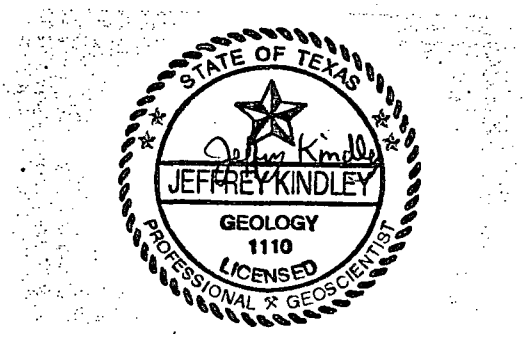
One monitor well will be installed at the site to evaluate groundwater quality in the vicinity of the closed pit area. During the installation of the monitor well, the entire screened interval will be placed entirely below the water table. If the sampling data indicates the necessity for additional monitor wells, they will be installed accordingly, in order to complete delineation.

Conclusions

Between October 2007 and January 2008, the pit area was excavated to dimensions of approximately 160 feet by 100 feet. Approximately 420 cubic yards of soil were excavated and transported offsite for disposal at Gandy-Marley

of Lovington, New Mexico. A clay liner was placed at 4 feet bgs in the excavation in order to impede the remaining chlorides at the site from migrating to the underlying groundwater. Upon completion of the clay liner, the site was backfilled with overburden material and brought up to surface grade.

Based upon the results of the pit closure work performed at the site, Celero Energy requests consideration of this pit for closure. If you require any additional information or have any questions or comments concerning the assessment/closure report, please call at (432) 682-4559.



