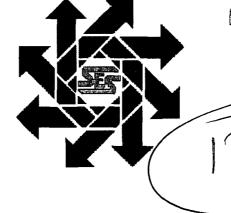
Fasken Oil and Ranch, LTD. Denton SWD Emergency Pit Overflow Delineation Report/Work Plan Lea County, New Mexico

March 1, 2010

RECEIVED

MAR 2 4 2010 HOBBSOCD



Prepared for:

Fasken Oil and Ranch, LTD. 303 West Wall Suite 1800 Midland, Texas 79701-5116 ENVIRONMENTAL ENGINEER

PLAN APPROVED 4.28.10

By:

Safety & Environmental Solutions, Inc. 703 East Clinton Hobbs, New Mexico 88240 (575) 397-0510

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.

Date	Sample ID	Cl ⁻ (mg/kg)
2/22/10	BH #4-10'	1140
2/22/10	BH #4-15'	176
2/22/10	BH #4-20'	368
2/22/10	BH #4-25'	608
2/22/10	BH #4-30'	1040
2/22/10	BH #4-35'	768

All borings were backfilled from total depth to surface with bentonite and hydrated.

VI. Action Plan

It is proposed that the affected area is excavated to a depth of four (4) feet bgs removing the most highly contaminated soils. The excavated area will be slightly dome and a 20 mil geo-membrane liner will be installed to prevent migration of the contamination. The area will then be backfilled to grade with like soils and contoured to match the surrounding area. The excavated soils will be transported to Sundance Services, a New Mexico Oil Conservation Division (NMOCD) approved facility for disposal.

VII. Figures & Appendices

Figure 1 – Vicinity Map Figure 2 – Site Plan Appendix A – Analytical Results Appendix B – C-141

Figure 1 Vicinity Map

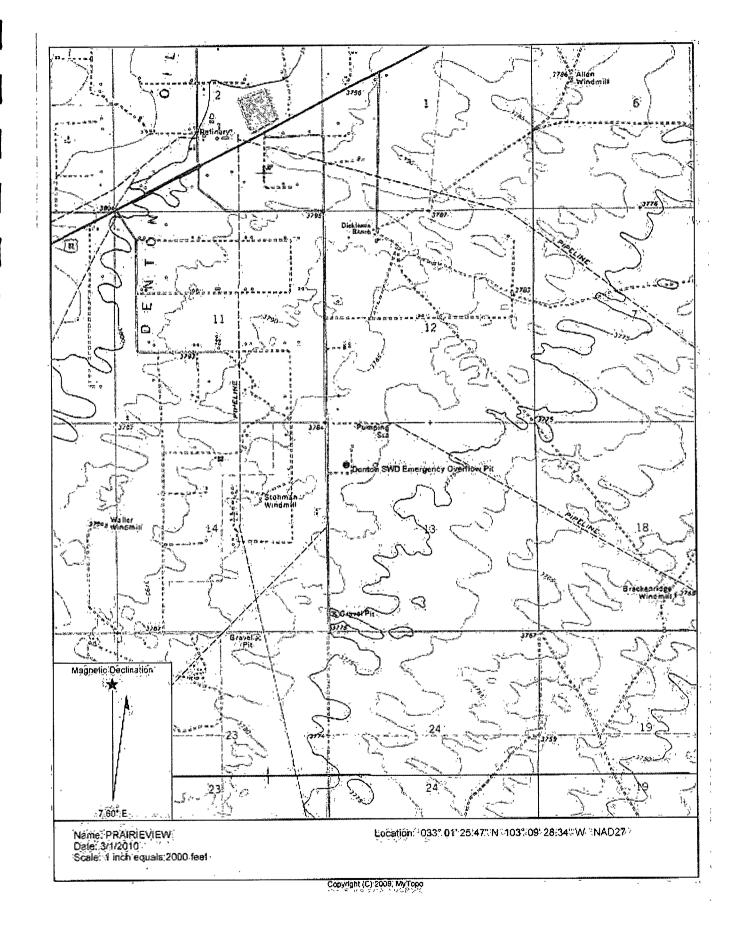
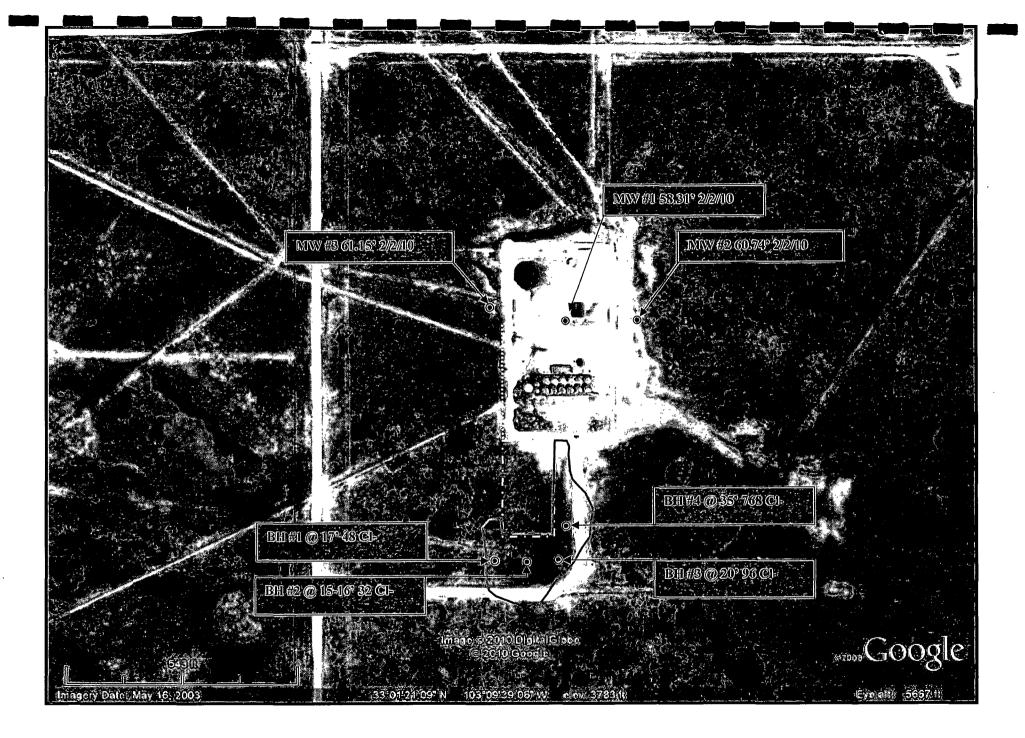


