

January 30th, 2015

Mike Bratcher

New Mexico Energy, Minerals, & Natural Resources
Oil Conservation Division, Environmental Bureau – District 2
811 S. First St.
Artesia, NM 88210

**RE: Termination Request
Burnett Oil Co. – Jackson B-5 Gas Line (2RP-2243)
UL/L sec. 13 T17S R30E
API No. 30-015-32793**

Mr. Bratcher:

Burnett Oil Co. (Burnett) has retained Rice Environmental Consulting and Safety (RECS) to address potential environmental concerns at the above-referenced site.

Background and Previous Work

The site is located approximately 3 miles northeast of Loco Hills, New Mexico at UL/L sec. 13 T17S R30E. The site is located in an area of no known groundwater.

On March 24th, 2014, Burnett discovered a release of 5 barrels of oil and produced water. The release occurred when a rupture in an adjacent gas line caused a fire that melted several poly lines and released the oil and produced water over 9,274 square feet of pasture land. None of the release fluid was recovered. BLM was notified of the release on March 24th, 2014. NMOCD received the initial C-141 on March 27th, 2014, and approved it on April 2nd, 2014 (Appendix A).

RECS personnel were on site beginning on March 24th, 2014. Surface samples were taken at two points within the release area and field tested for chlorides and organic vapors (Figure 1). Both samples were taken to a commercial laboratory for analysis. Point 1 returned a chloride value of 3,760 mg/kg and Point 2 returned a chloride value of 48 mg/kg. Gasoline Range Organics (GRO) readings, Diesel Range Organics (DRO) readings and BTEX readings returned values of non-detect, except for the DRO reading at Point 2, which returned a value of 29.3 mg/kg (Appendix B). Based on the surface sampling results, a vertical was installed at Point 1 to determine the depth of chloride contamination. The vertical was installed to a depth of 10 ft bgs, and samples were taken at regular intervals and field tested for chlorides and organic vapors. The 10 ft bgs sample was then taken to a commercial laboratory for analysis. The sample returned a chloride value of 480 mg/kg and GRO, DRO and BTEX results of non-detect.

Based on the initial sampling of the site, a Corrective Action Plan (CAP) was submitted to NMOCD and BLM on May 27th, 2014. NMOCD approved the CAP on June 2nd, 2014. The CAP stated that the area around Point 1 would be excavated to a depth of 4 ft bgs (Figure 2). At

the base of the 4 ft excavation, a 20-mil reinforced poly liner would be installed and properly seated. All excavated soils would be evaluated for use as backfill and any soils that did not meet regulatory standards would be disposed of at a NMOCD approved facility. The remaining soils would be blended on site to use as backfill. Clean soil would be imported to the site to replace any soils taken for disposal. A sample of the blended backfill would be taken to a commercial laboratory to confirm that the backfill had constituents below regulatory standards. The excavation would then be backfilled with the blended soil and contoured to the surrounding location. The entire site would be tilled, soil amendments added to the site as needed and then seeded with a blend of native vegetation.

CAP activities began on October 9th, 2014. The site was excavated to 4 ft bgs, and a total of 534 cubic yards of excavated soil was taken to a NMOCD approved facility for disposal. At the base of the excavation, a 20-mil reinforced poly liner was installed and key set. A request to backfill the site was sent to NMOCD and BLM on October 20th, 2014. NMOCD and BLM approved the site to be backfilled on October 21st, 2014. A total of 576 cubic yards of top soil was imported to the site to serve as backfill. A sample of the imported soil was taken to a commercial laboratory and returned a chloride value of non-detect (Appendix C). The site was backfilled with the imported top soil and contoured to the surrounding location. On November 4th, 2014, soil amendments were added to the site, and the site was seeded with LPC mix.

Photo documentation of all field activities can be found in Appendix D.

Given that the site was remediated per the approved CAP, and NMOCD and BLM gave permission to backfill the site, Burnett respectfully requests 'remediation termination' and site closure. A final C-141 can be found in Appendix E.

RECS appreciates the opportunity to work with you on this project. Please call Hack Conder at (575) 393-2967 or me if you have any questions or wish to discuss the site.