Respectfully submitted,
Tetra Tech

Jeffrey Kindley, P.G.
Senior Environmental Geologist

cc: Bruce Woodard – Celero Energy II LP
Larry Johnson – NMOCD – Hobbs, NM

FIGURES

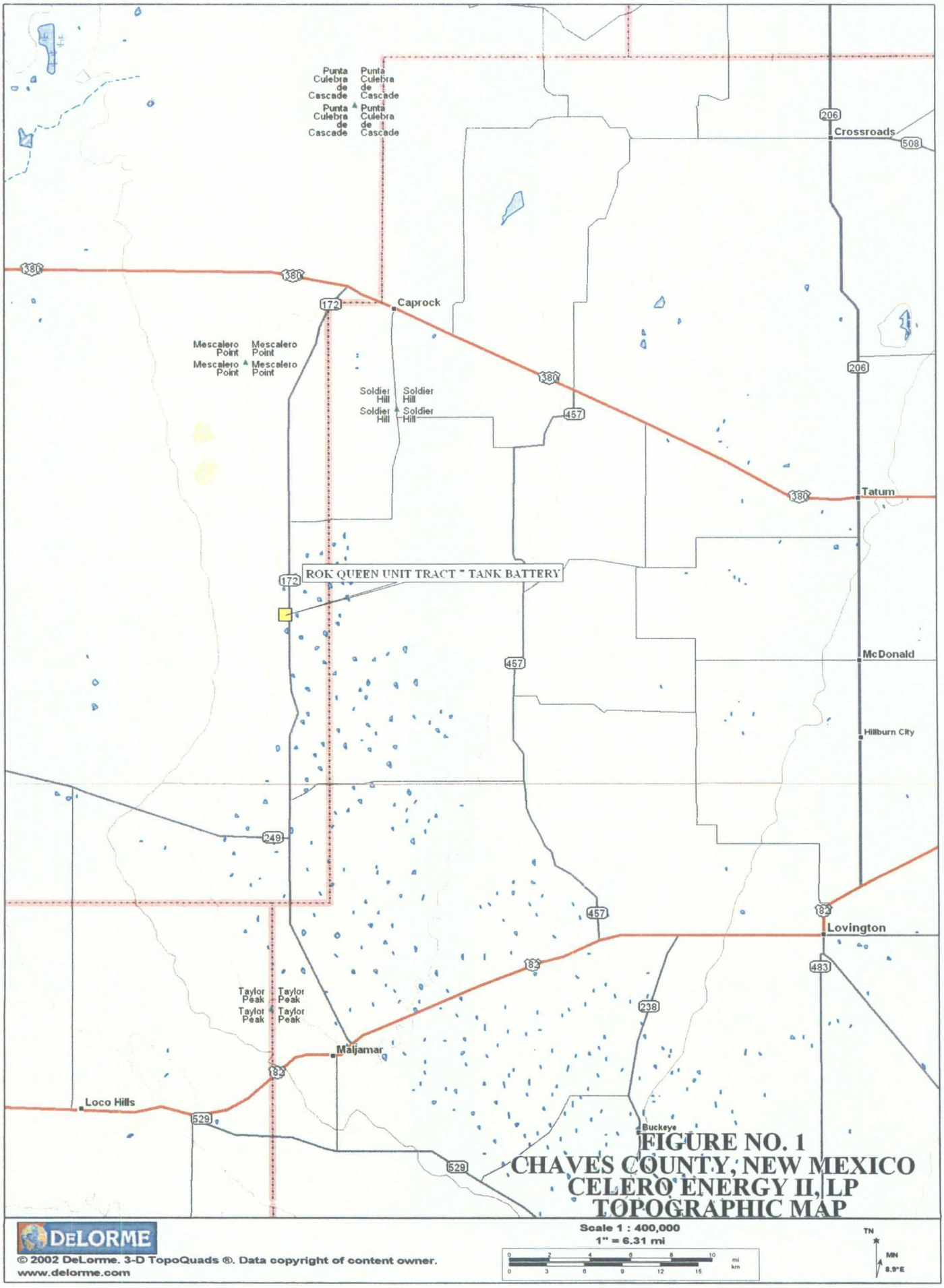


FIGURE NO. 1
CHAVES COUNTY, NEW MEXICO
CELERO ENERGY II, LP
TOPOGRAPHIC MAP

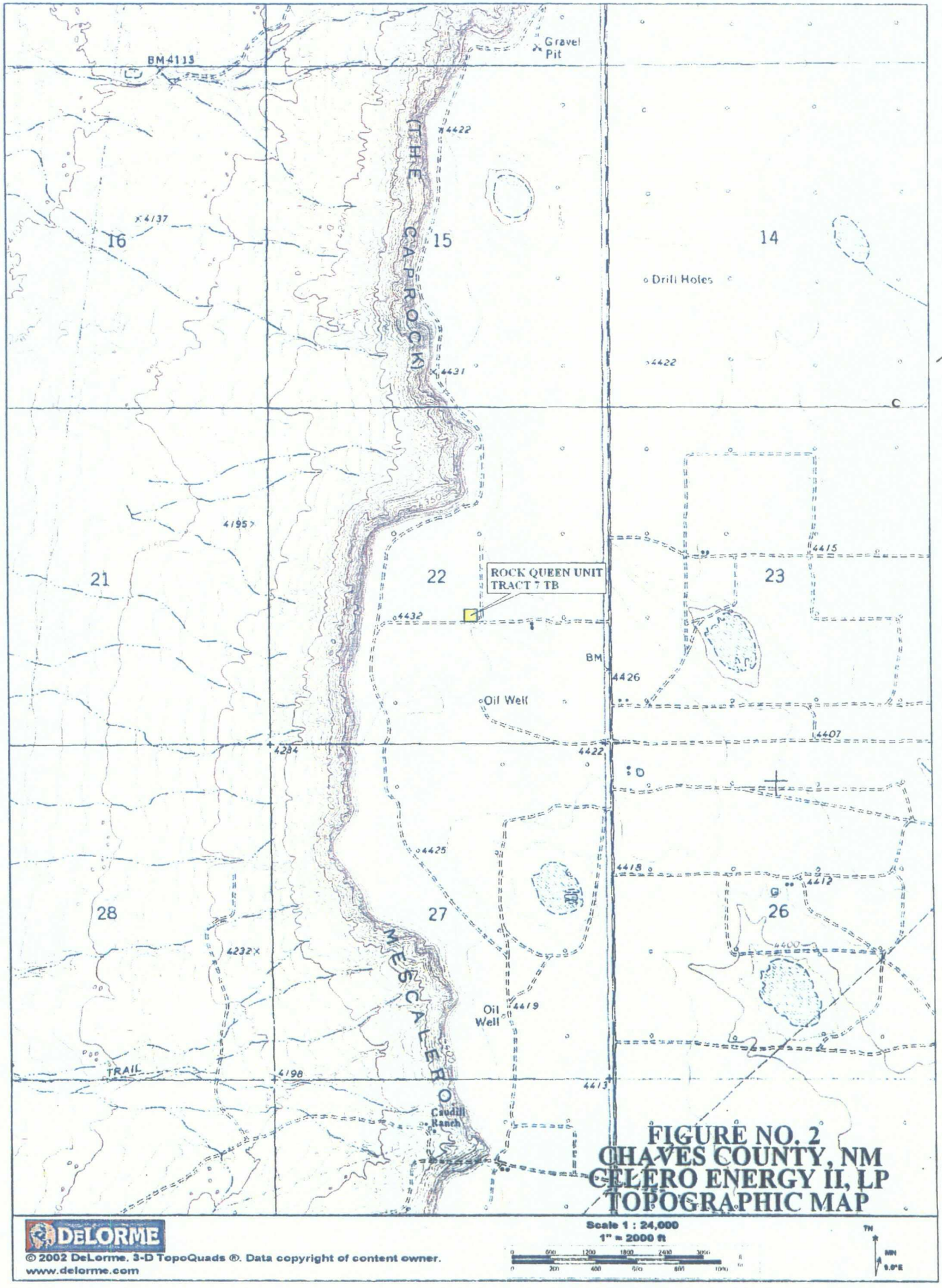


FIGURE NO. 2
CHAVES COUNTY, NM
CELERO ENERGY II, LP
TOPOGRAPHIC MAP

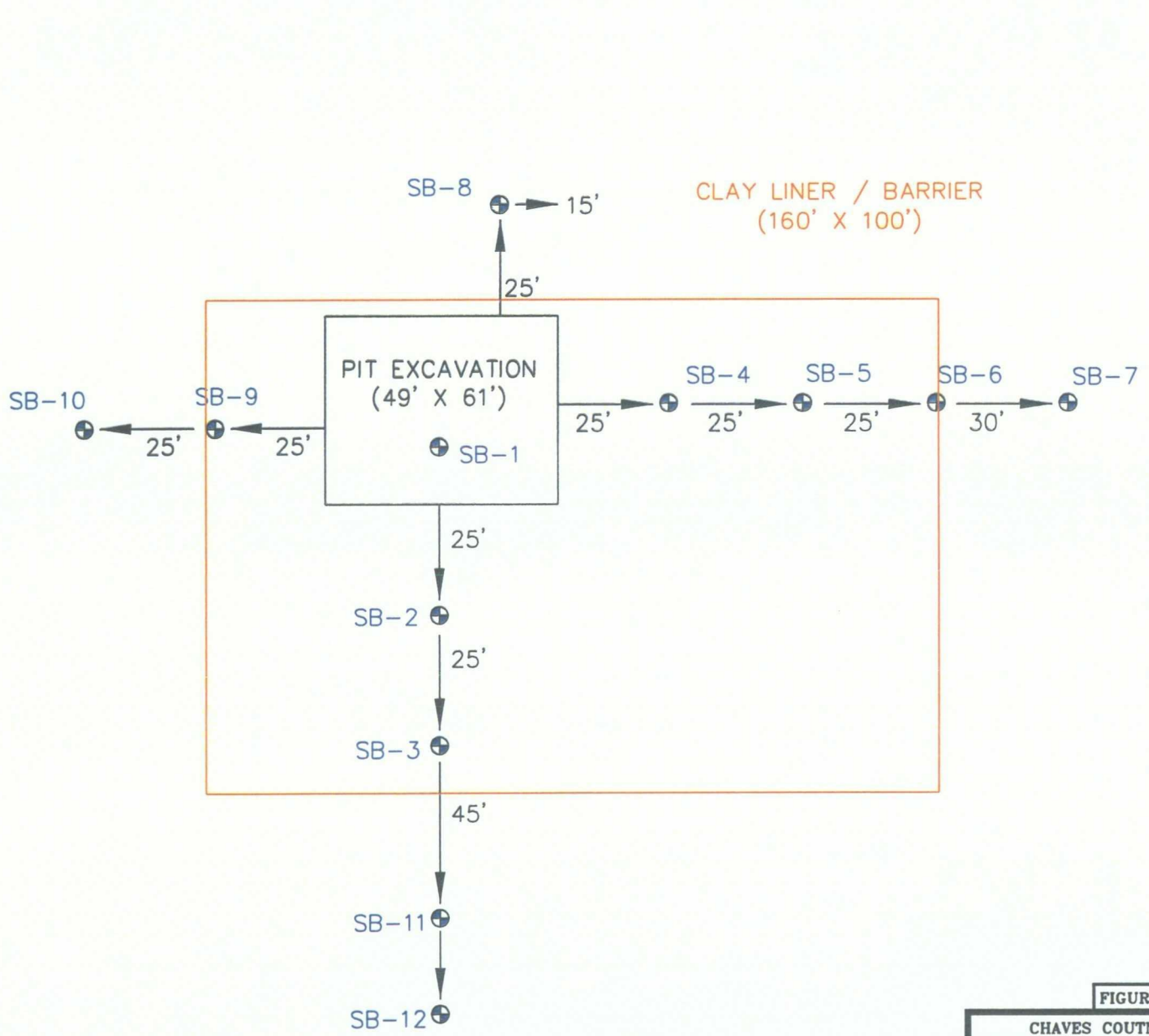


FIGURE NO. 3

CHAVES COUTNY, NEW MEXICO

CELERO ENERGY
CELERO ROCK QUEEN UNIT TRACT #7
SOIL BORING / CLAY LINER LOCATIONS

TETRA TECH
MIDLAND, TEXAS

DWN. BY: RC

FILE: C:\CELERO\3130\CELERO R Q UNIT 7

NOT TO SCALE

TABLES

Table 1
Celero Energy
Rock Queen Unit #7
Chaves County, New Mexico

Sample ID	Date Sampled	Sample Depth (ft)	TPH (mg/kg)			Benzene (mg/kg)	Toluene (mg/kg)	Ethlybenzene (mg/kg)	Xylene (mg/kg)	Chloride (mg/kg)
			DRO	GRO	Total					
SB-1	10/19/2007	(3-5')	2,690	71.1	2761.1	<0.0200	0.0226	0.234	1.07	892
SB-1	10/19/2007	(8-10')	-	-	-	-	-	-	-	621
SB-1	10/19/2007	(13-15')	-	-	-	-	-	-	-	906
SB-1	10/19/2007	(18-20')	-	-	-	-	-	-	-	1,460
SB-1	10/19/2007	(28-30')	-	-	-	-	-	-	-	2,160
SB-1	10/19/2007	(38-40')	-	-	-	-	-	-	-	4,280
SB-1	10/19/2007	(48-50')	-	-	-	-	-	-	-	5,580
SB-1	10/19/2007	(58-60')	-	-	-	-	-	-	-	5,730
SB-1	10/19/2007	(68-70')	-	-	-	-	-	-	-	4,070
SB-1	10/19/2007	(78-80')	-	-	-	-	-	-	-	3,210
SB-1	10/19/2007	(88-90')	-	-	-	-	-	-	-	3,870
SB-1	10/19/2007	(98-100')	-	-	-	-	-	-	-	4,060
SB-1	10/19/2007	(108-110'	-	-	-	-	-	-	-	3,480
SB-1	10/19/2007	(118-120')	-	-	-	-	-	-	-	3,250
SB-1	10/19/2007	(128-130')	-	-	-	-	-	-	-	3,370
SB-2	10/19/2007	(8-10')	-	-	-	-	-	-	-	313
SB-2	10/19/2007	(18-20')	-	-	-	-	-	-	-	1,310
SB-2	10/19/2007	(28-30')	-	-	-	-	-	-	-	2,780
SB-2	10/19/2007	(38-40')	-	-	-	-	-	-	-	5,290
SB-2	10/19/2007	(48-50')	-	-	-	-	-	-	-	6,450
SB-3	10/19/2007	(8-10')	-	-	-	-	-	-	-	2,430
SB-3	10/19/2007	(18-20')	-	-	-	-	-	-	-	6,120
SB-3	10/19/2007	(28-30')	-	-	-	-	-	-	-	2,180
SB-3	10/19/2007	(38-40')	-	-	-	-	-	-	-	1,290
SB-3	10/19/2007	(48-50')	-	-	-	-	-	-	-	287
SB-4	10/19/2007	(8-10')	-	-	-	-	-	-	-	311
SB-4	10/19/2007	(18-20')	-	-	-	-	-	-	-	599
SB-4	10/19/2007	(28-30')	-	-	-	-	-	-	-	3,580
SB-4	10/19/2007	(38-40')	-	-	-	-	-	-	-	6,100
SB-4	10/19/2007	(48-50')	-	-	-	-	-	-	-	7,760
SB-5	10/19/2007	(8-10')	-	-	-	-	-	-	-	661
SB-5	10/19/2007	(18-20')	-	-	-	-	-	-	-	819
SB-5	10/19/2007	(28-30')	-	-	-	-	-	-	-	5,110
SB-5	10/19/2007	(38-40')	-	-	-	-	-	-	-	6,880

