

Bratcher, Mike, EMNRD

From: Cheryl Winkler [cmwink@me.com]
Sent: Wednesday, January 12, 2011 11:53 AM
To: Bratcher, Mike, EMNRD
Subject: Russell USA No. 1
Attachments: Russell USA #1 Dec 23 Sample.pdf

Field Analyticals from 23 December.

Summary Report

Tommy Wright
Apollo Energy
4823 Ihles Road
Lake Charles, LA 70605

Report Date: December 23, 2010

Work Order: 10121713



Project Name: Russell USA No. 2
Project Number: Unauthorized Discharge

| Sample | Description | Matrix | Date Taken | Time Taken | Date Received |
|--------|---------------|--------|------------|------------|---------------|
| 253643 | NW Corner | soil | 2010-12-15 | 16:00 | 2010-12-17 |
| 253644 | North Center | soil | 2010-12-15 | 16:15 | 2010-12-17 |
| 253645 | NE Corner | soil | 2010-12-15 | 16:30 | 2010-12-17 |
| 253646 | W Middle | soil | 2010-12-15 | 16:40 | 2010-12-17 |
| 253647 | Center Middle | soil | 2010-12-15 | 16:50 | 2010-12-17 |
| 253648 | E Middle | soil | 2010-12-15 | 17:10 | 2010-12-17 |
| 253649 | South End | soil | 2010-12-15 | 17:20 | 2010-12-17 |

Sample: 253643 - NW Corner

| Param | Flag | Result | Units | RL |
|----------|------|--------|-------|------|
| Chloride | | 46.5 | mg/Kg | 2.50 |

Sample: 253644 - North Center

| Param | Flag | Result | Units | RL |
|----------|------|--------|-------|------|
| Chloride | | 391 | mg/Kg | 2.50 |

Sample: 253645 - NE Corner

| Param | Flag | Result | Units | RL |
|----------|------|--------|-------|------|
| Chloride | | 419 | mg/Kg | 2.50 |

Sample: 253646 - W Middle

| Param | Flag | Result | Units | RL |
|----------|------|-------------|-------|------|
| Chloride | | 1260 | mg/Kg | 2.50 |

Sample: 253647 - Center Middle

| Param | Flag | Result | Units | RL |
|----------|------|--------|-------|------|
| Chloride | | <25.0 | mg/Kg | 2.50 |

Sample: 253648 - E Middle

| Param | Flag | Result | Units | RL |
|----------|------|-------------|-------|------|
| Chloride | | 92.6 | mg/Kg | 2.50 |

Sample: 253649 - South End

| Param | Flag | Result | Units | RL |
|----------|------|------------|-------|------|
| Chloride | | 528 | mg/Kg | 2.50 |

Bratcher, Mike, EMNRD

From: Cheryl Winkler [cmwink@mac.com]
Sent: Monday, January 24, 2011 6:52 PM
To: Bratcher, Mike, EMNRD; jim_amos@nm.blm.gov
Cc: Thomas Wright
Subject: Russell USA No. 2 Discharge Closure
Attachments: Russell USA No. 1 Summary SO4.pdf; ATT00001.txt

Hi Mike!

Just prior to my conversation with Jim Amos late this afternoon, the lab results confirming the gypsum present on the Russell USA No. 2 had just arrived. I am attaching these for you as well as Jim. Please phone me in the morning to discuss this. The evidence is very strong that high accumulations of CaSO₄ are present and that we are in the middle of a gypsum quarry. The depth to groundwater in this area is approximately 100 feet.

Since this is an "active pad", we desire to fill the area in with caliche and re-establish the drilling pad for future use.

Thank you so much. Speak with you soon.

Cheryl

Summary Report

Tommy Wright
Apollo Energy
4823 Ihles Road
Lake Charles, LA 70605

Report Date: January 24, 2011

Work Order: 10121713



Project Name: Russell USA No. 2
Project Number: Unauthorized Discharge

| Sample | Description | Matrix | Date Taken | Time Taken | Date Received |
|--------|---------------|--------|------------|------------|---------------|
| 253643 | NW Corner | soil | 2010-12-15 | 16:00 | 2010-12-17 |
| 253644 | North Center | soil | 2010-12-15 | 16:15 | 2010-12-17 |
| 253645 | NE Corner | soil | 2010-12-15 | 16:30 | 2010-12-17 |
| 253646 | W Middle | soil | 2010-12-15 | 16:40 | 2010-12-17 |
| 253647 | Center Middle | soil | 2010-12-15 | 16:50 | 2010-12-17 |
| 253648 | E Middle | soil | 2010-12-15 | 17:10 | 2010-12-17 |
| 253649 | South End | soil | 2010-12-15 | 17:20 | 2010-12-17 |