Sincerely,



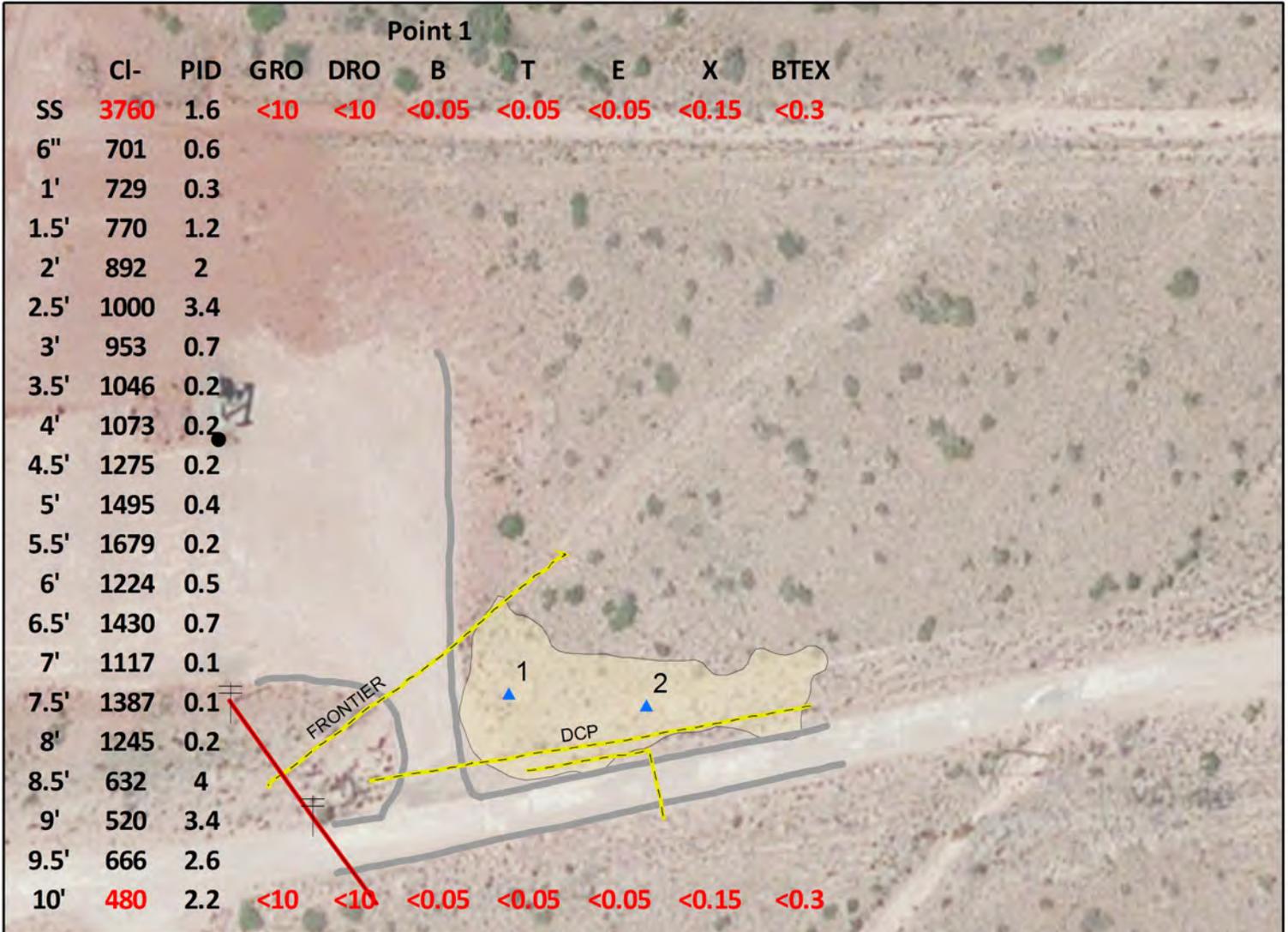
Lara Weinheimer
Project Scientist
RECS
(575) 441-0431

Attachments:

- Figure 1 – Initial Sampling Data
- Figure 2 – Proposed Corrective Actions
- Figure 3 – Excavation Map
- Appendix A – Initial C-141
- Appendix B – Initial Sampling Labs
- Appendix C – Imported Top Soil Lab
- Appendix D – Photo Documentation
- Appendix E – Final C-141

Figures

Initial Sampling Data



| | CI- | PID | GRO | DRO | B | T | E | X | BTEX |
|------|------|-----|-----|-----|-------|-------|-------|-------|------|
| SS | 3760 | 1.6 | <10 | <10 | <0.05 | <0.05 | <0.05 | <0.15 | <0.3 |
| 6" | 701 | 0.6 | | | | | | | |
| 1' | 729 | 0.3 | | | | | | | |
| 1.5' | 770 | 1.2 | | | | | | | |
| 2' | 892 | 2 | | | | | | | |
| 2.5' | 1000 | 3.4 | | | | | | | |
| 3' | 953 | 0.7 | | | | | | | |
| 3.5' | 1046 | 0.2 | | | | | | | |
| 4' | 1073 | 0.2 | | | | | | | |
| 4.5' | 1275 | 0.2 | | | | | | | |
| 5' | 1495 | 0.4 | | | | | | | |
| 5.5' | 1679 | 0.2 | | | | | | | |
| 6' | 1224 | 0.5 | | | | | | | |
| 6.5' | 1430 | 0.7 | | | | | | | |
| 7' | 1117 | 0.1 | | | | | | | |
| 7.5' | 1387 | 0.1 | | | | | | | |
| 8' | 1245 | 0.2 | | | | | | | |
| 8.5' | 632 | 4 | | | | | | | |
| 9' | 520 | 3.4 | | | | | | | |
| 9.5' | 666 | 2.6 | | | | | | | |
| 10' | 480 | 2.2 | <10 | <10 | <0.05 | <0.05 | <0.05 | <0.15 | <0.3 |