Table 1
Celero Energy
Rock Queen Unit #7
Chaves County, New Mexico

Sample ID	Date Sampled	Sample Depth (ft)	TPH (mg/kg)			Benzene (mg/kg)	Toluene (mg/kg)	Ethlybenzene (mg/kg)	Xylene (mg/kg)	Chloride (mg/kg)
			DRO	GRO	Total					
SB-5	10/19/2007	(48-50')	-	-	-	-	-	-	-	6,020
SB-6	10/19/2007	(8-10')	-	-	-	-	-	-	-	5,460
SB-6	10/19/2007	(18-20')	-	-	-	-	-	-	-	5,450
SB-6	10/19/2007	(28-30')	-	-	-	-	-	-	-	4,330
SB-6	10/19/2007	(38-40')	-	-	-	-	-	-	-	6,960
SB-6	10/19/2007	(48-50')	-	-	-	-	-	-	-	8,200
SB-7	10/19/2007	(8-10')	-	-	-	-	-	-	-	<100
SB-7	10/19/2007	(18-20')	-	-	-	-	-	-	-	126
SB-7	10/19/2007	(28-30')	-	-	-	-	-	-	-	439
SB-7	10/19/2007	(38-40')	-	-	-	-	-	-	-	1,940
SB-7	10/19/2007	(48-50')	-	-	-	-	-	-	-	3,110
SB-8	10/19/2007	(8-10')	-	-	-	-	-	-	-	<100
SB-8	10/19/2007	(18-20')	-	-	-	-	-	-	-	<100
SB-8	10/19/2007	(28-30')	-	-	-	-	-	-	-	151
SB-8	10/19/2007	(38-40')	-	-	-	-	-	-	-	463
SB-8	10/19/2007	(48-50')	-	-	-	-	-	-	-	799
SB-9	10/19/2007	(8-10')	-	-	-	-	-	-	-	440
SB-9	10/19/2007	(18-20')	-	-	-	-	-	-	-	1,270
SB-9	10/19/2007	(28-30')	-	-	-	-	-	-	-	4,320
SB-9	10/19/2007	(38-40')	-	-	-	-	-	-	-	5,480
SB-9	10/19/2007	(48-50')	-	-	-	-	-	-	-	5,190
SB-10	10/19/2007	(8-10')	-	-	-	-	-	-	-	234
SB-10	10/19/2007	(18-20')	-	-	-	-	-	-	-	159
SB-10	10/19/2007	(28-30')	-	-	-	-	-	-	-	173
SB-10	10/19/2007	(38-40')	-	-	-	-	-	-	-	98.4
SB-10	10/19/2007	(48-50')	-	-	-	-	-	-	-	<100
SB-11	3/24/2008	(8-10')	-	-	-	-	-	-	-	<100
SB-11	3/24/2008	(18-20')	-	-	-	-	-	-	-	1,380
SB-11	3/24/2008	(28-30')	-	-	-	-	-	-	-	1,170
SB-11	3/24/2008	(38-40')	-	-	-	-	-	-	-	228
SB-11	3/24/2008	(48-50')	-	-	-	-	-	-	-	157
SB-12	3/24/2008	(8-10')	-	-	-	-	-	-	-	<100
SB-12	3/24/2008	(18-20')	-	-	-	-	-	-	-	286
SB-12	3/24/2008	(28-30')	-	-	-	-	-	-	-	1,180
SB-12	3/24/2008	(38-40')	-	-	-	-	-	-	-	379

Table 1
Celero Energy
Rock Queen Unit #7
Chaves County, New Mexico

Sample ID	Date Sampled	Sample Depth (ft)	TPH (mg/kg)			Benzene (mg/kg)	Toluene (mg/kg)	Ethlybenzene (mg/kg)	Xylene (mg/kg)	Chloride (mg/kg)
			DRO	GRO	Total					
SB-12	3/24/2008	(48-50')	-	-	-	-	-	-	-	162

(-) Not Analyzed

APPENDIX A
LABORATORY ANALYTICAL

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
6015 Harris Parkway, Suite 110 Ft. Worth, Texas 76132 817•201•5260
E-Mail: lab@traceanalysis.com

Analytical and Quality Control Report

Ike Tavarez
Highlander Environmental Services
1910 N. Big Spring Street
Midland, TX, 79705

Report Date: March 31, 2008

Work Order: 8032654

Project Location: Chavez County, NM
Project Name: Celero/Rock Queen Unit 7
Project Number: 3130

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
154753	SB-11 8-10'	soil	2008-03-24	00:00	2008-03-26
154754	SB-11 18-20'	soil	2008-03-24	00:00	2008-03-26
154755	SB-11 28-30'	soil	2008-03-24	00:00	2008-03-26
154756	SB-11 38-40'	soil	2008-03-24	00:00	2008-03-26
154757	SB-11 48-50'	soil	2008-03-24	00:00	2008-03-26
154758	SB-12 8-10'	soil	2008-03-24	00:00	2008-03-26
154759	SB-12 18-20'	soil	2008-03-24	00:00	2008-03-26
154760	SB-12 28-30'	soil	2008-03-24	00:00	2008-03-26
154761	SB-12 38-40'	soil	2008-03-24	00:00	2008-03-26
154762	SB-12 48-50'	soil	2008-03-24	00:00	2008-03-26

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.

Blair Leftwich

Dr. Blair Leftwich, Director

Standard Flags

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

Analytical Report

Sample: 154753 - SB-11 8-10'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	46894	Date Analyzed:	2008-03-27	Analyzed By:	AR
Prep Batch:	40336	Sample Preparation:	2008-03-27	Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		<100	mg/Kg	50	2.00

Sample: 154754 - SB-11 18-20'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	46894	Date Analyzed:	2008-03-27	Analyzed By:	AR
Prep Batch:	40336	Sample Preparation:	2008-03-27	Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**1380**	mg/Kg	50	2.00

Sample: 154755 - SB-11 28-30'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	46894	Date Analyzed:	2008-03-27	Analyzed By:	AR
Prep Batch:	40336	Sample Preparation:	2008-03-27	Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**1170**	mg/Kg	50	2.00

Sample: 154756 - SB-11 38-40'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	46894	Date Analyzed:	2008-03-27	Analyzed By:	AR
Prep Batch:	40336	Sample Preparation:	2008-03-27	Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**228**	mg/Kg	50	2.00

Sample: 154757 - SB-11 48-50'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	46894	Date Analyzed:	2008-03-27	Analyzed By:	AR
Prep Batch:	40336	Sample Preparation:	2008-03-27	Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**157**	mg/Kg	50	2.00

Sample: 154758 - SB-12 8-10'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	46894	Date Analyzed:	2008-03-27	Analyzed By:	AR
Prep Batch:	40336	Sample Preparation:	2008-03-27	Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		<100	mg/Kg	50	2.00

Sample: 154759 - SB-12 18-20'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	46929	Date Analyzed:	2008-03-27	Analyzed By:	AR
Prep Batch:	40365	Sample Preparation:	2008-03-27	Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**286**	mg/Kg	50	2.00

Sample: 154760 - SB-12 28-30'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	46929	Date Analyzed:	2008-03-27	Analyzed By:	AR
Prep Batch:	40365	Sample Preparation:	2008-03-27	Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**1180**	mg/Kg	50	2.00

Sample: 154761 - SB-12 38-40'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	46929	Date Analyzed:	2008-03-27	Analyzed By:	AR
Prep Batch:	40365	Sample Preparation:	2008-03-27	Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**379**	mg/Kg	50	2.00

Sample: 154762 - SB-12 48-50'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	46929	Date Analyzed:	2008-03-27	Analyzed By:	AR
Prep Batch:	40365	Sample Preparation:	2008-03-27	Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**162**	mg/Kg	50	2.00

Method Blank (1) QC Batch: 46894

QC Batch:	46894	Date Analyzed:	2008-03-27	Analyzed By:	AR
Prep Batch:	40336	QC Preparation:	2008-03-27	Prepared By:	AR

Parameter	Flag	MDL Result	Units	RL
Chloride		<0.500	mg/Kg	2

Method Blank (1) QC Batch: 46929

QC Batch:	46929	Date Analyzed:	2008-03-27	Analyzed By:	AR
Prep Batch:	40365	QC Preparation:	2008-03-27	Prepared By:	AR

Parameter	Flag	MDL Result	Units	RL
Chloride		<0.500	mg/Kg	2

Laboratory Control Spike (LCS-1)

QC Batch:	46894	Date Analyzed:	2008-03-27	Analyzed By:	AR
Prep Batch:	40336	QC Preparation:	2008-03-27	Prepared By:	AR

Param	LCS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	99.0	mg/Kg	1	100	<0.500	99	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	100	mg/Kg	1	100	<0.500	100	85 - 115	1	20

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

Laboratory Control Spike (LCS-1)

QC Batch:	46929	Date Analyzed:	2008-03-27	Analyzed By:	AR
Prep Batch:	40365	QC Preparation:	2008-03-27	Prepared By:	AR

Param	LCS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	100	mg/Kg	1	100	<0.500	100	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	96.0	mg/Kg	1	100	<0.500	96	85 - 115	4	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: 154758

QC Batch: 46894 | Date Analyzed: 2008-03-27 | Analyzed By: AR
Prep Batch: 40336 | QC Preparation: 2008-03-27 | Prepared By: AR

