

April 14, 2010

AMARILLO
921 North Bivins
Amarillo, Texas 79107
Phone 806.467.0607
Fax 806.467.0622

ARTESIA
104 West Hermosa
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

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Selma, Texas 78154
Phone 210.579.0235
Fax 210.568.2191

TULSA
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Suite 535
Tulsa, Oklahoma 74103
Phone 918.742.0871
Fax 918.382.0232

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719 West Front
Suite 255
Tyler, Texas 75702
Phone 903.531.9971
Fax 903.531.9979

ENVIRONMENTAL CONSULTING
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EMERGENCY RESPONSE

Toll Free: 866.742.0742
www.talonlpe.com

Mr. Mike Bratcher
NMOCD District 2
1301 W Grand Avenue
Artesia, NM 88210

RE: Remediation of the Finney Oil Company Malco #1 Storage Tank Crude Release (Lease # LC 067849)

Mr. Bratcher,

Mr. Darrel Finney of Finney Oil Company has contracted Talon/LPE (Talon) to perform remediation services at the Malco # 1 storage tank crude oil release site. Within this transmittal, Talon presents a proposed workplan to perform the remediation activities.

Background

On February 6, 2010 a crude oil release was discovered at the Malco #1 storage tank. The leak resulted from a hole in the tank which was subsequently repaired. The surface owner, US Bureau of Land Management (BLM) was informed of the release and subsequently a C-141 was filed with the New Mexico Oil Conservation Division (NMOCD). The estimated quantity of release was reported as 25.5 barrels, of which none was immediately recovered. The resultant spill measured up to 700 feet in length along the larger of the two divergent flow paths, downhill to the north and northwest. The width of the flow path averaged between 3 feet and 20 feet in width. To minimize the immediate effects of the release, Mr. Finney spread soil and caliche on parts of the flow path to act as an absorbent.

Mr. Finney contacted Talon on March 9, 2010 to request assistance with the remediation activities. Talon subsequently visited the site and then received verbal approval from the NMOCD District 2 office to perform preliminary sampling activities (3/17/10). Talon collected samples along the flow path at depth ranging from 1.5 feet to 3.5 feet below ground surface (bgs). These samples were collected in laboratory provided sample containers, preserved on ice in a cooler, and relinquished to Cardinal Laboratories in Hobbs, NM for analysis of TPH GRO/DRO by SW-846 Method 8015B, BTEX by SW-846 Method 8021, and total chlorides. These analytical results are provided with this letter. Please note that sample point FP-6 is incorrectly identified as a duplicate of FP-5 on the laboratory summary page (i.e. the second FP-5 should be labeled as "FP-6").

While performing the site reconnaissance, Talon identified numerous historic release flowpaths from apparent chloride impact originating from sources not associated with the Malco #1. The Malco #1 does appear to cross some of these historic flow paths. This is a very old field and exhibits visual evidence of heavy historic chloride impact in the surrounding terrain. The area is heavily traversed by flow lines and is heavily

populated with oil production appurtenances. Based on this visual observation and the background sampling performed by Talon, it appears that Mr. Finney's declaration that the release should have contained little, if any, produced water seems to be vindicated. Additionally, analytical results for the sample collected by Mr. Finney from the surface of the flow path contents (as requested by the BLM - sample I.D. "Tank Battery") indicate a chloride level of 320 mg/kg. Laboratory results from Talon's delineation sampling indicate that only two sample locations exhibited chlorides above 500 mg/kg, and one of these locations (FP-2) was collected outside of the Malco #1 release (between the two flow paths) for use as a background sample. The FP-2 sample indicated very low hydrocarbon content, but elevated chlorides (3,120mg/kg). Additionally, Talon collected three background samples off-site background samples from up-gradient ("uphill") of the location. Two of these samples (001 and 003) were submitted to the laboratory for chloride analysis. The results indicate off-site chloride concentrations at 12,400 and 14,000 mg/kg, respectively.