Legend

- ELECTRIC POLE
- WELLHEAD
- SAMPLE POINT
- BURIED PIPELINE
- OVERHEAD ELECTRIC LINE
- PAD/ROAD EDGE
- STAIN (9,274 sq ft)

Point 2

| | CI- | PID | GRO | DRO | B | T | E | X | BTEX |
|---------|-----|-----|-----|------|-------|-------|-------|-------|------|
| Surface | 48 | 87 | <10 | 29.3 | <0.05 | <0.05 | <0.05 | <0.15 | <0.3 |

CI- FIELD DATA
CI- LAB DATA

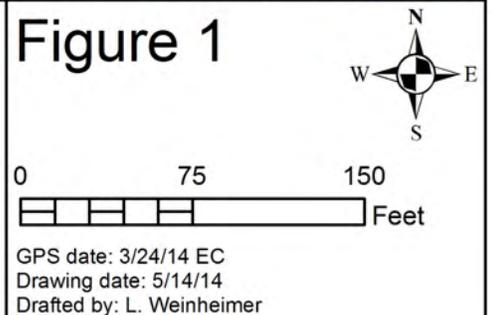
Landowner: BLM
 DGW: None

Source: Esri, DigitalGlobe, GeoEye, i-cubed, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

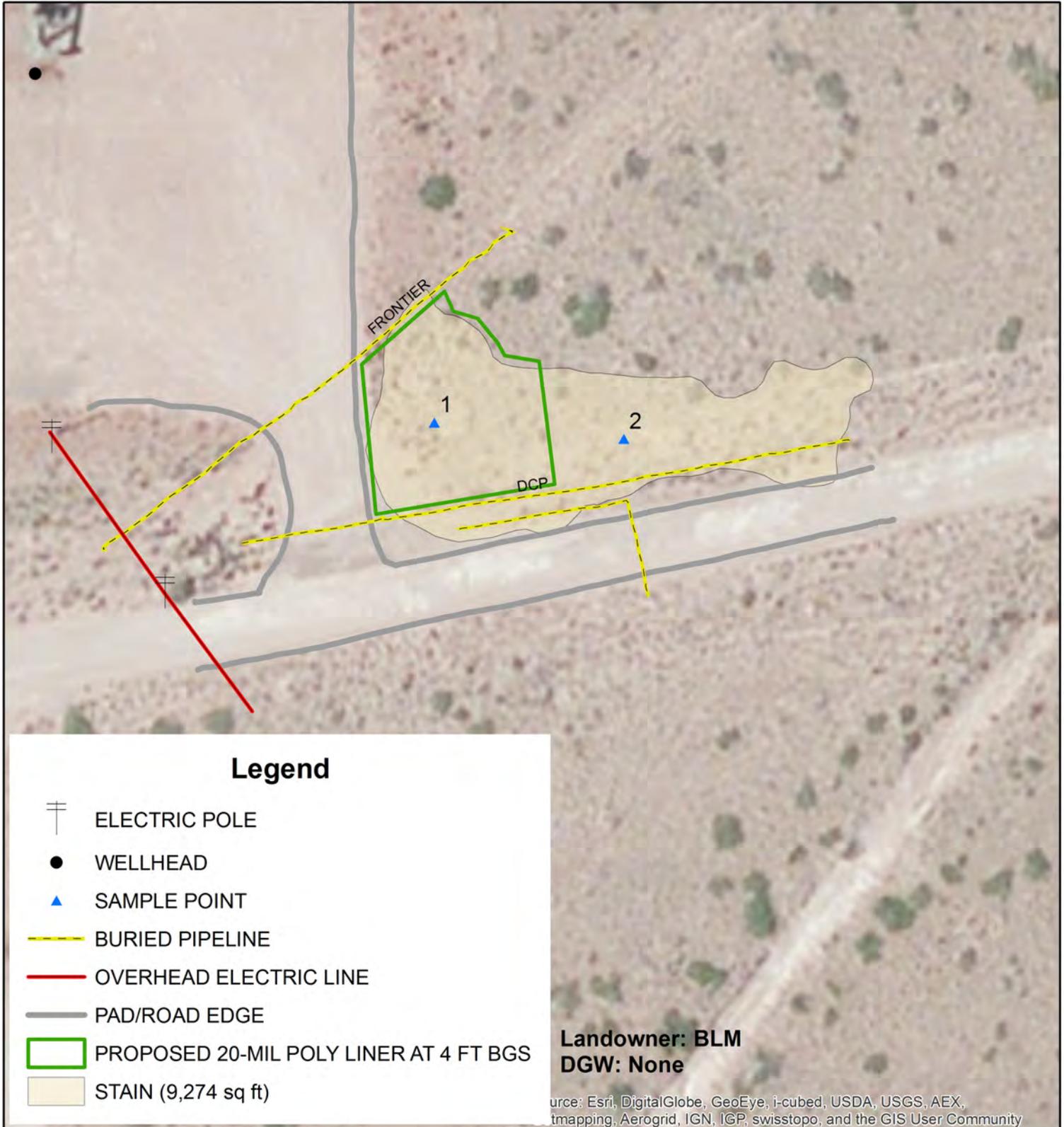


**BURNETT
 JACKSON B-5
 GAS LINE**
 UL L SECTION 13
 T-17-S R-30-E
 EDDY COUNTY, NM

Figure 1



Proposed Corrective Actions



Legend

-  ELECTRIC POLE
-  WELLHEAD
-  SAMPLE POINT
-  BURIED PIPELINE
-  OVERHEAD ELECTRIC LINE
-  PAD/ROAD EDGE
-  PROPOSED 20-MIL POLY LINER AT 4 FT BGS
-  STAIN (9,274 sq ft)

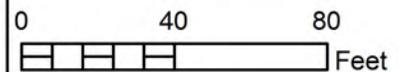
Landowner: BLM
 DGW: None

Source: Esri, DigitalGlobe, GeoEye, i-cubed, USDA, USGS, AEX, Mapbox, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community



**BURNETT
 JACKSON B-5
 GAS LINE**
 UL L SECTION 13
 T-17-S R-30-E
 EDDY COUNTY, NM

Figure 2



GPS date: 3/24/14 EC
 Drawing date: 5/22/14
 Drafted by: L. Weinheimer

Excavation Map



Landowner: BLM
 DGW: None

Source: Esri, DigitalGlobe, GeoEye, IGN, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, swisstopo, and the GIS User Community

Legend

- ELECTRIC POLE
- WELLHEAD
- BURIED PIPELINE
- LINE FINDER LINE
- OVERHEAD ELECTRIC LINE
- PAD/ROAD EDGE
- EXCAVATION @ 4 FT
- STAIN (9,274 sq ft)

RECS
 RICE ENVIRONMENTAL
 CONSULTING & SAFETY

**BURNETT
 JACKSON B-5
 GAS LINE**
 UL L SECTION 13
 T-17-S R-30-E
 EDDY COUNTY, NM

Figure 3

0 25 50
 Feet

GPS date: 4/17/14 & 10/3/14 BC
 Drawing date: 10/6/14
 Drafted by: T. Grieco, B. Cooper

Appendix A

Initial C-141