Param	MS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	5090	mg/Kg	50	5000	45.524	101	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	5200	mg/Kg	50	5000	45.524	103	85 - 115	2	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: 154768

QC Batch: 46929 | Date Analyzed: 2008-03-27 | Analyzed By: AR
Prep Batch: 40365 | QC Preparation: 2008-03-27 | Prepared By: AR

Param	MS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	8600	mg/Kg	50	5000	3891.63	94	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	8710	mg/Kg	50	5000	3891.63	96	85 - 115	1	20

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

Standard (ICV-1)

QC Batch: 46894 | Date Analyzed: 2008-03-27 | Analyzed By: AR

Param	Flag	Units	ICVs True Conc.	ICVs Found Conc.	ICVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	97.6	98	85 - 115	2008-03-27

Standard (CCV-1)

QC Batch: 46894 | Date Analyzed: 2008-03-27 | Analyzed By: AR

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	102	102	85 - 115	2008-03-27

Standard (ICV-1)

QC Batch: 46929 | Date Analyzed: 2008-03-27 | Analyzed By: AR

Param	Flag	Units	ICVs True Conc.	ICVs Found Conc.	ICVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	99.7	100	85 - 115	2008-03-27

Standard (CCV-1)

QC Batch: 46929 | Date Analyzed: 2008-03-27 | Analyzed By: AR

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	100	100	85 - 115	2008-03-27

WO# 8032654

Analysis Request of Chain of Custody Record

HIGHLANDER ENVIRONMENTAL CORP.

1910 N. Big Spring St.
Midland, Texas 79705

(432) 682-4559 Fax (432) 682-3946

PAGE: OF:

CLIENT NAME: Celero Energy

SITE MANAGER: Jeffrey Kindley

PROJECT NO.: 3130

PROJECT NAME: Rock Queen Unit #7 Chaves Co, NM

ANALYSIS REQUEST (Circle or Specify Method No.)

LAB I.D. NUMBER	DATE	TIME	MATRIX	COMP.	GRAB	SAMPLE IDENTIFICATION	NUMBER OF CONTAINERS	FILTERED (Y/N)	PRESERVATIVE METHOD: HCL	HNO3	ICE	NONE	BTEX 8021B	TPH 8015 MOD. TX1005 (Ext. to C35)	PAH 8270	RCRA Metals Ag As Ba Cd Cr Pb Hg Se	TCLP Metals Ag As Ba Cd Vr Pd Hg Se	TCLP Volatiles	TCLP Semi Volatiles	RCI	GC.MS Vol. 8240/8260/624	GC.MS Semi. Vol. 8270/625	PCB's 8080/608	Pest. 808/608	Chloride	Gamma Spec.	Alpha Beta (Air)	PLM (Asbestos)	Major Anions/Cations, pH, TDS
1547753	03/24/08		S		✓	SB-11 (8-10')	1					✓													✓				
754	03/24/08		S		✓	SB-11 (18-20')	1					✓													✓				
755	03/24/08		S		✓	SB-11 (28-30')	1					✓													✓				
756	03/24/08		S		✓	SB-11 (38-40')	1					✓													✓				
757	03/24/08		S		✓	SB-11 (48-50')	1					✓													✓				
758	03/24/08		S		✓	SB-12 (8-10')	1					✓													✓				
759	03/24/08		S		✓	SB-12 (18-20')	1					✓													✓				
760	03/24/08		S		✓	SB-12 (28-30')	1					✓													✓				
761	03/24/08		S		✓	SB-12 (38-40')	1					✓													✓				
762	03/24/08		S		✓	SB-12 (48-50')	1					✓													✓				

RELINQUISHED BY: (Signature) Jeffrey Kindley Date: March 26, 2008 Time: 1115

RECEIVED BY: (Signature) Date: Time:

SAMPLED BY: (Print & Initial) Jeffrey Kindley JWK Date: 03/26/08 Time: 1200

RELINQUISHED BY: (Signature) Date: Time:

RECEIVED BY: (Signature) Date: Time:

SAMPLE SHIPPED BY: (Circle) FEDEX BUS HAND DELIVERED UPS AIRBILL #: OTHER:

RELINQUISHED BY: (Signature) Date: Time:

RECEIVED BY: (Signature) Date: Time:

RECEIVING LABORATORY: Trace Analysis

ADDRESS:

CITY: Midland STATE: Tx ZIP:

CONTACT: PHONE:

RECEIVED BY: (Signature) Dawn Caylal

DATE: 3/26/08 TIME: 11:15

HIGHLANDER CONTACT PERSON: Jeff Kindley

Results by:

RUSH Charges Authorized: Yes (No)

SAMPLE CONDITION WHEN RECEIVED: 3.0

REMARKS: all tests - Midland

Please fill out all copies - Laboratory retains Yellow copy - Return Orginal copy to Highlander Environmental Corp. - Project Manager retains Pink copy - Accounting receives Gold copy.

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
6015 Harris Parkway, Suite 110 Ft. Worth, Texas 76132 817•201•5260
E-Mail: lab@traceanalysis.com

Analytical and Quality Control Report

Ike Tavarez
Highlander Environmental Services
1910 N. Big Spring Street
Midland, TX, 79705

Report Date: November 1, 2007

Work Order: 7102212

Project Name: Rock Queen Unit #7
Project Number: 3130

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
139916	SB-1 (3-5')	soil	2007-10-19	00:00	2007-10-22
139917	SB-1 (8-10')	soil	2007-10-19	00:00	2007-10-22
139918	SB-1 (13-15')	soil	2007-10-19	00:00	2007-10-22
139919	SB-1 (18-20')	soil	2007-10-19	00:00	2007-10-22
139920	SB-1 (28-30')	soil	2007-10-19	00:00	2007-10-22
139921	SB-1 (38-40')	soil	2007-10-19	00:00	2007-10-22
139922	SB-1 (48-50')	soil	2007-10-19	00:00	2007-10-22
139923	SB-1 (58-60')	soil	2007-10-19	00:00	2007-10-22
139924	SB-1 (68-70')	soil	2007-10-19	00:00	2007-10-22
139925	SB-1 (78-80')	soil	2007-10-19	00:00	2007-10-22
139926	SB-1 (88-90')	soil	2007-10-19	00:00	2007-10-22
139927	SB-1 (98-100')	soil	2007-10-19	00:00	2007-10-22
139928	SB-1 (108-110')	soil	2007-10-19	00:00	2007-10-22
139929	SB-1 (118-120')	soil	2007-10-19	00:00	2007-10-22
139930	SB-1 (128-130')	soil	2007-10-19	00:00	2007-10-22

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

Standard Flags

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

Analytical Report

Sample: 139916 - SB-1 (3-5')

Analysis:	BTEX	Analytical Method:	S 8021B	Prep Method:	S 5035
QC Batch:	42329	Date Analyzed:	2007-10-23	Analyzed By:	DC
Prep Batch:	36547	Sample Preparation:	2007-10-23	Prepared By:	DC

Parameter	Flag	RL Result	Units	Dilution	RL
Benzene		<0.0200	mg/Kg	2	0.0100
Toluene		**0.0226**	mg/Kg	2	0.0100
Ethylbenzene		**0.234**	mg/Kg	2	0.0100
Xylene		**1.07**	mg/Kg	2	0.0100

Surrogate	Flag	Result	Units	Dilution	Spike Amount	Percent Recovery	Recovery Limits
Trifluorotoluene (TFT)		1.25	mg/Kg	2	2.00	62	39.6 - 116
4-Bromofluorobenzene (4-BFB)		1.69	mg/Kg	2	2.00	84	47.3 - 144.2

Sample: 139916 - SB-1 (3-5')

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	42607	Date Analyzed:	2007-10-31	Analyzed By:	AR
Prep Batch:	36770	Sample Preparation:		Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**892**	mg/Kg	50	2.00

Sample: 139916 - SB-1 (3-5')

Analysis:	TPH DRO	Analytical Method:	Mod. 8015B	Prep Method:	N/A
QC Batch:	42274	Date Analyzed:	2007-10-23	Analyzed By:	LD
Prep Batch:	36501	Sample Preparation:	2007-10-23	Prepared By:	LD

Parameter	Flag	RL Result	Units	Dilution	RL
DRO		**2690**	mg/Kg	1	50.0

Surrogate	Flag	Result	Units	Dilution	Spike Amount	Percent Recovery	Recovery Limits
n-Triacontane	[1]	988	mg/Kg	1	150	659	17.3 - 169.6

Sample: 139916 - SB-1 (3-5')

Analysis:	TPH GRO	Analytical Method:	S 8015B	Prep Method:	S 5035
QC Batch:	42333	Date Analyzed:	2007-10-23	Analyzed By:	DC
Prep Batch:	36547	Sample Preparation:	2007-10-23	Prepared By:	DC

[1] High surrogate recovery due to peak interference.

