



AMARILLO

921 North Bivins
Amarillo, Texas 79107
Phone 806.467.0607
Fax 806.467.0622

ARTESIA

408 West Texas Ave.
Artesia, New Mexico 88210
Phone 575.746.8768
Fax 575.746.8905

AUSTIN

911 West Anderson Lane
Suite 202
Austin, Texas 78757
Phone 512.989.3428
Fax 512.989.3487

HOBBS

318 East Taylor Street
Hobbs, New Mexico 88240
Phone 575.393.4261
Fax 575.393.4658

MIDLAND

2901 State Hwy 349
Midland, Texas 79706
Phone 432.522.2133
Fax 432.522.2180

SAN ANTONIO

11 Commercial Place
Schertz, Texas 78154
Phone 210.265.8025
Fax 210.568.2191

TULSA

525 South Main Street
Suite 535
Tulsa, Oklahoma 74103
Phone 918.742.0871
Fax 918.382.0232

ENVIRONMENTAL CONSULTING
ENGINEERING
DRILLING
CONSTRUCTION
SPILL MANAGEMENT
GENERAL CONTRACTING

Toll Free: 866.742.0742
www.talonlpe.com

July 9, 2012

Sonia Braddock
Kodiak Trucking
503 East Chapman
Carlsbad, NM 88221

Subject: Produced Water Release
Kodiak Truck Yard
7512 Old Cavern Highway
Carlsbad, New Mexico

Dear Mrs. Braddock,

Kodiak Trucking has contracted Talon/LPE (Talon) to perform soil assessment and remediation services at the above referenced location. The remediation activities and closure report are submitted herein.

Incident

In late 2009 and early 2010 an anonymous caller notified the New Mexico Environmental Department (NMED) in Santa Fe regarding a Kodiak transport truck releasing an unknown volume of produced water at the Kodiak truck yard located at 7512 Old Cavern Highway, Carlsbad. The NMED department contacted the New Mexico Oil Conservation Division (NMOCD) District II office in Artesia. It is unknown to Talon at this time the specifics of this incident

Groundwater Data

The New Mexico State Engineer web site indicates the ground water in this area to be an average of 95' below ground surface (bgs). The referenced groundwater data is presented in Appendix I.

The ranking for this site is 10 based on the as following:

Depth to ground water	50-100'
Wellhead Protection Area	>1000'
Distance to surface water body	>1000'

Remedial Actions

On February 13, 2012 Talon personnel mobilized to the site to meet with NMOCD Mike Bratcher, NMOCD Environmental Specialist to begin site assessment and soil sampling. Composite soil samples were collected from within the impacted areas.

On May 29, 2012 Talon personnel mobilized a dozer to the site to complete remediation activities. The existing pit and excavation areas were backfilled. The location was cut and contoured to match the existing surroundings.

All soil samples were collected by Talon personnel wearing clean nitrile gloves. The soil samples were placed in laboratory provided sample containers, iced and transported to Cardinal Laboratories in Hobbs, New Mexico for analysis. The samples were tested for TPH (Total Petroleum Hydrocarbons) using EPA Method 8015M, volatile organics (BTEX) using EPA Method 8021B and analysis of Chlorides using Method SM4500CL-B. The complete laboratory report is attached as Appendix II. The complete laboratory report is attached in Appendix II.

Analytical Results

Analytical results detailed on the attached laboratory report are summarized below:

February 15, 2012

<u>Sample</u>	<u>BTEX</u>	<u>Chlorides</u>	<u>TPH</u>
S-A	<0.150	80	<10 mg/kg
S-B	<0.150	640	<10

For this site's ranking, New Mexico Oil Conservation District action level criterion for BTEX is 50 mg/kg, Benzene is 10 mg/kg and TPH is 1,000 mg/kg. Chloride cleanup levels are considered to be 1,000 mg/kg.

Conclusions

- Groundwater in the project vicinity is greater than 50-feet below land surface per the New Mexico State Engineer Database.
- Based on the depth to groundwater and the contamination levels detected in the soil, it is unlikely that the impacts identified from this release would pose a threat to groundwater.
- Based upon the results of the sampling and analytical program, all chemical parameters tested for are reported to be less than their respective Recommended Remedial Action Levels (RRALs).


Closure

Therefore on behalf of Kodiak Trucking, we request that no further actions be required for this produced water release.

Should you have any questions or if further information is required, please do not hesitate to contact us at 575.746.8768.