RICE Environmental Consulting and Safety (RECS)
P.O. Box 2948 Hobbs, NM 88241
Phone 575.393.2967

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

Form C-141
Revised August 8, 2011

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

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

| | |
|--|------------------------------|
| Name of Company Burnett Oil Co. Inc. <u>3080</u> | Contact Shawna Matthews |
| Address P.O. Box 188, Loco Hills, NM 88255 | Telephone No. (575) 322-7213 |
| Facility Name Jackson B-5 Gas Line | Facility Type Gas Line |

| | | |
|-------------------|---------------|----------------------|
| Surface Owner BLM | Mineral Owner | API No. 30-015-32793 |
|-------------------|---------------|----------------------|

LOCATION OF RELEASE

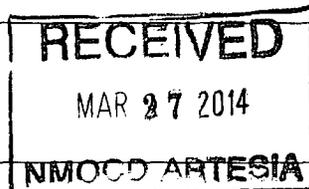
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| L | 13 | 17S | 30E | 1730 | FSL | 1098 | FWL | Eddy |

Latitude 32.831953 Longitude -103.930483

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release Oil and Produced Water | Volume of Release 5 bbls | Volume Recovered 0 bbls |
| Source of Release Multiple poly lines | Date and Hour of Occurrence 3/24/14 10:30 am | Date and Hour of Discovery 3/24/14 10:30 am |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mike Burton - BLM | |
| By Whom? Jake Kamplain - RECS | Date and Hour 3/24/14 1:05 pm | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

If a Watercourse was Impacted, Describe Fully.*



Describe Cause of Problem and Remedial Action Taken.*

A rupture in a gas line caused a fire that melted several poly lines releasing oil and produced water over 9,274 square feet of pasture land. None of this fluid was recovered. The lines were shut down and repaired.

Describe Area Affected and Cleanup Action Taken.*

The site will be assessed and then remediated to NMOCD and BLM regulations.