Sample: 253643 - NW Corner

| Param | Flag | Result | Units | RL |
|----------|------|--------|-------|------|
| Chloride | | 46.5 | mg/Kg | 2.50 |
| Sulfate | | 155000 | mg/Kg | 25.0 |

Sample: 253644 - North Center

| Param | Flag | Result | Units | RL |
|----------|------|--------|-------|------|
| Chloride | | 391 | mg/Kg | 2.50 |

Sample: 253645 - NE Corner

| Param | Flag | Result | Units | RL |
|----------|------|--------|-------|------|
| Chloride | | 419 | mg/Kg | 2.50 |

Sample: 253646 - W Middle

| Param | Flag | Result | Units | RL |
|---------------|------|---------------|-------|-------|
| Total Calcium | | 133000 | mg/Kg | 0.500 |
| Chloride | | 1260 | mg/Kg | 2.50 |
| Sulfate | | 85800 | mg/Kg | 25.0 |

Sample: 253647 - Center Middle

| Param | Flag | Result | Units | RL |
|----------|------|--------|-------|------|
| Chloride | | <25.0 | mg/Kg | 2.50 |

Sample: 253648 - E Middle

| Param | Flag | Result | Units | RL |
|----------|------|-------------|-------|------|
| Chloride | | 92.6 | mg/Kg | 2.50 |

Sample: 253649 - South End

| Param | Flag | Result | Units | RL |
|----------|------|------------|-------|------|
| Chloride | | 528 | mg/Kg | 2.50 |

Bratcher, Mike, EMNRD

From: Cheryl Winkler [cmwink@mac.com]
Sent: Wednesday, January 26, 2011 11:11 AM
To: Bratcher, Mike, EMNRD; james_amos@nm.blm.gov
Cc: Thomas Wright
Subject: Russell USA No. 2 Disposition of Excavated Area

Greetings Mike and Jim!

After having spoken with you both yesterday, it was suggested that we send an email confirming the action to complete the infield reclamation project on Apollo Energy's Russell USA No. 2 location. It is my understanding that you both approve of filling in the currently excavated area with caliche to reestablish the pad for future activities with this well. We intend begin hauling caliche tomorrow with the goal of having the job completed by Monday of next week. I have also informed the operator that it will be necessary to "tidy up" the location at this time. I will keep you posted as we progress.

Please return your acknowledgment of this agreement so I can forward it to the opposite party for their records. Thank you both so much for your help on this project. It is very much appreciated.

Regards,
Cheryl

Bratcher, Mike, EMNRD

From: jamos@blm.gov
Sent: Wednesday, January 26, 2011 2:44 PM
To: Cheryl Winkler
Cc: james_amos@nm.blm.gov; Bratcher, Mike, EMNRD; Thomas Wright
Subject: Re: Russell USA No. 2 Disposition of Excavated Area

Cheryl,

We are in agreement, that the location can be closed by backfilling the excavation area and bringing the pad back to grade. We should also address scrap pipe, and mic. pumping bases in the adjacent areas. If any questions please get back to me. Thanks

Cheryl Winkler
<cmwink@mac.com>

01/26/2011 11:11
AM

EMNRD Bratcher Mike
<mike.bratcher@state.nm.us>,
james_amos@nm.blm.gov

Thomas Wright
<tommyw@doreenergy.com>

Subject
Russell USA No. 2 Disposition of
Excavated Area

To

cc

Greetings Mike and Jim!

After having spoken with you both yesterday, it was suggested that we send an email confirming the action to complete the infield reclamation project on Apollo Energy's Russell USA No. 2 location. It is my understanding that you both approve of filling in the currently excavated area with caliche to reestablish the pad for future activities with this well. We intend begin hauling caliche tomorrow with the goal of having the job completed by Monday of next week. I have also informed the operator that it will be necessary to "tidy up" the location at this time. I will keep you posted as we progress.

Please return your acknowledgment of this agreement so I can forward it to the opposite party for their records. Thank you both so much for your help on this project. It is very much appreciated.

Regards,
Cheryl