Parameter	Flag	RL Result	Units	Dilution	RL
GRO		**71.1**	mg/Kg	2	1.00

Surrogate	Flag	Result	Units	Dilution	Spike Amount	Percent Recovery	Recovery Limits
Trifluorotoluene (TFT)		1.04	mg/Kg	2	2.00	52	50.2 - 89.3
4-Bromofluorobenzene (4-BFB)		1.44	mg/Kg	2	2.00	72	51.2 - 107.4

Sample: 139917 - SB-1 (8-10')

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	42607	Date Analyzed:	2007-10-31	Analyzed By:	AR
Prep Batch:	36770	Sample Preparation:		Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**621**	mg/Kg	50	2.00

Sample: 139918 - SB-1 (13-15')

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	42607	Date Analyzed:	2007-10-31	Analyzed By:	AR
Prep Batch:	36770	Sample Preparation:		Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**906**	mg/Kg	50	2.00

Sample: 139919 - SB-1 (18-20')

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	42608	Date Analyzed:	2007-10-31	Analyzed By:	AR
Prep Batch:	36771	Sample Preparation:		Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**1460**	mg/Kg	50	2.00

Sample: 139920 - SB-1 (28-30')

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	42608	Date Analyzed:	2007-10-31	Analyzed By:	AR
Prep Batch:	36771	Sample Preparation:		Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**2160**	mg/Kg	50	2.00

Sample: 139921 - SB-1 (38-40')

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	42608	Date Analyzed:	2007-10-31	Analyzed By:	AR
Prep Batch:	36771	Sample Preparation:		Prepared By:	AR

Parameter	Flag	Result	RL	Units	Dilution	RL
Chloride		**4280**		mg/Kg	50	2.00

Sample: 139922 - SB-1 (48-50')

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	42608	Date Analyzed:	2007-10-31	Analyzed By:	AR
Prep Batch:	36771	Sample Preparation:		Prepared By:	AR

Parameter	Flag	Result	RL	Units	Dilution	RL
Chloride		**5580**		mg/Kg	50	2.00

Sample: 139923 - SB-1 (58-60')

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	42608	Date Analyzed:	2007-10-31	Analyzed By:	AR
Prep Batch:	36771	Sample Preparation:		Prepared By:	AR

Parameter	Flag	Result	RL	Units	Dilution	RL
Chloride		**5730**		mg/Kg	50	2.00

Sample: 139924 - SB-1 (68-70')

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	42608	Date Analyzed:	2007-10-31	Analyzed By:	AR
Prep Batch:	36771	Sample Preparation:		Prepared By:	AR

Parameter	Flag	Result	RL	Units	Dilution	RL
Chloride		**4070**		mg/Kg	50	2.00

Sample: 139925 - SB-1 (78-80')

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	42608	Date Analyzed:	2007-10-31	Analyzed By:	AR
Prep Batch:	36771	Sample Preparation:		Prepared By:	AR

continued ...

sample 139925 continued ...

Parameter	Flag	RL Result	Units	Dilution	RL
Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**3210**	mg/Kg	50	2.00

Sample: 139926 - SB-1 (88-90')

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	42608	Date Analyzed:	2007-10-31	Analyzed By:	AR
Prep Batch:	36771	Sample Preparation:		Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**3870**	mg/Kg	50	2.00

Sample: 139927 - SB-1 (98-100')

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	42608	Date Analyzed:	2007-10-31	Analyzed By:	AR
Prep Batch:	36771	Sample Preparation:		Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**4060**	mg/Kg	50	2.00

Sample: 139928 - SB-1 (108-110')

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	42608	Date Analyzed:	2007-10-31	Analyzed By:	AR
Prep Batch:	36771	Sample Preparation:		Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**3480**	mg/Kg	50	2.00

Sample: 139929 - SB-1 (118-120')

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	42609	Date Analyzed:	2007-10-31	Analyzed By:	AR
Prep Batch:	36772	Sample Preparation:		Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**3250**	mg/Kg	50	2.00

Sample: 139930 - SB-1 (128-130')

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	42609	Date Analyzed:	2007-10-31	Analyzed By:	AR
Prep Batch:	36772	Sample Preparation:		Prepared By:	AR

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		**3370**	mg/Kg	50	2.00

Method Blank (1) QC Batch: 42274

QC Batch:	42274	Date Analyzed:	2007-10-23	Analyzed By:	LD
Prep Batch:	36501	QC Preparation:	2007-10-23	Prepared By:	LD

Parameter	Flag	MDL Result	Units	RL
DRO		23.6	mg/Kg	50

Surrogate	Flag	Result	Units	Dilution	Spike Amount	Percent Recovery	Recovery Limits
n-Triacontane		109	mg/Kg	1	150	73	32.9 - 156.1

Method Blank (1) QC Batch: 42329

QC Batch:	42329	Date Analyzed:	2007-10-23	Analyzed By:	DC
Prep Batch:	36547	QC Preparation:	2007-10-23	Prepared By:	DC

Parameter	Flag	MDL Result	Units	RL
Benzene		<0.00110	mg/Kg	0.01
Toluene		<0.00150	mg/Kg	0.01
Ethylbenzene		<0.00160	mg/Kg	0.01
Xylene		<0.00410	mg/Kg	0.01

Surrogate	Flag	Result	Units	Dilution	Spike Amount	Percent Recovery	Recovery Limits
Trifluorotoluene (TFT)		0.747	mg/Kg	1	1.00	75	58.2 - 121.3
4-Bromofluorobenzene (4-BFB)		0.543	mg/Kg	1	1.00	54	53.1 - 111.6

Method Blank (1) QC Batch: 42333

QC Batch:	42333	Date Analyzed:	2007-10-23	Analyzed By:	DC
Prep Batch:	36547	QC Preparation:	2007-10-23	Prepared By:	DC

Parameter	Flag	MDL Result	Units	RL
GRO		<0.739	mg/Kg	1

Surrogate	Flag	Result	Units	Dilution	Spike Amount	Percent Recovery	Recovery Limits
Trifluorotoluene (TFT)		0.706	mg/Kg	1	1.00	71	67.8 - 103
4-Bromofluorobenzene (4-BFB)		0.576	mg/Kg	1	1.00	58	24.6 - 123

Method Blank (1) QC Batch: 42607

QC Batch: 42607 Date Analyzed: 2007-10-31 Analyzed By: AR
Prep Batch: 36770 QC Preparation: 2007-10-31 Prepared By: AR

Parameter	Flag	MDL Result	Units	RL
Chloride		<0.500	mg/Kg	2

Method Blank (1) QC Batch: 42608

QC Batch: 42608 Date Analyzed: 2007-10-31 Analyzed By: AR
Prep Batch: 36771 QC Preparation: 2007-10-31 Prepared By: AR

Parameter	Flag	MDL Result	Units	RL
Chloride		<0.500	mg/Kg	2

Method Blank (1) QC Batch: 42609

QC Batch: 42609 Date Analyzed: 2007-10-31 Analyzed By: AR
Prep Batch: 36772 QC Preparation: 2007-10-31 Prepared By: AR

Parameter	Flag	MDL Result	Units	RL
Chloride		<0.500	mg/Kg	2

Laboratory Control Spike (LCS-1)

QC Batch: 42274 Date Analyzed: 2007-10-23 Analyzed By: LD
Prep Batch: 36501 QC Preparation: 2007-10-23 Prepared By: LD

Param	LCS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
DRO	333	mg/Kg	1	250	<13.4	133	49.1 - 142.3

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
DRO	317	mg/Kg	1	250	<13.4	127	49.1 - 142.3	5	20

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

Surrogate	LCS Result	LCSD Result	Units	Dil.	Spike Amount	LCS Rec.	LCSD Rec.	Rec. Limit
n-Triacontane	140	129	mg/Kg	1	150	93	86	49 - 133.2

Laboratory Control Spike (LCS-1)

QC Batch: 42329 | Date Analyzed: 2007-10-23 | Analyzed By: DC
Prep Batch: 36547 | QC Preparation: 2007-10-23 | Prepared By: DC

Param	LCS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Benzene	0.878	mg/Kg	1	1.00	<0.00110	88	71.2 - 119
Toluene	0.893	mg/Kg	1	1.00	<0.00150	89	76.3 - 116.5
Ethylbenzene	0.892	mg/Kg	1	1.00	<0.00160	89	77.6 - 114
Xylene	2.71	mg/Kg	1	3.00	<0.00410	90	78.8 - 113.9

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
Benzene	0.933	mg/Kg	1	1.00	<0.00110	93	71.2 - 119	6	20
Toluene	0.980	mg/Kg	1	1.00	<0.00150	98	76.3 - 116.5	9	20
Ethylbenzene	1.02	mg/Kg	1	1.00	<0.00160	102	77.6 - 114	13	20
Xylene	3.10	mg/Kg	1	3.00	<0.00410	103	78.8 - 113.9	13	20

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

Surrogate	LCS Result	LCSD Result	Units	Dil.	Spike Amount	LCS Rec.	LCSD Rec.	Rec. Limit
Trifluorotoluene (TFT)	0.658	0.650	mg/Kg	1	1.00	66	65	56.1 - 107.8
4-Bromofluorobenzene (4-BFB)	0.660	0.722	mg/Kg	1	1.00	66	72	56.2 - 118.8