Respectfully submitted,

TALON/LPE


Kimberly M. Wilson
Environmental Scientist



David J. Adkins
District Manager

APPENDIX I
GROUNDWATER DATA



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced,
O=orphaned,
C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

POD Number	POD Code	Subbasin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
C 01071	C		ED	1	08	23S	27E	573751	3576499*	279	95	184		
C 01618	C		ED	4	4	4	07	23S	27E	573252	3575384*	250		
C 01632	C		ED	3	2	4	07	23S	27E	573050	3575789*	162	100	62
C 01632 CLW197648	O		ED	3	2	4	07	23S	27E	573050	3575789*	162	100	62
C 01632 POD2	C		ED	3	2	4	07	23S	27E	573050	3575789*	173	100	73
C 01847	C		ED	1	3	07	23S	27E	571956	3575878*	300			
C 01847 POD2	C		ED	1	3	07	23S	27E	571956	3575878*	243			
C 02191	C		ED	1	08	23S	27E	573751	3576499*	252	75	177		
C 02300			ED	3	07	23S	27E	572160	3575676*	402				
C 02326	C		ED	2	07	23S	27E	572948	3576491*	140	99	41		
C 02510	C		ED	1	2	1	08	23S	27E	573848	3576806*	350	350	0
C 03005	C		ED	3	4	4	07	23S	27E	573052	3575384*	140	100	40
C 03301	C		ED	3	3	4	07	23S	27E	572597	3575268	375		

Average Depth to Water: **127 feet**

Minimum Depth: **75 feet**

Maximum Depth: **350 feet**

Record Count: 13

PLSS Search:

Section(s): 7, 8, 17, 18

Township: 23S

Range: 27E

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data

APPENDIX II
LABORATORY RESULTS



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

February 15, 2012

KIMBERLY WILSON

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: KODIAK TRUCKING

Enclosed are the results of analyses for samples received by the laboratory on 02/14/12 15:05.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. 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 black ink, reading "Coley D. Keene". The signature is written in a cursive, flowing style.

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

TALON LPE
KIMBERLY WILSON
408 W. TEXAS AVE.
ARTESIA NM, 88210
Fax To: (575) 745-8905

Received: 02/14/2012
Reported: 02/15/2012
Project Name: KODIAK TRUCKING
Project Number: 701508.001.01
Project Location: CARLSBAD, NEW MEXICO

Sampling Date: 02/13/2012
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: A (H200389-01)

BTEX 8021B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/15/2012	ND	1.93	96.5	2.00	16.0	
Toluene*	<0.050	0.050	02/15/2012	ND	2.09	105	2.00	15.8	
Ethylbenzene*	<0.050	0.050	02/15/2012	ND	2.15	107	2.00	15.0	
Total Xylenes*	<0.150	0.150	02/15/2012	ND	6.65	111	6.00	15.5	

Surrogate, 4-Bromofluorobenzene (PIL) 110 % 64.4-134

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	80.0	16.0	02/15/2012	ND	416	104	400	163	

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	02/15/2012	ND	190	95.2	200	3.43	
DRO >C10-C28	<10.0	10.0	02/15/2012	ND	181	90.3	200	5.09	


Surrogate 1-Chlorooctane 91.5 % 55 5-154

Surrogate 1-Chlorooctadecane 109 % 57 6-158

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:

 TALON LPE
 KIMBERLY WILSON
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

 Received: 02/14/2012
 Reported: 02/15/2012
 Project Name: KODIAK TRUCKING
 Project Number: 701508.001.01
 Project Location: CARLSBAD, NEW MEXICO

 Sampling Date: 02/13/2012
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: B (H200389-02)

BTEX 8021B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	02/15/2012	ND	1.93	96.5	2.00	16.0		
Toluene*	<0.050	0.050	02/15/2012	ND	2.09	105	2.00	15.8		
Ethylbenzene*	<0.050	0.050	02/15/2012	ND	2.15	107	2.00	15.0		
Total Xylenes*	<0.150	0.150	02/15/2012	ND	6.65	111	6.00	15.5		

Surrogate: 4-Bromofluorobenzene (PIL) 114 % 64 4-134

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	640	16.0	02/15/2012	ND	416	104	400	163		

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	02/15/2012	ND	190	95.2	200	3.43		
DRO >C10-C28	<10.0	10.0	02/15/2012	ND	181	90.3	200	5.09		

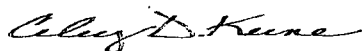
Surrogate: 1-Chlorooctane 85.6 % 55.5-154

Surrogate: 1-Chlorooctadecane 104 % 57 6-158

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

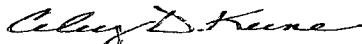
Notes and Definitions

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

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



101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

[illegible]

FINAL C-141