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: <u>Shawna Matthews</u> | <u>OIL CONSERVATION DIVISION</u> | |
| Printed Name: Shawna Matthews | Approved by Environmental Specialist: <u>Hurley</u> | |
| Title: Production Technician | Approval Date: <u>4-2-14</u> | Expiration Date: <u>NA</u> |
| E-mail Address: smatthews@burnettoil.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: | Remediation per OCD Rule & Guidelines. SUBMIT REMEDIATION PROPOSAL NO LATER THAN: | |

5-2-14

2RP-2243

* Attach Additional Sheets If Necessary

Appendix B

Initial Sampling Labs

RICE Environmental Consulting and Safety (RECS)
P.O. Box 2948 Hobbs, NM 88241
Phone 575.393.2967



April 01, 2014

JACOB KAMPLAIN

RICE ENVIRONMENTAL CONSULTING & SAFETY LLC

419 W. CAIN

HOBBS, NM 88240

RE: JACKSON B-S GAS LINE

Enclosed are the results of analyses for samples received by the laboratory on 03/25/14 15:15.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

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

| | |
|------------------|------------------------------|
| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.4 | Regulated VOCs (V1, V2, V3) |

Accreditation applies to public drinking water matrices.

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

Sincerely,

A handwritten signature in cursive script that reads "Celey D. Keene".

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 RICE ENVIRONMENTAL CONSULTING & SAFETY
 JACOB KAMPLAIN
 419 W. CAIN
 HOBBS NM, 88240
 Fax To: (575) 397-1471

| | | | |
|-------------------|----------------------|---------------------|---------------|
| Received: | 03/25/2014 | Sampling Date: | 03/25/2014 |
| Reported: | 04/01/2014 | Sampling Type: | Soil |
| Project Name: | JACKSON B-S GAS LINE | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

Sample ID: PT. 1 @ SURFACE (H400885-01)

| BTEX 8021B | | mg/kg | | Analyzed By: MS | | | | | | |
|----------------|--------|-----------------|------------|-----------------|------|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Benzene* | <0.050 | 0.050 | 03/31/2014 | ND | 1.92 | 95.9 | 2.00 | 14.2 | | |
| Toluene* | <0.050 | 0.050 | 03/31/2014 | ND | 1.81 | 90.7 | 2.00 | 13.4 | | |
| Ethylbenzene* | <0.050 | 0.050 | 03/31/2014 | ND | 1.75 | 87.7 | 2.00 | 14.5 | | |
| Total Xylenes* | <0.150 | 0.150 | 03/31/2014 | ND | 5.10 | 85.0 | 6.00 | 14.3 | | |
| Total BTEX | <0.300 | 0.300 | 03/31/2014 | ND | | | | | | |

Surrogate: 4-Bromofluorobenzene (PID) 109 % 89.4-126

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | | |
|----------------------|-------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 3760 | 16.0 | 03/28/2014 | ND | 416 | 104 | 400 | 0.00 | | |

| TPH 8015M | | mg/kg | | Analyzed By: ms | | | | | | |
|--------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| GRO C6-C10 | <10.0 | 10.0 | 03/27/2014 | ND | 215 | 108 | 200 | 6.62 | | |
| DRO >C10-C28 | <10.0 | 10.0 | 03/27/2014 | ND | 196 | 98.2 | 200 | 1.52 | | |

Surrogate: 1-Chlorooctane 92.4 % 65.2-140
Surrogate: 1-Chlorooctadecane 94.5 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 RICE ENVIRONMENTAL CONSULTING & SAFETY
 JACOB KAMPLAIN
 419 W. CAIN
 HOBBS NM, 88240
 Fax To: (575) 397-1471

| | | | |
|-------------------|----------------------|---------------------|---------------|
| Received: | 03/25/2014 | Sampling Date: | 03/25/2014 |
| Reported: | 04/01/2014 | Sampling Type: | Soil |
| Project Name: | JACKSON B-S GAS LINE | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

Sample ID: PT. 2 @ SURFACE (H400885-02)

| BTEX 8021B | | mg/kg | | Analyzed By: MS | | | | | |
|----------------|--------|-----------------|------------|-----------------|------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 03/31/2014 | ND | 1.92 | 95.9 | 2.00 | 14.2 | |
| Toluene* | <0.050 | 0.050 | 03/31/2014 | ND | 1.81 | 90.7 | 2.00 | 13.4 | |
| Ethylbenzene* | <0.050 | 0.050 | 03/31/2014 | ND | 1.75 | 87.7 | 2.00 | 14.5 | |
| Total Xylenes* | <0.150 | 0.150 | 03/31/2014 | ND | 5.10 | 85.0 | 6.00 | 14.3 | |
| Total BTEX | <0.300 | 0.300 | 03/31/2014 | ND | | | | | |

Surrogate: 4-Bromofluorobenzene (PID) 110 % 89.4-126

| Chloride, SM4500CI-B | | mg/kg | | Analyzed By: AP | | | | | |
|----------------------|-------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 48.0 | 16.0 | 03/28/2014 | ND | 416 | 104 | 400 | 0.00 | |

| TPH 8015M | | mg/kg | | Analyzed By: ms | | | | | |
|------------------------|-------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 03/27/2014 | ND | 215 | 108 | 200 | 6.62 | |
| DRO >C10-C28 | 29.3 | 10.0 | 03/27/2014 | ND | 196 | 98.2 | 200 | 1.52 | |

Surrogate: 1-Chlorooctane 88.8 % 65.2-140

Surrogate: 1-Chlorooctadecane 91.5 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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



Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

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



Celey D. Keene, Lab Director/Quality Manager

May 12, 2014

JACOB KAMPLAIN

RICE ENVIRONMENTAL CONSULTING & SAFETY LLC

419 W. CAIN

HOBBS, NM 88240

RE: JACKSON B-5 GAS LINE

Enclosed are the results of analyses for samples received by the laboratory on 05/02/14 16:40.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

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

| | |
|------------------|------------------------------|
| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.4 | Regulated VOCs (V1, V2, V3) |

Accreditation applies to public drinking water matrices.