Laboratory Control Spike (LCS-1)

QC Batch: 42333 | Date Analyzed: 2007-10-23 | Analyzed By: DC
Prep Batch: 36547 | QC Preparation: 2007-10-23 | Prepared By: DC

Param	LCS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
GRO	7.43	mg/Kg	1	10.0	<0.739	74	56 - 105.2

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
GRO	7.65	mg/Kg	1	10.0	<0.739	76	56 - 105.2	3	20

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

Surrogate	LCS Result	LCSD Result	Units	Dil.	Spike Amount	LCS Rec.	LCSD Rec.	Rec. Limit
Trifluorotoluene (TFT)	0.865	0.890	mg/Kg	1	1.00	86	89	61.1 - 148.1
4-Bromofluorobenzene (4-BFB)	0.738	0.728	mg/Kg	1	1.00	74	73	67.2 - 119.2

Laboratory Control Spike (LCS-1)

QC Batch: 42607 | Date Analyzed: 2007-10-31 | Analyzed By: AR
Prep Batch: 36770 | QC Preparation: 2007-10-31 | Prepared By: AR

Param	LCS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	98.1	mg/Kg	1	100	<0.500	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	99.1	mg/Kg	1	100	<0.500	99	85 - 115	1	20

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

Laboratory Control Spike (LCS-1)

QC Batch: 42608 | Date Analyzed: 2007-10-31 | Analyzed By: AR
Prep Batch: 36771 | QC Preparation: 2007-10-31 | Prepared By: AR

Param	LCS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	98.0	mg/Kg	1	100	<0.500	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	99.0	mg/Kg	1	100	<0.500	99	85 - 115	1	20

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

Laboratory Control Spike (LCS-1)

QC Batch: 42609 | Date Analyzed: 2007-10-31 | Analyzed By: AR
Prep Batch: 36772 | QC Preparation: 2007-10-31 | Prepared By: AR

Param	LCS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	100	mg/Kg	1	100	<0.500	100	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	101	mg/Kg	1	100	<0.500	101	85 - 115	1	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: 139812

QC Batch: 42274 | Date Analyzed: 2007-10-23 | Analyzed By: LD
Prep Batch: 36501 | QC Preparation: 2007-10-23 | Prepared By: LD

Param	MS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
DRO	223	mg/Kg	1	250	<13.4	89	30.2 - 201.4

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
DRO	249	mg/Kg	1	250	<13.4	100	30.2 - 201.4	11	20

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

Surrogate	MS Result	MSD Result	Units	Dil.	Spike Amount	MS Rec.	MSD Rec.	Rec. Limit
n-Triacontane	127	120	mg/Kg	1	150	85	80	10 - 194

Matrix Spike (MS-1) Spiked Sample: 139757

QC Batch: 42329 | Date Analyzed: 2007-10-23 | Analyzed By: DC
Prep Batch: 36547 | QC Preparation: 2007-10-23 | Prepared By: DC

Param	MS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Benzene	0.847	mg/Kg	1	1.00	<0.00110	85	65.7 - 119.1
Toluene	0.900	mg/Kg	1	1.00	<0.00150	90	47.7 - 153.8
Ethylbenzene	0.939	mg/Kg	1	1.00	<0.00160	94	73.5 - 126.3
Xylene	2.87	mg/Kg	1	3.00	<0.00410	96	73.6 - 125.9

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
Benzene	0.910	mg/Kg	1	1.00	<0.00110	91	65.7 - 119.1	7	20
Toluene	0.952	mg/Kg	1	1.00	<0.00150	95	47.7 - 153.8	6	20
Ethylbenzene	0.966	mg/Kg	1	1.00	<0.00160	97	73.5 - 126.3	3	20
Xylene	2.94	mg/Kg	1	3.00	<0.00410	98	73.6 - 125.9	2	20

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

Surrogate	MS Result	MSD Result	Units	Dil.	Spike Amount	MS Rec.	MSD Rec.	Rec. Limit
Trifluorotoluene (TFT)	0.651	0.662	mg/Kg	1	1	65	66	51 - 109.6
4-Bromofluorobenzene (4-BFB)	0.707	0.636	mg/Kg	1	1	71	64	60.3 - 124.3

Matrix Spike (MS-1) Spiked Sample: 139812

QC Batch: 42333 | Date Analyzed: 2007-10-23 | Analyzed By: DC
Prep Batch: 36547 | QC Preparation: 2007-10-23 | Prepared By: DC

Param	MS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
GRO	5.99	mg/Kg	1	10.0	<0.739	60	10 - 102.2

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
GRO	5.56	mg/Kg	1	10.0	<0.739	56	10 - 102.2	7	20

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

Surrogate	MS Result	MSD Result	Units	Dil.	Spike Amount	MS Rec.	MSD Rec.	Rec. Limit
Trifluorotoluene (TFT)	0.514	0.553	mg/Kg	1	1	51	55	47.2 - 84.2
4-Bromofluorobenzene (4-BFB)	0.823	0.825	mg/Kg	1	1	82	82	58 - 162.6

Matrix Spike (MS-1) Spiked Sample: 139918

QC Batch: 42607 | Date Analyzed: 2007-10-31 | Analyzed By: AR
Prep Batch: 36770 | QC Preparation: 2007-10-31 | Prepared By: AR

Param	MS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	5690	mg/Kg	50	5000	906.404	96	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	5740	mg/Kg	50	5000	906.404	97	85 - 115	1	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: 139928

QC Batch: 42608 | Date Analyzed: 2007-10-31 | Analyzed By: AR
Prep Batch: 36771 | QC Preparation: 2007-10-31 | Prepared By: AR

Param	MS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	8630	mg/Kg	50	5000	3484.25	103	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	8680	mg/Kg	50	5000	3484.25	104	85 - 115	1	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: 140150

QC Batch: 42609 | Date Analyzed: 2007-10-31 | Analyzed By: AR
Prep Batch: 36772 | QC Preparation: 2007-10-31 | Prepared By: AR

Param	MS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	4960	mg/Kg	50	5000	86.663	97	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	5010	mg/Kg	50	5000	86.663	98	85 - 115	1	20

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

Standard (ICV-1)

QC Batch: 42274 Date Analyzed: 2007-10-23 Analyzed By: LD

Param	Flag	Units	ICVs True Conc.	ICVs Found Conc.	ICVs Percent Recovery	Percent Recovery Limits	Date Analyzed
DRO		mg/Kg	250	235	94	85 - 115	2007-10-23

Standard (CCV-1)

QC Batch: 42274 Date Analyzed: 2007-10-23 Analyzed By: LD

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
DRO		mg/Kg	250	230	92	85 - 115	2007-10-23

Standard (ICV-1)

QC Batch: 42329 Date Analyzed: 2007-10-23 Analyzed By: DC

Param	Flag	Units	ICVs True Conc.	ICVs Found Conc.	ICVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Benzene		mg/Kg	0.100	0.106	106	85 - 115	2007-10-23
Toluene		mg/Kg	0.100	0.107	107	85 - 115	2007-10-23
Ethylbenzene		mg/Kg	0.100	0.106	106	85 - 115	2007-10-23
Xylene		mg/Kg	0.300	0.322	107	85 - 115	2007-10-23

Standard (CCV-1)

QC Batch: 42329 Date Analyzed: 2007-10-23 Analyzed By: DC

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Benzene		mg/Kg	0.100	0.0855	86	85 - 115	2007-10-23
Toluene		mg/Kg	0.100	0.0864	86	85 - 115	2007-10-23
Ethylbenzene		mg/Kg	0.100	0.0862	86	85 - 115	2007-10-23
Xylene		mg/Kg	0.300	0.262	87	85 - 115	2007-10-23

Standard (ICV-1)

QC Batch: 42333 Date Analyzed: 2007-10-23 Analyzed By: DC

Param	Flag	Units	ICVs True Conc.	ICVs Found Conc.	ICVs Percent Recovery	Percent Recovery Limits	Date Analyzed
GRO		mg/Kg	1.00	0.926	93	85 - 115	2007-10-23

Standard (CCV-1)

QC Batch: 42333 Date Analyzed: 2007-10-23 Analyzed By: DC

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
GRO		mg/Kg	1.00	0.957	96	85 - 115	2007-10-23

Standard (ICV-1)

QC Batch: 42607 Date Analyzed: 2007-10-31 Analyzed By: AR

Param	Flag	Units	ICVs True Conc.	ICVs Found Conc.	ICVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	99.9	100	85 - 115	2007-10-31

Standard (CCV-1)

QC Batch: 42607 Date Analyzed: 2007-10-31 Analyzed By: AR

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	100	100	85 - 115	2007-10-31

Standard (ICV-1)

QC Batch: 42608 Date Analyzed: 2007-10-31 Analyzed By: AR

Param	Flag	Units	ICVs True Conc.	ICVs Found Conc.	ICVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	100	100	85 - 115	2007-10-31

Standard (CCV-1)

QC Batch: 42608 Date Analyzed: 2007-10-31 Analyzed By: AR

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	100	100	85 - 115	2007-10-31

Standard (ICV-1)

QC Batch: 42609 Date Analyzed: 2007-10-31 Analyzed By: AR

Param	Flag	Units	ICVs True Conc.	ICVs Found Conc.	ICVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	97.8	98	85 - 115	2007-10-31

Standard (CCV-1)

QC Batch: 42609 Date Analyzed: 2007-10-31 Analyzed By: AR

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	102	102	85 - 115	2007-10-31

Work order: 7102212

Analysis Request and Chain of Custody Record

HIGHLANDER ENVIRONMENTAL CORP.