Proposed Scope of Work

Based on initial analytical results, the obvious evidence of historic chloride impact from off-site sources across a large area, the hydrocarbon-only nature of the Malco #1 release, and the narrow and well defined flow path from the Malco #1 release, Talon proposes the following remedial activities:

- No further delineation sampling, as the Malco #1 release evidence suggests minimal chloride content, preliminary sampling indicates very shallow hydrocarbon impact, and extensive historic chloride impact from off-site sources would render such delineation impracticable.
- Removal of the surficial hydrocarbon residue in the upper release area. This material will be removed and transported to an approved disposal facility.
- In-place treatment of the remaining spill area by aerating and liberal application of MicroBlaze® and water. Thirty days after implementing the treatment, the area will be re-watered with fresh water to enhance the microbial action.
- Approximately 120 days after the initial microbial treatment, samples will be collected from 0.5 feet to 1.0 feet below grade along the flow path to evaluate the remedial results and determine if additional actions are necessary.

If you have any questions please call me at (432) 230-7673.

Respectfully Submitted,



Kyle Summers
District Manager
Talon/LPE – Artesia
432.230.7673

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

RECEIVED

APR 14 2010

NMOCD ARTESIA

Form C-141
Revised October 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	FINNEY OIL COMPANY	Contact	DARREL FINNEY
Address	PO BOX 1569	Telephone No.	575-746-9292
Facility Name	MALCO #1	Facility Type	OIL WELL
Surface Owner	BLM	Mineral Owner	BLM
		Lease No.	LC 067849

LOCATION OF RELEASE

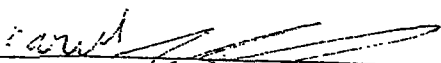
Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	35	17	27	330	NORTH	990	WEST	EDDY

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	OIL	Volume of Release	25.5	Volume Recovered	0
Source of Release	TANK	Date and Hour of Occurrence	Date and Hour of Discovery 2/6/10		
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required				
By Whom?	If YES, To Whom?				
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.*					
HOLE IN TANK/ REPAIRED TANK					
Describe Area Affected and Cleanup Action Taken.*					
BEHIND TANK BATTERY/ SOIL TESTED WORKING WITH BLM					

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: DARREL FINNEY	Approved by District Supervisor:		
Title: OWNER	Approval Date:	Expiration Date:	
E-mail Address:	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 22 FEB 2010	Phone: 746-9293		

Attach Additional Sheets If Necessary



ARDINAL LABORATORIES

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

March 2, 2010

Darrel Finney
Finney Oil
P.O. Box 1569
Artesia, NM 88210

Re: Malco #1

Enclosed are the results of analyses for sample number H19339, received by the laboratory on 02/25/10 at 9:12 am.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

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 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,

Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.

ARDINAL LABORATORIES

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

ANALYTICAL RESULTS FOR
FINNEY OIL
ATTN: DARREL FINNEY
P.O. BOX 1569
ARTESIA, NM 88210

Sampling Date: 02/25/10
Analysis Date: 03/02/10
Lab Number: MALCO #1
Lab Name: MALCO #1
Lab Location: NOT GIVEN

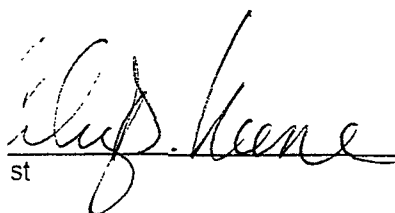
Sampling Date: 02/24/10
Sample Type: SOIL
Sample Condition: INTACT @ 28°C
Sample Received By: JH
Analyzed By: AB/HM

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (>C ₁₀ -C ₂₈) (mg/kg)	CI* (mg/kg)
		02/26/10	03/01/10	02/26/10
H19339-1	TANK BATTERY	4,470	24,800	320
Quality Control		422	490	510
True Value QC		500	500	500
% Recovery		84.4	98.0	102
Relative Percent Difference		7.4	1.7	2.0


METHODS: TPH GRO & DRO: EPA SW-846 8015 M; CI: Std. Methods 4500-CIB

*Analysis performed on a 1:4 w:v aqueous extract.

Reported on wet weight.



st



Date

TCL FINNEY

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. No fee 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 analysis. Cardinal shall not be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, or 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. Results of analyses identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240

(575) 393-2326 Fax (575) 393-2476

Page ____ of ____

Company Name: <u>Finney Oil</u>				BILL TO				ANALYSIS REQUEST																
Project Manager: <u>DARREL Finney</u>				P.O. #:				<div style="position: absolute; top: 0; right: 0; text-align: right;">TPH CL</div>																
Address: <u>PO Box 1569</u>				Company: <u>Finney Oil</u>																				
City: <u>ARIES</u> State: <u>NM</u> Zip: <u>88210</u>				Attn: <u>DARREL</u>																				
Phone #: <u>575-365-5639</u> Fax #:				Address: <u>PO Box 1569</u>																				
Project #: <u>MALCO #1</u> Project Owner:				City: <u>ARIES</u>																				
Project Name: <u>MALCO #1</u>				State: <u>NM</u> Zip: <u>88210</u>																				
Project Location:				Phone #: <u>575-365-5639</u>																				
Sampler Name: <u>DARREL Finney</u>				Fax #:																				
FOR LAB USE ONLY						MATRIX		PRESERV.		SAMPLING														
Lab I.D.	Sample I.D.	(GRAB OR (C)OMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACID/BASE	ICE / COOL	OTHER	DATE	TIME										
H19339-1	TANK BATTERY	GL											2-24-10	1PM										

PLEASE NOTE: Cardinal 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.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Relinquished:		Date:	Received By:	Phone Result:	<input type="checkbox"/> No	Add'l Phone #:
Time:				Fax Result:	<input type="checkbox"/> No	Add'l Fax #:
Relinquished By: <u>Robert</u>		Date: <u>2/25/10</u>	Received By: <u>Jodi Benson</u>	REMARKS: <u>darrelfinney@yahoo.com</u>		
Time: <u>9:12</u>						
Delivered By: (Circle One) Sampler - UPS - Bus - Other:		Temp. <u>28°C</u>	Sample Condition Cool Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

#26



ARDINAL LABORATORIES

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

March 22, 2010

Kyle Summers
Talon/LPE
408 Texas St.
Artesia, NM 88210

Re: Malco #1

Enclosed are the results of analyses for sample number H19464, received by the laboratory on 03/17/10 at 2:50 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

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 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,


Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.



ARDINAL LABORATORIES

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

ANALYTICAL RESULTS FOR
TALON/LPE
ATTN: KYLE SUMMERS
408 TEXAS ST.
ARTESIA, NM 88210
FAX TO: (575) 746-8905

Receiving Date: 03/17/10
Reporting Date: 03/22/10
Project Owner: NOT GIVEN
Project Name: MALCO #1
Project Location: EDDY COUNTY, NM

Sampling Date: 03/17/10
Sample Type: SOIL
Sample Condition: INTACT @ 8 °C
Sample Received By: JH
Analyzed By: AB/ZL/HM/SJ

LAB NO.	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (C ₁₀ -C ₂₈) (mg/kg)	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)	CI [*] (mg/kg)
ANALYSIS DATE:		03/19/10	03/19/10	03/18/10	03/18/10	03/18/10	03/18/10	03/17/10
H19464-1	FP1 (2.5')	153	2,360	<0.050	0.660	1.94	3.64	464
H19464-2	FP2 (2.5')	<10.0	52.5	<0.050	<0.050	<0.050	<0.300	3,120
H19464-3**	FP3 (2.5')	<10.0	281	<0.050	<0.050	<0.050	<0.300	2,520
H19464-4**	FP3 (3.5')	<10.0	30.4	<0.050	<0.050	<0.050	<0.300	2,480
H19464-5	FP4 (2')	1,500	6,300	0.062	3.38	5.62	30.9	16
H19464-6	FP4 (3')	278	1,370	<0.050	0.396	1.32	7.35	304
H19464-7**	FP5 (2')	<10.0	56.4	<0.050	0.084	0.178	1.44	<16
H19464-8**	FP5 (2') <i>FP6</i>	<10.0	49.3	0.132	0.863	1.06	1.99	<16
H19464-9	FP END	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	96
Quality Control		536	558	0.056	0.046	0.051	0.152	510
True Value QC		500	500	0.050	0.050	0.050	0.150	500
% Recovery		107	112	112	92.0	102	101	102
Relative Percent Difference		1.7	6.6	6.9	9.8	10.9	11.4	<0.1

METHODS: TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8260; CI- Std Methods 4500-CI-B

*Analyses performed on 1:4 w/v aqueous extracts. Reported on wet weight.

TEXAS NELAP ACCREDITATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE, AND TOTAL XYLENES. Not accredited for GRO/DRO and Chloride.

**One or more TPH surrogates outside historical limits due to matrix interference.

Lab Director

Date

H19464 IBCL TALON

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 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.

TraceAnalysis, Inc.

email: lab@traceanalysis.com

6701 Aberdeen Avenue, Suite 9
Lubbock, Texas 79424
Tel (806) 794-1296
Fax (806) 794-1296
1 (800) 378-12965002 Basin Street, Suite A1
Midland, Texas 79703
Tel (432) 689-6301
Fax (432) 689-6313200 East Sunset Rd., Suite E
El Paso, Texas 79922
Tel (915) 585-3443
Fax (915) 585-4944
1 (888) 588-3443880A Camp Bowie Blvd. West, Suite 180
Ft. Worth, Texas 76116
Tel (817) 201-5260
Fax (817) 560-4336

Company Name: TALON LPE Phone #: (432) 230-7673

Address: (Street, City, Zip) 4400 Texas St Amarillo, NM 86210 Fax #: (575) 746-8905

Contact Person: Kate Summers E-mail: Ksummers@talonlpe.com

Invoice to: Malco #1

(If different from above) Darrel Finney Finney Oil Company

Project #: _____ Project Name: Malco #1

Project Location (including state): Eddy County NM Sampler Signature: [Signature]

ANALYSIS REQUEST

LAB #	FIELD CODE	# CONTAINERS	Volume Amount	MATRIX				PRESERVATIVE METHOD					SAMPLING		MTBE 8021 / 602	BTX 8021 / 602 / 8260 / 625	TPH 418.1 / TX1005 / TX1005 Ex(C35)	TPH 8015 GRO / DRO / TVHC	PAH 8270 / 625	Total Metals Ag As Ba Cd Cr Pb Se Hg 6010/200.7	TCLP Metals Ag As Ba Cd Cr Pb Se Hg	TCLP Volatiles	TCLP Semi Volatiles	TCLP Pesticides	RCI	GC/MS Vol. 8260 / 625	GC/MS Semi. Vol. 8270 / 625	PCB's 8082 / 608	Pesticides 8081 / 608	BOD, TSS, pH	Moisture Content	Total Chloride	Turn Around Time if different from standard	Hold
				WATER	SOIL	AIR	SLUDGE	HCl	HNO ₃	H ₂ SO ₄	NaOH	ICE	NONE	DATE																				
H19464-1	FP1 (2.5')	1	4oz	X							X			3/17/10	0946	X	X																	X
-2	FP2 (2.5')	1	4oz											3/17/10	1000																			
-3	FP3 (2.5')	1	4oz											3/17/10	950																			
-4	FP3 (2.5')	1	4oz											3/17/10	956																			
-5	FP4 (2')	1	4oz											3/17/10	1005																			
-6	FP4 (3')	1	4oz											3/17/10	1008																			
-7	FP5 (2')	1	4oz											3/17/10	1024																			
-8	FP6 (2')	1	4oz											3/17/10	1035																			
-9	FPEND	1	4oz	V										3/17/10	1028	V	V																V	

Relinquished by: [Signature] Company: Talon LPE Date: 3/17/10 Time: 1115

Received by: [Signature] Company: Finney Oil Date: 3/17-10 Time: 1130

Relinquished by: [Signature] Company: _____ Date: _____ Time: _____

Received by: [Signature] Company: _____ Date: 3/17/10 Time: 8:50

Relinquished by: _____ Company: _____ Date: _____ Time: _____

Received by: [Signature] Company: _____ Date: _____ Time: _____

Relinquished by: _____ Company: _____ Date: _____ Time: _____

Received by: _____ Company: _____ Date: _____ Time: _____

LAB USE ONLYIntact Y/NHeadspace Y/N/NA

Log-in-Review _____

REMARKS:email results
darrelfinney@yahoo.comDry Weight Basis Required
TRRP Report Required
Check if Special Reporting
Limits Are Needed



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

April 7, 2010

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

Re: Malco Federal #1

Enclosed are the results of analyses for sample number H19601, received by the laboratory on 04/05/10 at 4:30 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

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 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,

Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.



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

ANALYTICAL RESULTS FOR
TALON LPE
ATTN: MIKE STUBBLEFIELD
408 WEST TEXAS AVE.
ARTESIA, NM 88210
FAX TO: (575) 748-8905

Receiving Date: 04/05/10
Reporting Date: 04/06/10
Project Number: 701297.001.01
Project Name: MALCO FEDERAL #1
Project Location: UT.D-35-17S-27E

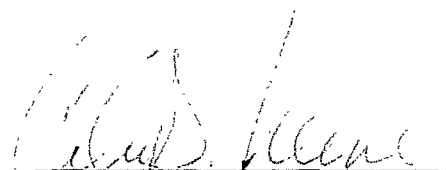
Analysis Date: 04/06/10
Sampling Date: 04/05/10
Sample Type: SOIL
Sample Condition: INTACT @ 16.5°C
Sample Received By: CK
Analyzed By: HM

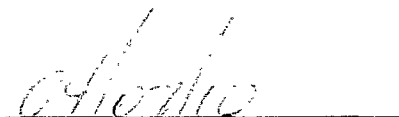
LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/kg)
H19601-1	001 HISTORIC IMPACTED AREA SE OF STOCK TANK	12,400
H19601-2	003 HISTORIC IMPACTED AREA SE OF STOCK TANK	14,000
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods

4500-Cl⁻B

Note: Analyses performed on 1:4 w:v aqueous extracts.


Chemist


Date

H19601 Talon LPE

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 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.



(575) 393-2326 Fax (575) 393-2476

[illegible]

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice and all costs of collections, including attorney's fees.

Sampler Relinquished: <i>[Signature]</i> Relinquished By: _____ Delivered By: (Circle One) Sampler - UPS - Bus - <u>(Other)</u>		Date: 04/05/2010 Time: 4:30 PM Date: 4/5/10 Time: 4:30 PM Received By: <i>[Signature]</i> Temp. _____ Sample Condition _____ CHECKED BY: _____ Cool Intact (Initials) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Phone Result: <input type="checkbox"/> No Add'l Phone #: _____ Fax Result: <input type="checkbox"/> No Add'l Fax #: _____ REMARKS: 	
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† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

Finney Oil Company













Malco No. 1

701297.001.01

March 17, 2010

Sec. 35, T17S, R27E

Legend

-  Apparent Historic Release Path
-  Other Lease Pump Jacks
-  Other Lease Boundary
-  Malco No. 1 Well
-  Potential Historic Well Site
-  Flow Path Boundaries
-  Potentially Impacted Flow Path Area
-  Road Boundaries
-  Flow Lines (Above Ground)
-  Malco No. 1 Tank
-  Initial Sample Location
-  Apparent Prior Release Site