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

Sincerely,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 RICE ENVIRONMENTAL CONSULTING & SAFETY
 JACOB KAMPLAIN
 419 W. CAIN
 HOBBS NM, 88240
 Fax To: (575) 397-1471

| | | | |
|-------------------|----------------------|---------------------|---------------|
| Received: | 05/02/2014 | Sampling Date: | 05/02/2014 |
| Reported: | 05/12/2014 | Sampling Type: | Soil |
| Project Name: | JACKSON B-5 GAS LINE | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

Sample ID: POINT 1 @ 10' (H401357-01)

| BTEX 8260B | | mg/kg | | Analyzed By: ms | | | | | | |
|----------------|--------|-----------------|------------|-----------------|------|------------|---------------|-------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Benzene* | <0.050 | 0.050 | 05/10/2014 | ND | 2.28 | 114 | 2.00 | 2.50 | | |
| Toluene* | <0.050 | 0.050 | 05/10/2014 | ND | 2.27 | 114 | 2.00 | 0.752 | | |
| Ethylbenzene* | <0.050 | 0.050 | 05/10/2014 | ND | 2.18 | 109 | 2.00 | 0.311 | | |
| Total Xylenes* | <0.150 | 0.150 | 05/10/2014 | ND | 6.74 | 112 | 6.00 | 2.10 | | |
| Total BTEX | <0.300 | 0.300 | 05/10/2014 | ND | | | | | | |

Surrogate: Dibromofluoromethane 98.6 % 61.3-142

Surrogate: Toluene-d8 105 % 71.3-129

Surrogate: 4-Bromofluorobenzene 92.9 % 65.7-141

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | | |
|----------------------|------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 480 | 16.0 | 05/09/2014 | ND | 400 | 100 | 400 | 7.69 | | |

| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | | | |
|--------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| GRO C6-C10 | <10.0 | 10.0 | 05/09/2014 | ND | 200 | 100 | 200 | 4.31 | | |
| DRO >C10-C28 | <10.0 | 10.0 | 05/09/2014 | ND | 221 | 111 | 200 | 4.59 | | |

Surrogate: 1-Chlorooctane 116 % 65.2-140

Surrogate: 1-Chlorooctadecane 119 % 63.6-154

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

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



Celey D. Keene, Lab Director/Quality Manager



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603
 (505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325)673-7020

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---------------|-------------------------------|--|------------------------------------|------------|------|-----------|-------------------------|-----|----------|----------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Company Name: RECS | | BILL TO | | ANALYSIS REQUEST | | | | | | | | | | | | | | | | | | | | | | | |
| Project Manager: Jacob Kamplain, Laura Flores | | P.O. #: | | Chlorides | TPH 8015 M | BTEX | Texas TPH | Complete Cations/Anions | TDS | | | | | | | | | | | | | | | | | | |
| Address: | | Company: | | | | | | | | | | | | | | | | | | | | | | | | | |
| City: Hobbs State: NM Zip: 88240 | | Attn: | | | | | | | | | | | | | | | | | | | | | | | | | |
| Phone #: Fax #: | | Address: | | | | | | | | | | | | | | | | | | | | | | | | | |
| Project #: Project Owner: | | City: | | | | | | | | | | | | | | | | | | | | | | | | | |
| Project Name: | | State: Zip: | | | | | | | | | | | | | | | | | | | | | | | | | |
| Project Location: Jackson B-5 gas line | | Phone #: | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sampler Name: Kyle Schnaidt | | Fax #: | | | | | | | | | | | | | | | | | | | | | | | | | |
| FOR LAB USE ONLY | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lab I.D. | Sample I.D. | (GRAB OR (C)OMP. # CONTAINERS | MATRIX | | | | | | | PRESERV. | SAMPLING | | | | | | | | | | | | | | | | |
| H40357 | point 1 @ 10' | G 1 | GROUNDWATER WASTEWATER SOIL OIL SLUDGE OTHER: | ACID/BASE: ICE / COOL OTHER: | DATE | TIME | X | X | X | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | | | |
|--|--|------------------------------|---|----------------|
| Relinquished By: Kyle Schnaidt | Date: 5-2-14 Time: 4:40 | Received By: Jodi Henson | Phone Result: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Add'l Phone #: |
| Relinquished By: | Date: | Received By: | Fax Result: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Add'l Fax #: |
| Delivered By: (Circle One) Sampler - UPS - Bus - Other: | Sample Condition Cool <input checked="" type="checkbox"/> Intact <input checked="" type="checkbox"/> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> No | CHECKED BY: (Initials) JH | REMARKS: email results Knorman@rice-ecs.com jhones@rice-ecs.com Kjones@riceswd.com; jkamplain@rice-ecs.com hconder@rice-ecs.com; Lweinheimer@rice-ecs.com | |

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

#54

Appendix C

Imported Top Soil Lab

RICE Environmental Consulting and Safety (RECS)
P.O. Box 2948 Hobbs, NM 88241
Phone 575.393.2967

October 23, 2014

LAURA FLORES

RICE ENVIRONMENTAL CONSULTING & SAFETY LLC

419 W. CAIN

HOBBS, NM 88240

RE: JACKSON B-5 GAS LINE

Enclosed are the results of analyses for samples received by the laboratory on 10/21/14 15:45.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

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

| | |
|------------------|------------------------------|
| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.4 | Regulated VOCs (V1, V2, V3) |

Accreditation applies to public drinking water matrices.

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

Sincerely,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 RICE ENVIRONMENTAL CONSULTING & SAFETY
 LAURA FLORES
 419 W. CAIN
 HOBBS NM, 88240
 Fax To: (575) 397-1471

| | | | |
|-------------------|----------------------|---------------------|---------------|
| Received: | 10/21/2014 | Sampling Date: | 10/21/2014 |
| Reported: | 10/23/2014 | Sampling Type: | Soil |
| Project Name: | JACKSON B-5 GAS LINE | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

Sample ID: IMPORTED SOIL (H403230-01)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | <16.0 | 16.0 | 10/22/2014 | ND | 400 | 100 | 400 | 0.00 | |

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

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



Celey D. Keene, Lab Director/Quality Manager



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(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

| | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|----------------------|-------------------|--------------|--|--|-------------------------------------|--|--|--|--|-------------------------------------|--|-----------------|-------------|-------------|------------|------|-----|--------|---------|------------|------------|---------|------|------|--|
| Company Name: RECS | | BILL TO | | ANALYSIS REQUEST | | | | | | | | | | | | | | | | | | | | | | |
| Project Manager: Laura Flores / | | P.O. #: | | Chlorides TPH 8015 M BTEX Texas TPH Complete Cations/Anions TDS | | | | | | | | | | | | | | | | | | | | | | |
| Address: 419 W Cain | | Company: | | | | | | | | | | | | | | | | | | | | | | | | |
| City: Hobbs State: NM Zip: 88240 | | Attn: | | | | | | | | | | | | | | | | | | | | | | | | |
| Phone #: Fax #: | | Address: | | | | | | | | | | | | | | | | | | | | | | | | |
| Project #: Project Owner: | | City: | | | | | | | | | | | | | | | | | | | | | | | | |
| Project Name: <i>Dupont oil co.</i> | | State: Zip: | | | | | | | | | | | | | | | | | | | | | | | | |
| Project Location: <i>Jackson D-S Gas line</i> | | Phone #: | | | | | | | | | | | | | | | | | | | | | | | | |
| Sampler Name: Joshua Balcom | | Fax #: | | | | | | | | | | | | | | | | | | | | | | | | |
| FOR LAB USE ONLY | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lab I.D. | Sample I.D. | (G)RAB OR (C)OMP. | # CONTAINERS | | | | | | | | | | | | GROUNDWATER | WASTEWATER | SOIL | OIL | SLUDGE | OTHER : | ACID/BASE: | ICE / COOL | OTHER : | DATE | TIME | |
| <i>H403230</i> | <i>Imported soil</i> | <i>G</i> | <i>1</i> | | | <input checked="" type="checkbox"/> | | | | | <input checked="" type="checkbox"/> | | <i>10/21/14</i> | <i>9:00</i> | | | | | | | | | | | | |

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

| | | | | |
|-------------------------------------|--|---------------------------------|--|----------------|
| Relinquished By: <i>[Signature]</i> | Date: <i>10/21/14</i> | Received By: <i>Jodi Benson</i> | Phone Result: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Add'l Phone #: |
| | Time: <i>13:45</i> | | Fax Result: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Add'l Fax #: |
| Relinquished By: | Date: | Received By: | REMARKS: | |
| | Time: | | email results: hconder@rice-ecs.com; knorman@rice-ecs.com; jkamplain@rice-ecs.com; regans@rice-ecs.com; lflores@rice-ecs.com; lweinheimer@rice-ecs.com; cursanic@rice-ecs.com environmental tech: jbalcom@rice-ecs.com | |
| Delivered By: (Circle One) | Sample Condition | CHECKED BY: (Initials) | | |
| Sampler - UPS - Bus - Other: | Cool <input checked="" type="checkbox"/> Intact <input checked="" type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> | <i>[Signature]</i> | | |

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

#54

Appendix D

Photo Documentation

RICE Environmental Consulting and Safety (RECS)
P.O. Box 2948 Hobbs, NM 88241
Phone 575.393.2967

Burnett Oil Jackson B-5 Gas Line

Unit Letter L, Section 13, T17S, R30E



Source of release, facing southwest

3/24/14



Initial release area, facing northeast

3/24/14



Initial release area, facing east

3/24/14



Installing the vertical, facing southeast

5/2/14



Excavating, facing southwest

10/9/14



Continue excavating, facing southeast

10/13/14



Exporting soil, facing northeast

10/16/14



Excavation completed, facing northwest

10/16/14



Excavation completed, facing southeast 10/17/14



Installing liner, facing west 10/19/14



Key set of liner completed, facing northwest 10/19/14



Key set of liner completed, facing south 10/19/14



Importing top soil, facing northwest 10/20/14



Backfilling excavation, facing northwest 10/21/14



Backfilling excavation, facing west 10/23/14



Excavation backfilled, facing northwest 10/24/14



Spreading soil amendments, facing northeast 11/4/14



Tilling in soil amendments, facing north 11/4/14



Seeding site, facing east 11/4/14



Seeding site, facing southwest 11/4/14



Tilling in the seed, facing west

11/4/14



Site completed, facing east

11/4/14



Site completed, facing north

11/4/14



Site completed, facing west

11/4/14

Appendix E

Final C-141

RICE Environmental Consulting and Safety (RECS)
P.O. Box 2948 Hobbs, NM 88241
Phone 575.393.2967

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

Form C-141
Revised August 8, 2011

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

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

| | | | |
|-----------------|--|---------------|----------|
| Name of Company | Burnett Oil Co., Inc. | Contact | |
| Address | 801 Cherry St. Unit #9, Fort Worth, TX 76102 | Telephone No. | |
| Facility Name | Jackson B-5 Gas Line | Facility Type | Gas Line |

| | | | | | |
|---------------|-----|---------------|--|---------|--------------|
| Surface Owner | BLM | Mineral Owner | | API No. | 30-015-32793 |
|---------------|-----|---------------|--|---------|--------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| L | 13 | 17S | 30E | 1730 | FSL | 1098 | FWL | Eddy |

Latitude 32.831953 Longitude -103.930483

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|-------------------|----------------------------|------------------|
| Type of Release | Oil and Produced Water | Volume of Release | 5 bbls | Volume Recovered | 0 bbls |
| Source of Release | Multiple poly lines | Date and Hour of Occurrence | 3/24/14 10:30 am | Date and Hour of Discovery | 3/24/14 10:30 am |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | Mike Burton - BLM | | |
| By Whom? | Jake Kamplain - RECS | Date and Hour | 3/24/14 1:05 pm | | |
| Was a Watercourse Reached? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | | | |

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* A rupture in a gas line caused a fire that melted several poly lines, releasing oil and produced water over 9,274 square feet of pasture land. None of this fluid was recovered. The lines were shut down and repaired.

Describe Area Affected and Cleanup Action Taken.* RECS personnel were on site beginning on March 24th, 2014. Surface samples were taken at two points within the release area and field tested for chlorides and organic vapors. Both samples were taken to a commercial laboratory for analysis. Point 1 returned a chloride value of 3,760 mg/kg and Point 2 returned a chloride value of 48 mg/kg. GRO readings, DRO readings and BTEX readings returned values of non-detect, except for the DRO reading at Point 2, which returned a value of 29.3 mg/kg. Based on the surface sampling results, a vertical was installed at Point 1 to determine the depth of chloride contamination. The vertical was installed to a depth of 10 ft bgs, and samples were taken at regular intervals and field tested for chlorides and organic vapors. The 10 ft bgs sample was then taken to a commercial laboratory for analysis. The sample returned a chloride value of 480 mg/kg and GRO, DRO and BTEX results of non-detect. Based on the initial sampling of the site, a CAP was submitted to NMOCD and BLM on May 27th, 2014. NMOCD approved the CAP on June 2nd, 2014. CAP activities began on October 9th, 2014. The site was excavated to 4 ft bgs, and a total of 534 cubic yards of excavated soil was taken to a NMOCD approved facility for disposal. At the base of the excavation, a 20-mil reinforced poly liner was installed and key set. A request to backfill the site was sent to NMOCD and BLM on October 20th, 2014. NMOCD and BLM approved the site to be backfilled on October 21st, 2014. A total of 576 cubic yards of top soil was imported to the site to serve as backfill. A sample of the imported soil was taken to a commercial laboratory and returned a chloride value of non-detect. The site was backfilled with the imported top soil and contoured to the surrounding location. On November 4th, 2014, soil amendments were added to the site, and the site was seeded with LPC mix.

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: | Approved by Environmental Specialist: | | |
| Title: | Approval Date: | Expiration Date: | |
| E-mail Address: | Conditions of Approval: | | Attached <input type="checkbox"/> |
| Date: | Phone: | | |

* Attach Additional Sheets If Necessary