1910 N. Big Spring St.
Midland, Texas 79705

(432) 682-4559 Fax (432) 682-3946

PAGE: 1 OF: 2

CLIENT NAME: Celero Energy

SITE MANAGER: Ike Tavarez / Jeff Kindley

PROJECT NO.: 3130

PROJECT NAME: Rock Queen Unit #7

ANALYSIS REQUEST (Circle or Specify Method No.)

LAB I.D. NUMBER	DATE	TIME	MATRIX	COMP.	GRAB	SAMPLE IDENTIFICATION	NUMBER OF CONTAINERS	FILTERED (Y/N)	PRESERVATIVE METHOD: HCL	HNO3	ICE	NONE	BTEX 8020/602	MTBE 8020/602	TPH 418.1 / 8015 MOD. TX1005	PAH 8270	RCRA Metals Ag As Ba Cd Cr Pb Hg Se	TCLP Metals Ag As Ba Cd Cr Pd Hg Se	TCLP Volatiles	TCLP Semi Volatiles	RCI	GC/MS Vol. 8240/8260/624	GC/MS Semi. Vol. 8270/625	PCB's 8050/608	Pest. 608/808	BOD, TSS, pH, TDS, Chloride	Gamma Spec.	Alpha Beta (Air)	PLM (Asbestos)
139916	10/9/07		S		✓	SB-1 (3-5')	1				✓	✓	✓		✓											✓			
917	10/9/07		S		✓	SB-1 (8-10')	1				✓	✓	*		*											✓			
918	10/9/07		S		✓	SB-1 (13-15')	1				✓	✓														✓			
919	10/9/07		S		✓	SB-1 (18-20')	1				✓	✓														✓			
920	10/9/07		S		✓	SB-1 (28-30')	1				✓	✓														✓			
921	10/9/07		S		✓	SB-1 (38-40')	1				✓	✓														✓			
922	10/9/07		S		✓	SB-1 (48-50')	1				✓	✓														✓			
923	10/9/07		S		✓	SB-1 (58-60')	1				✓	✓														✓			
924	10/9/07		S		✓	SB-1 (68-70')	1				✓	✓														✓			
925	10/9/07		S		✓	SB-1 (78-80')	1				✓	✓														✓			

RELINQUISHED BY: (Signature) Date: 10-22-07 Time: 2150

RECEIVED BY: (Signature) Date: Time:

SAMPLED BY: (Print & Sign) Jeffrey Kindley Jeffrey Kindley Date: October 9, 2007 Time:

RELINQUISHED BY: (Signature) Date: Time:

RECEIVED BY: (Signature) Date: Time:

SAMPLE SHIPPED BY: (Circle) FEDEX BUS AIRBILL #

RELINQUISHED BY: (Signature) Date: Time:

RECEIVED BY: (Signature) Date: Time:

HAND DELIVERED UPS OTHER:

RECEIVING LABORATORY: Trace Analysis

ADDRESS:

CITY: Midland STATE: Tx ZIP:

CONTACT: PHONE:

RECEIVED BY: (Signature)

DATE: 10-23-07 TIME: 14:30

HIGHLANDER CONTACT PERSON: Ike Tavarez / Jeff Kindley

Results by:

RUSH Charges Authorized: Yes No

SAMPLE CONDITION WHEN RECEIVED: 1.8°C intact

MATRIX: W-Water A-Air SD-Solid S-Soil SL-Sludge O-Other

REMARKS: * Run this if TPH > 5000 ppm, BTEX > 50 ppm, Benzene > 10 ppm

All tests Midland

Please Fill out all copies – Laboratory retains yellow copy – Return original copy to Highlander Environmental Corp. – Project Manager retains pink copy – Accounting receives Gold copy.

Work order: 7102212

Analysis Request and Chain of Custody Record

HIGHLANDER ENVIRONMENTAL CORP.

1910 N. Big Spring St.
Midland, Texas 79705

(432) 682-4559 Fax (432) 682-3946

CLIENT NAME: Celero Energy

SITE MANAGER: Ike Tavarez / Jeff Kindley

PROJECT NO.: 3130

PROJECT NAME: Rock Queen Unit #7

LAB I.D. NUMBER	DATE	TIME	MATRIX	COMP.	GRAB	SAMPLE IDENTIFICATION	NUMBER OF CONTAINERS	FILTERED (Y/N)	PRESERVATIVE METHOD: HCL	HNO3	ICE	NONE
139926	10/19/07		S		✓	SB-1 (88-90')	1				✓	✓
927	10/19/07		S		✓	SB-1 (98-100')	1				✓	✓
928	10/19/07		S		✓	SB-1 (108-110')	1				✓	✓
929	10/19/07		S		✓	SB-1 (118-120')	1				✓	✓
930	10/19/07		S		✓	SB-1 (128-130')	1				✓	✓

ANALYSIS REQUEST (Circle or Specify Method No.)

BTEX 8020/602 (circled) | MTBE 8020/602 | TPH 418.1 (circled) / 8015 Mod. (circled) / TX1005 (circled) | PAH 8270 | RCRA Metals Ag As Ba Cd Cr Pb Hg Se | TCLP Metals Ag As Ba Cd Cr Pd Hg Se | TCLP Volatiles | TCLP Semi Volatiles | RCI | GC/MS Vol. 8240/8260/624 | GC/MS Semi. Vol. 8270/625 | PCB's 8080/608 | Pest. 608/808 | BOD, TSS, pH, TDS, (Chloride) (circled) | Gamma Spec. | Alpha Beta (Air) | PLM (Asbestos)

RELINQUISHED BY: (Signature) — Date: 10-22-07 Time: 2:30 — RECEIVED BY: (Signature) — Date: — Time:

RELINQUISHED BY: (Signature) — Date: — Time: — RECEIVED BY: (Signature) — Date: — Time:

RELINQUISHED BY: (Signature) — Date: — Time: — RECEIVED BY: (Signature) — Date: — Time:

SAMPLED BY: (Print & Sign) Jeff Kindley Jeff Kindley — Date: 10-22-07 Time: 2:30

SAMPLE SHIPPED BY: (Circle)
FEDEX BUS AIRBILL #:
HAND DELIVERED UPS OTHER:

RECEIVING LABORATORY: Trace Analysis
ADDRESS:
CITY: Midland STATE: TX ZIP:
CONTACT: PHONE:

RECEIVED BY: (Signature)
DATE: 10.24.07 TIME: 14:20

HIGHLANDER CONTACT PERSON: Ike Tavarez / Jeff Kindley

Results by:

RUSH Charges Authorized: Yes No

SAMPLE CONDITION WHEN RECEIVED: 1.8°C intact

MATRIX: W-Water (S-Soil circled) A-Air SL-Sludge SD-Solid O-Other

REMARKS: * Run there if TPH > 5000 ppm, BTEX > 50 ppm, Benzene > 10 ppm

Please Fill out all copies – Laboratory retains yellow copy – Return original copy to Highlander Environmental Corp. – Project Manager retains pink copy – Accounting receives Gold copy.

All tests Midland

28

APPENDIX B
PERMEABILITY/SIEVE ANALYSIS

Hines, Joleen

From: Hines, Joleen
Sent: Monday, September 26, 2005 3:46 PM
To: 'John P Pelliger'
Subject: Cover Bucket Density & Clay K-Sat

John,

I have attached the results for the density of the cover material 'as-is' in the 5-gal bucket, and the saturated hydraulic conductivity for the clay (remolded at 90%). Please let me know how to proceed.

Thank you,

Joleen

Joleen Hines
Daniel B. Stephens & Associates Laboratory
5640 Osuna Rd., NE
Albuquerque, NM 87109

505.889.7752
505.889.0258(fax)
jhines@dbstephens.com
www.dbstephens.com

9/26/2005

Daniel B. Stephens & Associates, Inc.