Figure 2 Site Plan .



Appendix A Analytical Results





February 25, 2010

Bob Allen Safety & Environmental Solutions, Inc. 703 East Clinton, #102 Hobbs, NM 88240

Re: SWD Pit (FAS-10-001)

Enclosed are the results of analyses for sample number H19324, received by the laboratory on 02/23/10 at 8:47 am.

Cardinal Laboratories is accredited through Texas NELAP for:

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

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

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

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

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 4 (includes Chain of Custody)

Sincerely

Celey D/Reene Laboratory Director

This report conforms with NELAP requirements.



ANALYTICAL RESULTS FOR SAFETY & ENVIRONMENTAL SOLUTIONS ATTN: SERGIO CONTRERAS 703 E. CLINTON, STE. 101 HOBBS, NM 88240 FAX TO: (575) 393-4388

Receiving Date: 02/23/10 Reporting Date: 02/25/10 Project Number: FAS-10-001 (FASKEN) Project Name: SWD PIT Project Location: LOVINGTON, NM Analysis Date: 02/24/10 Sampling Date: 02/23/10 Sample Type: SOIL Sample Condition: INTACT @ 14°C Sample Received By: JH Analyzed By: HM

		C
LAB NO.	SAMPLE ID	(mg/kg)
H19324-1	BH #1 5'	2,640
H19324-2	BH #1 10'	624
H19324-3	BH #1 15'	16
H19324-4	BH #1 17'	48
H19324-5	BH #2 5'	624
H19324-6	BH #2 10'	32
H19324-7	BH #2 15'-16'	32
H19324-8	BH #3 5'	1,360
H19324-9	BH #3 10'	832
H19324-10	BH #3 15'	304
H19324-11	BH #3 20'	96
H19324-12	BH #4 5'	2,760
H19324-13	BH #4 10'	1,140
H19324-14	BH #4 15'	176
H19324-15	BH #4 20'	368
H19324-16	BH #4 25'	608
H19324-17	BH #4 30'	1,040
H19324-18	BH #4 35'	768
Quality Contro		500
True Value Q	C	500
% Recovery		100
Relative Perc	ent Difference	< 0.1

METHOD: Standard Methods	4500-CI ⁻ B
Note: Analyses performed on 1:4 w;v aqueous	extracts.

hemis H19324 SESI

02/251 Date

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.

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101 East Marland, Hobbs, NM 88240 (575) 393-2326 Fax (575) 393-2476			Page of						
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Project Manager: Swyio Contreras	P.O. #: SANE								
Address: 703 East ainton Ste 101	Company:								
City HOBBS StateNN Zip: 882-40	Attn:								
Phone #: 575-3920510Fax #: 575-393-4388	Address:								
Project #: FAS 10.001 Project Owner: Fasken	City:								
Project Name: SWD PIT	State: Zip:								
Proint Location: Louinton, NM	Phone #:		-						
Sa. or Name Servio Contrious	Fax #:								
FOR LAB USE ONLY Lab I.D. Sample I.D. MATRIX HCONTAINERS CONTRINENTER HCONTAINERS HCONTAIN	PRESERV SAMPLING OTHER ACIDIBASE ACIDIBASE ACIDIAN A	CHCO							
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-3 BH $#1$ (0' G V -3 BH $\#1$ (5' G V	0920								
-3 BH + 15 G + 0	(005								
-5 RH#7 5' FI	1045								
-6 BH HZ 10' G1	1 (105								
-7 BH#2 15-16' G1 -6 BH#3 5' G1	1200								
	1 1735								
-9 BH#3 (0) G(1245								

PLEASE NOTE Liability and Damages Cardinal's liability and client's exclusive remedy for any claim ansing whether based in contract or tort shall be limited to the amount paid by the client for the audivises. 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 profils incurred by client, its subsidiares

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

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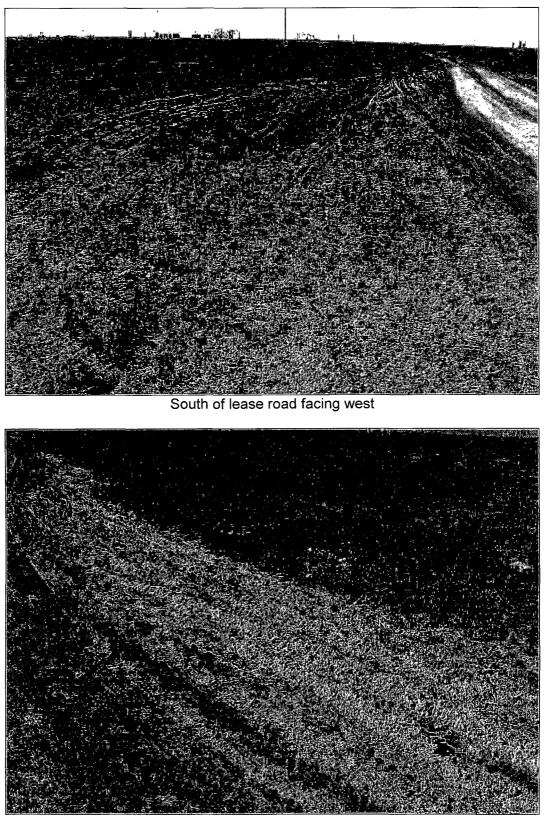
ARDINAL LABORATORIES, INC. 2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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-13	BH # 4 20'	<u> </u>	11		K			1			1520	-		-										
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Appendix B Site Photographs



North of lease road facing west

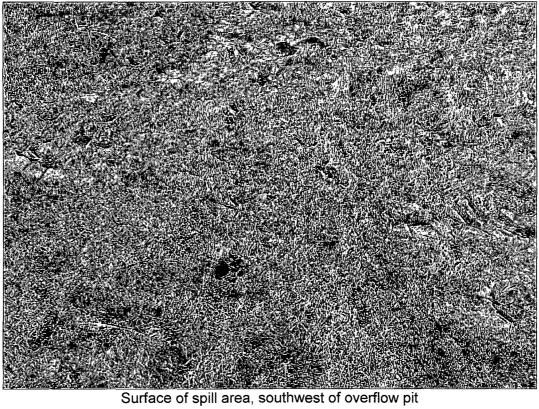


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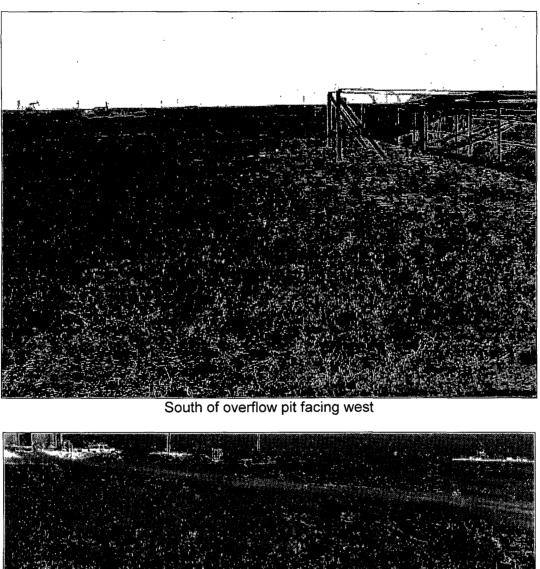
East of lease road facing south



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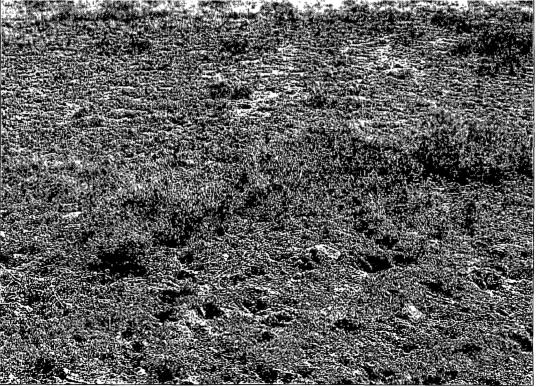
Southeast of overflow pit facing southwest





Southeast of overflow pit facing northeast





Southwest of overflow pit

Appendix C C-141

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	f New Mexico s and Natural ResourcesMAR		Form C-141 Revised October 10,:2003					
District III Oil Conservation Division & MORASI AD Submit 2 Copies to appropria								
District IV 1220 South St. Francis Dr. with Rule 116 on ba								
1220 S St Francis Dr., Santa Fe, NM 87505 Santa I	Fe, NM 87505		side of form					
Release Notification	on and Corrective Action	on						
	OPERATOR	X Initia	l Report 🔲 Final Report					
Name of Company Fasken Oil and Ranch, Ltd. Address 303 W. Wall, Ste. 1800, Midland, TX	Contact Jimmy Carlile Telephone No. 432-687-	1777						
Facility Name Denton SWD Main Battery	Facility Type SWD Emerge							
Surface Owner Darr Angell Mineral Owner	Fee	Lease N	0.					
LOCATIO	ON OF RELEASE							
		st/West Line	County					
D 13 15S 37E			Lea					
Latitude	Longitude	_						
NATUR	E OF RELEASE							
Type of Release Salt Water Source of Release Emergency Pit Overflow	Volume of Release 680 Date and Hour of Occurrence	Volume R	ecovered 640 Hour of Discovery					
Was Immediate Notice Given?	If YES, To Whom? 1-2-10		$\frac{1001 \text{ of Discovery}}{1-3-10}$					
X Yes No Not Require	5:30 pm 10:00 am							
By Whom? Jimmy Carlile Was a Watercourse Reached?	Date and Hour 1-4-10 8:47 am Geoff Leking, voicema If YES, Volume Impacting the Watercourse.							
Yes X No	N/A							
If a Watercourse was Impacted, Describe Fully.*	· ·		· · · · ·					
N/A								
Describe Cause of Problem and Remedial Action Taken.* Injection pump went down on low suction pr	essure. Alarms faile	d due to	blown fuše in					
Alltel callout board and Leaco cellular pl	none weak signal. Re-	set pump	. Replaced phone					
board and cellular phone.								
Describe Area Affected and Cleanup Action Taken.*			,					
115' X 200' southoof pit and 70' X 100' ea	ast of pit.							
I hereby certify that the information given above is true and complete to regulations all operators are required to report and/or file certain release								
public health or the environment. The acceptance of a C-141 report by	the NMOCD marked as "Final Repor	t" does not relie	eve the operator of liability					
should their operations have failed to adequately investigate and remedi or the environment. In addition, NMOCD acceptance of a C-141 report	ate contamination that pose a threat to does not relieve the operator of respo	o ground water,	, surface water, human health					
federal, state, or local laws and/or regulations.								
\downarrow \downarrow \uparrow \uparrow \uparrow \uparrow	OIL CONSEP	<u>RVATION</u>	DIVISION					
Signature: Mury Of allen								
Printed Name: Jimmy Carlile	Approved by District Supervisor:							
Title: Regulatory Affairs Coordinator	Approval Date:	Expiration I	Date:					
E-mail Address: jimmyc@forl.com	Conditions of Approval:		Attached					
Date: 1-4-10 Phone: 432-687-1777			Attached					
* Attach Additional Shoots If Naccasany			·					

Attach Additional Sheets If Necessary

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	N. N						
District I 1625 N French Dr., Hobbs, NM 88240 RECEIVED District II							
District I 1625 N French Dr, Hobbs, NM 88240 District III District III District III District III District III District III District III District III	of New Mexico						
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 HOBBS OCD Conse HOBBS Social HOBBS Social Santa L	Is and Natural Resources Revised October 10, 2003						
District III 1000 Rio Brazos Road, Aztec, NM 87410	ervation Division Submit 2 Copies to appropriate District Office in accordance						
District IV 1220 S St Francis Dr, Santa Fe, NM 87505 HOBDS 1220 South	th St. Francis Dr. with Rule 116 on back side of form						
Sana	rc, INIVI 07505						
Release Notification	on and Corrective Action						
	OPERATOR X Initial Report Final Report						
Name of Company Fasken Oil and Ranch, Ltd.	Contact Jimmy Carlile						
Address 303 W. Wall, Ste. S1800; Midland, TX Facility Name Denton SWD Main Battery	Telephone No. 432-687-1777 Facility Type SWD Emergency Pit						
Surface Owner Darr Angel1 Mineral Owner							
	DN OF RELEASE AP1 # 30.025.05309.00.00						
Unit Letter Section Township Range Feet from the North	th/South Line Feet from the East/West Line County						
D 13 15S 37E	Lea						
Latitude	Longitude						
	E OF RELEASE						
Type of Release Salt Water	Volume of Release 680 Volume Recovered 640						
Source of Release Emergency Pit Overflow	Date and Hour of Occurrence Date and Hour of Discovery						
Was Immediate Notice Given?	If YES, To Whom? 1-2-10 1-3-10						
By Whom? Jimmy Carlile Was a Watercourse Reached?	Date and Hour 1-4-10 8:47 am Geoff Leking, voicemai If YES, Volume Impacting the Watercourse.						
Yes X No	N/A						
If a Watercourse was Impacted, Describe Fully.*							
N/A							
Describe Cause of Problem and Remedial Action Taken.*	WATER 9 52						
Injection pump went down on low suction p	ressure. Alarms failed due to blown fuse in						
Alltel callout board and Leaco cellular ph	none weak signal. Re-set pump. Replaced phone						
board and cellular phone.							
Describe Area Affected and Cleanup Action Taken.*							
115' X 200' southoof pit and 70' X 100' ea	ast of pit.						
L 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 t	the NMOCD marked as "Final Report" does not relieve the operator of liability						
should their operations have failed to adequately investigate and remedi- or the environment. In addition NIMOCD accordance of a C 141 separat	ate contamination that pose a threat to ground water, surface water, human health does not relieve the operator of responsibility for compliance with any other						
federal, state, or local laws and/or regulations.	does not reneve the operator of responsibility for compliance with any other						
$L^{\prime} \geq \alpha$	OIL CONSERVATION DIVISION						
Signatore: Hum Of alley							
Time Coulin	Approved by District Supervisor:						
	Theofferen Lokancy						
Title: Regulatory Affairs Coordinator	Approval Date: 01 08 10 Expiration Date: 03 08 10						
E-mail Address: jimmyc@for1.com							
	Conditions of Approval: DECLINEATE TO Attached CLEAN + 1, SUBMIT FINAL C141 BY Attached						
Date: 1-4-10 Phone: 432-687-1777	IRP-10.1.2388						

* Attach Additional Sheets If Necessary

FGRL 1000851349