Data for Initial Moisture Content, Bulk Density, Porosity, and Percent Saturation

Job Name: Gandy Marley
Job Number: LB05.0208.00
Sample Number: Cover (Bucket)
Ring Number: N/A
Depth: N/A

Test Date: 23-Sep-05

Field weight of sample (g):* 21536.00
Tare weight, ring (g): 0.00
Tare weight, cap/plate/epoxy (g): 0.00

Dry weight of sample (g): 20511.00
Sample volume (cm^3): 14884.53
Assumed particle density: 2.65

Initial Volumetric Moisture Content (% vol): 6.9
Initial Gravimetric Moisture Content (% g/g): 5.0
Dry bulk density (g/cm^3): 1.38
Wet bulk density (g/cm^3): 1.45
Calculated Porosity (% vol): 48.0
Percent Saturation: 14.3

Comments:

* Weight including tares
NA = Not analyzed

Laboratory analysis by: D. O'Dowd
Data entered by: D. O'Dowd
Checked by: J. Hines

Daniel B. Stephens & Associates, Inc.

Summary of Saturated Hydraulic Conductivity Tests

Sample Number	K_{sat} (cm/sec)	Method of Analysis: Constant Head Flexible Wall	Method of Analysis: Falling Head Flexible Wall
Clay	1.5E-08		X

Daniel B. Stephens & Associates, Inc.

SAMPLE RECEIPT FORM

CLIENT: Gandy Marley, Inc. DATE RECEIVED: 9/16/05

PROJECT #: _____

DBS&A
PROJECT #: _____

1) Are the custody seals on the cooler intact?	NA
2) Are the custody seals on the sample containers intact?	Yes
3) Are there Chain of Custody(COC), or other directive shipping papers?	Yes
4) Is the COC complete?	See Notes
5) Is the COC in agreement with the samples received?	See Notes
6) Did all the samples arrive intact?	Yes
7) Comments	

Three samples arrived, each in full 5-gallon buckets, in good condition. The clay sample is being prepared today and testing will begin soon. Will await further instuction on the Cover and Caliche samples. Also awaiting in-situ clay core sample.

If you have any questions or concerns please contact Joleen Hines at (505) 889-7752.

NOTE: Samples will be held for a period of 30 days after the completion of testing. After 30 days samples will be disposed of locally unless DBS&A receives other instructions.

Signature: _____

5840 OSUNA RD NE, ALBUQUERQUE, NM 87109
(505) 889-7752 FAX (505) 889-0258

APPENDIX C
INITIAL/FINAL C-141 & C-144

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

State of New Mexico
Energy Minerals and Natural Resources

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

Form C-141
Revised June 10, 2003

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

Release Notification and Corrective Action

(AMENDED)

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company: Celero Energy II, LP	Contact: Bruce Woodard
Address: 400 W. Illinois, Suite 1601, Midland, TX 79701	Telephone No. 432-686-1883
Facility Name: Rock Queen Unit Tract #7 TB	Facility Type: Pit at Tank Battery

Surface Owner Private	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
L	22	13S	31E					Chaves

Latitude 33.17377° **Longitude** 103.80454°

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release Unknown	Volume Recovered None
Source of Release	Date and Hour of Occurrence Unknown	Date and Hour of Discovery N/A
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Larry Johnson, NMOCD	
By Whom? Bruce Woodard	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.*
This is an historic pit location. Celero acquired from Palisades and is in the process of closing.

Describe Area Affected and Cleanup Action Taken.*
Pit has been dewatered and visually impacted soil removed as per Investigation and Characterization Plan. Soil borings have been placed in and around pit.

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:	OIL CONSERVATION DIVISION	
Printed Name: Bruce Woodard	Approved by District Supervisor:	
Title: Engineer	Approval Date:	Expiration Date:
E-mail Address: bwoodard@celeroenergy.com	Conditions of Approval:	Attached ☐
Date: Phone: (432) 686-1883		

Attach Additional Sheets If Necesary

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

State of New Mexico
Energy Minerals and Natural Resources

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

Form C-141
Revised June 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 ☒ Final Report

Name of Company: Celero Energy II, LP	Contact: Bruce Woodard
Address: 400 W. Illinois, Suite 1601, Midland, TX 79701	Telephone No. 432-686-1883
Facility Name: Rock Queen Unit Tract #7 TB	Facility Type: Pit at Tank Battery

Surface Owner Private	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section\	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
I	22	13S	31E					Chaves

Latitude 33.17377° **Longitude** 103.80454°

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release Unknown	Volume Recovered None
Source of Release	Date and Hour of Occurrence Unknown	Date and Hour of Discovery N/A
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Larry Johnson, NMOCD	
By Whom? Bruce Woodard	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.*
This is an historic pit location. Celero acquired from Palisades and is in the process of closing.

Describe Area Affected and Cleanup Action Taken.*
Pit has been dewatered and visually impacted soil removed as per Investigation and Characterization Plan. Soil borings have been placed in and around pit. Site was excavated and a one foot clay liner installed at four feet below ground surface. Afterwards, site was brought up to grade utilizing excavated soils from surrounding the original excavation.

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:	OIL CONSERVATION DIVISION	
Printed Name: Bruce Woodard	Approved by District Supervisor:	
Title: Engineer	Approval Date:	Expiration Date:
E-mail Address: bwoodard@celeroenergy.com	Conditions of Approval:	Attached ☐
Date: Phone: (432) 686-1883		

Attach Additional Sheets If Necesary

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

State of New Mexico
Energy Minerals and Natural Resources

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

Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒
Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Celero Energy II, LP Telephone: (432) 686-1883 e-mail address: bwoodard@celeroenergy.com
Address: 400 West Illinois, Suite 1601, Midland, Texas 79701
Facility or well name: Rock Queen Unit Tract 7 Tank Battery API #: _____ U/L or Qtr/Qtr I Sec 22 T-13-S R-31-E
County: Chaves Latitude 33.17377 N Longitude 103.80454 W NAD: 1927 ☒ 1983 ☐
Surface Owner: Federal ☐ State ☐ Private ☒ Indian ☐

Pit	Below-grade tank		
Type: Drilling ☐ Production ☐ Disposal ☐ Workover ☐ Emergency ☒ Lined ☒ Unlined ☐ Liner type: None Thickness Volumem mil Clay ☐ Pit Volume 2,000 bbl	Volume: ____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes ☐ If not, explain why not.		
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (0 points)	0
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes No	(20 points) (0 points)	0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points)	0
	Ranking Score (Total Points)		0

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if your are burying in place) onsite ☐ offsite ☐ If offsite, name of facility_____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface_____ft. and attach sample results.
(5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: This registration is for information purposes only. This pit was constructed in the 1960's and was never inventoried or registered.
This pit is out of service and a work plan for closure is being prepared.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐. See above ☒

Date: 6-15-2007
Printed Name/Title Bruce Woodard, Engineer Signature _____

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:
Printed Name/Title _____ Signature _____ Date: _____

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

State of New Mexico
Energy Minerals and Natural Resources

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

Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒
Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Celero Energy II, LP Telephone: (432) 686-1883 e-mail address: bwoodward@celeroenergy.com
Address: 400 West Illinios, Suite 1601, Midland, Texas 79701
Facility or well name: Rock Queen Unit Tract 7 Tank Battery API #: U/L or Qtr/Qtr I Sec 22 T 13-S R 31-E
County: Chaves Latitude 33.17377 N Longitude 103.80454 W NAD: 1927 ☒ 1983 ☐
Surface Owner: Federal ☐ State ☐ Private ☒ Indian ☐

Pit	**Below-grade tank**	
Type: Drilling ☐ Production ☐ Disposal ☐ Workover ☐ Emergency ☒ Lined ☒ Unlined ☐ Liner type: Unknown Thickness Unknown Clay ☐ Pit Volume 2,000 bbl	Volume: bbl Type of fluid: Construction material: Double-walled, with leak detection? Yes ☐ If not, explain why not.	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) approximately 110 feet	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (0 points) **0**
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes No	(20 points) (0 points) **0**
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) **0** (0 points)
	Ranking Score (Total Points)	**0**

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if your are burying in place) onsite ☐ offsite ☒ If offsite, name of facility Gandy-Marley Landfill, Lovington, NM. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☒ Yes ☐ If yes, show depth below ground surface ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: Pit was constructed in the 1960s and was never inventoried or registered. This pit is out of service and a work plan has been completed and approved for closure. In October 2007 fluids were removed from site and placed into an existing SWD system. The site was excavated and the sludge, tank bottoms and liner were disposed of at Gandy-Marley, Inc. landfill in Lovington, New Mexico. Upon completion of the removal of the fluids the underlying soils were visually inspected for obvious signs of impact. Approximately 440 cubic yards of soil were transported to Gandy-Marley for disposal. On October 19, 2007 and March 24, 2008, one soil boring was placed within the pit and eleven along the perimeter to delineate the chlorides. See attached map/table showing depths and concentrations of chlorides remaining within the pit. A one foot clay liner measuring approximately 160 feet by 100 feet was placed in the pit to a depth of 4.0 feet below the ground level to prevent further vertical migration of the chlorides. The site was then backfilled with excavation and clean soils and brought up to surface grade.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.**

Date:
Printed Name/Title Bruce Woodward, Engineer Signature

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:
Printed Name/Title Signature Date: