2/3/09 TALKED W/ BARY Miller ie Sata Shows this could be possible Could be the will get w/ skip w/ Unit & discuss options

January 19, 2009

Mr. Mike Bratcher NMOCD District II 1301 W. Grand Avenue Artesia, New Mexico 88210

ΤΕΤRΑ ΤΕСΗ

Additional Information for Pit Closure Procedure on the Unit Corporation, Gourley Federal Re: #3 Well, Unit H, Section 28, T-22-S, R-28-E, Eddy County, New Mexico

Mr. Bratcher:

The following is being submitted as supplemental information for the reserve pit closure at the above mentioned wellsite. At the request of Unit Corporation, Tetra Tech, Inc. was contracted to perform sampling of an open reserve pit located in Eddy County, New Mexico. This pit was originally sampled for closure in June, 2007. The additional sampling was performed in January, 2009.

January 2009 Confirmation Sampling - As requested, additional samples were taken from the center and the southwest corner of the pit. Samples from the 25' depth were analyzed for BTEX. chlorides, and Total Petroleum Hydrocarbons (TPH). Confirmation samples were also collected for chlorides at 39' in the center and 35' in the southwest corner. During the confirmation sampling, the soils were also field screened for chlorides. Please see the attached Pit Closure Sampling Report for details. A 1' to 2' thick, red clay layer was encounter in both sample trenches. The clay was found at 37' in the center and 34' in the southwest corner.

Sample Results - A table showing the sample results from both the 2007 and 2009 sampling events as well as the field screening results are attached.

Southwest Corner

The field screening of the southwest corner shows chloride concentrations ranging from 5,800 mg/kg at the bottom of the pit! declining to 700 mg/kg at 30', and then increasing to 6,450 mg/kg at the clav layer. Below the clay layer at 35' the chloride concentration is 750 mg/kg. The laboratory results for the 35' sample shows a concentration of 761 mg/kg chlorides.

Center

The field screening of the center shows chloride concentrations ranging from 13,520 mg/kg at the bottom of the pit and 19,600 at 15' declining to 1050 mg/kg at 35. The chloride concentration increased to 9,450 mg/kg at the clay layer. Below the clay layer at 39', the chloride concentration is 1600 mg/kg. The laboratory results for the 39' sample shows a concentration of 2,170 mg/kg chlorides.

Hydrogeology

According to the Geology and Groundwater Resources of Eddy County, New Mexico (Report 3), the Rustler and Castile formation (Ochoa Series) is present west and east of the Pecos River.

Guerni Artocherona



The Salado formation overlies the Castile formation east of the Pecos River and was removed by solution west of the river. The Rustler formation consists of anhydrite, gypsum, interbedded sandy clay and beds of dolomite, and unconformably overlies the Salado Formation east of the Pecos River. The Salado formation consists of anhydrite, polyhalite and red sandy shale. Groundwater from the Rustler formation east of the Pecos River, is historically high in chloride and sulfate concentrations. In June, 2006 your office requested a temporary monitor well be drilled at this site. The well was drilled to a depth of 50'. The clay layer, seen in both of the test trenches noted above was found at a depth of 30'. The well was allowed to stand open for 24 hours and the water level was found to be at 45' below ground surface. The well was bailed dry and allowed to recover. The well was then sampled and the water analyzed at TraceAnalysis, Inc. and was found to have chlorides of 907 mg/L and Total Dissolved Solids (TDS) of 3990 mg/kg.

Proposed Closure

Considering the water quality in the area, the clay layer encountered at 34' to 37' and the sample results showing decline in the chloride concentrations below the clay layer, it is proposed to cap the pit bottom and leave the material in place. In order to cap the site, the pit bottom would be leveled and the area lined with a layer of sand to bed the entire excavation with a 20 mil plastic liner.

If you require any additional information please call 432-682-4559.

Sincere Gary Miller Sr. Project Manager

TetraTech Corporation Pit Closure Sampling Report

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| Job Number: | 115-6403653 | | Date: | 6/25/2007 and 1/7/2009 | | | | |
|--------------|--|--------------------|-----------------------------------|-------------------------|-------------------------|----------------------------|--|--|
| Client: | Unit Production | | | | | | | |
| Well Name | Gourley Federal # | 3 | | | | | | |
| API# | | | | | | | | |
| Depth of Pit | 10 | 10 | | | | | | |
| Depth to | | Orientation of p | it North | | | | | |
| Groundwater | 45' Burial trench location from reserve pit NA | | | | | | | |
| | All pit sample o | lepths are below p | of bottom (BPB) | Lab Chlarida and TDU | | | | |
| | Sample Location | Depth (BPB) | Field Chloride Results (mg/Kg) | (mg/kg) | Soil to be excavated | Soil to be left in situ | | |
| | NE Corner (Jun-06) | 2' | 10,400 | DNR | | \geq | | |
| | | 5' | 200 | 276 | | \geq | | |
| | | 10' | 200 | DNR | | \geq | | |
| | Center (Jun-06) | 2' | 13,520 | DNR | | \geq | | |
| | | 5' | 9,680 | DNR | | \geq | | |
| | | 10' | 5,440 | DNR | | \geq | | |
| | | 15' | 19,600 | DNR | | \geq | | |
| | | 20' | 6,560 | 4,720 | | \geq | | |
| | Center (Jan-09) | 25' | 4,048 | 3980 Chloride, 1.87 GRO | | \geq | | |
| | | 30' | 8,150 | DNR | | \geq | | |
| | | 32' | 4,100 | DNR | | \geq | | |
| | | 35 | 1,050 | DNR | | \geq | | |
| | (clay layer) | | 9,450 | DNR | | \geq | | |
| | | 38' | 1,900 | DNR | | \geq | | |
| | STREET STREET | 39' | 1,600 | 2,170 | s | \geq | | |
| | SE Corner (Jun-06) | 2' | 1,300 | DNR | | \geq | | |
| | | 5' | 3,000 | DNR | | \geq | | |
| | | 10' | 4,330 | DNR | | \geq | | |
| | | 15' | 800 | DNR | | $\geq \leq$ | | |
| | | 20' | 620 | 282 | | \geq | | |
| | SW Corner (Jun-06) | 2' | 5,800 | DNR | | \geq | | |
| | | 5' | 3,400 | DNR | | \geq | | |
| | ļ | 10' | 2,640 | DNR | | \geq | | |
| | ····· | 15' | 2,800 | DNR | | \geq | | |
| | and the spacing application of the second second | 20' | 3,200 | DNR | | \geq | | |
| | SW Corner (Jan-09) | 25' | 1,350 | 1680 chloride, 3.56 GRO | | \sim | | |
| | | 30' | 700 | DNR | | \geq | | |
| | | 32' | 2,150 | DNR | · | \sim | | |
| | (clay layer) | 34' | 6,450 | DNR | | \sim | | |
| | | 35 <u>8076</u> | /50 | <u>/61</u> | | \sim | | |
| | NW Corner (Jun-06) | 2' | 6,880 | | | \geq | | |
| | | 5' | 200 | 126 | | $\langle \rangle$ | | |
| | Background (Jul-06) | 3 | 120 | ≤50 | | | | |
| | | <u> </u> | | l | ·{ | | | |
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BPB- Below Pit Bottom

Summary Report

Gary Miller Highlander Environmental Services 1910 N. Big Spring Street Midland, TX, 79705

Project Location: Eddy County, NM

SWEATT/ Gourley Fed #3

4

Project Name:

Project Number: 3041

Report Date: July 11, 2007

Work Order: 7062927

| | | | Date | Time | Date |
|---|--|------------------------------|-------------------------------|---|--------------------------------|
| Sample | Description | Matrix | Taken | Taken | Received |
| 128876 | North East 5' | soil | 2007-06-25 | 00:00 | 2007-06-29 |
| 128877 | North West 5' | soil | 2007-06-25 | 00:00 | 2007-06-29 |
| 128878 | Center 20' | soil | 2007-06-25 | 00:00 | 2007-06-29 |
| 128879 | South East 20' | soil | 2007-06-25 | 00:00 | 2007-06-29 |
| 128880 | South West 20 ³ | soil | 2007-06-25 | 00:00 | 2007-06-29 |
| 128881 | Background 3' | soil | 2007-06-25 | 00:00 | 2007-06-29 |
| Sample: 128 | 8876 - North East 5' | | | | |
| Param | Flag | Res | ult | Units | RL |
| Chloride | | 2 | 76 | mg/Kg | 2.00 |
| Sample: 128 | 3877 - North West 5' | | | | |
| Param | Flag | Res | ult | Units | RL |
| Param Chloride | Flag | Res 1 | ult26 | Units mg/Kg | RL 2.00 |
| Param Chloride Sample: 128 | Flag 3878 - Center 20' | Res 1 | ult26 | Units mg/Kg | RL 2.00 |
| Param Chloride Sample: 128 Param | Flag 1878 - Center 20' Flag | Res 1 Res | ult | Units mg/Kg Units | RL 2.00 RL |
| Param Chloride Sample: 128 Param Chloride | Flag 8878 - Center 20' Flag | Res Res 47 | ult 26 ult 20 | Units mg/Kg Units mg/Kg | RL 2.00 RL 2.00 |
| Param Chloride Sample: 128 Param Chloride | Flag 3878 - Center 20' Flag | Res 1 Res 47 | ult 26 | Units mg/Kg Units mg/Kg | RL 2.00 RL 2.00 |
| Param Chloride Sample: 128 Param Chloride Sample: 128 | Flag 8878 - Center 20' Flag 8879 - South East 20' | Res 1 Res 47 | ult 26 ult 20 | Units mg/Kg Units mg/Kg | RL 2.00 RL 2.00 |
| Param Chloride Sample: 128 Param Chloride Sample: 128 Param | Flag 8878 - Center 20' Flag 8879 - South East 20' Flag | Res 1 Res 47 Res | ult 26 ult 20 ult | Units mg/Kg Units mg/Kg Units | RL 2.00 RL 2.00 RL |

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| Report Date: July 3041 | 11, 2007 | Work Order: 7062927 SWEATT/ Gourley Fed #3 | | Page Number: 2 of 2 Eddy County. NM | |
|---------------------------|------------------|---|-------|--|--|
| Sample: 128880 - | - South West 20' | | | | |
| Param | Flag | Result | Units | RL | |
| Chloride | | 2300 | mg/Kg | 2.00 | |
| Chloride | | 2300 | mg/Kg | | |

Sample: 128881 - Background 3'

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| Param | Flag | Result | Units | RL |
|----------|------|--------|-------|------|
| Chloride | | < 30.0 | mg/Kg | 2.00 |

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This is only a summary. Please, refer to the complete report package for quality control data.

Summary Report

| Gary Miller | | | | Report Date: July | 10. 2007 |
|--------------------|------------------|-----------|-------------|-------------------|------------|
| Highlander Enviro | nmental Services | | | roport action and | 10, 200. |
| 1910 N. Big Spring | Street | i | | Work Order: 7062 | 926 |
| Midland, TX, 7970 | 5 | | | | |
| Project Location: | Eddy County, NM | 1 | | | |
| Project Name: | SWEATT/ Gourl | ey Fed #3 | | | |
| Project Number: | 3041 | 1 | | | |
| | | | Date | Time | Date |
| Sample - | Description | Matrix | Taken | Taken | Received |
| 128875 | TMW-1 | water | 2007-06-29 | 11:15 | 2007-06-29 |
| | | | | | |
| | | | | | |
| Sample: 128875 | - TMW-1 | | | | |
| Param | | Flag | Result | Units | RL |
| Chloride | | | 907 | mg/L | 2.00 |
| Total Dissolved So | lids | | <u>3990</u> | mg/L | 10.00 |

TraceAnalysis, Inc. • 6701 Aberdeen Ave., Suite 9 • Lubbock, TX 79424-1515 • (806) 794-1296 This is only a summary. Please, refer to the complete report package for quality control data. Report Date: January 12, 2009 3653

Work Order: 9010805 Unit-Gourley Fed. #3 Page Number: 1 of 2 Eddy Co., NM

Summary Report

Gary Miller Tetra Tech 1910 N. Big Spring Street Midland, TX 79705

Report Date: January 12, 2009

Work Order: 9010805

Project Location:Eddy Co., NMProject Name:Unit-Gourley Fed. #3Project Number:3653

| | | l | \mathbf{Date} | Time | Date |
|--------|-------------|--------|-----------------|-------|------------|
| Sample | Description | Matrix | Taken | Taken | Received |
| 184122 | SW 25' | soil | 2009-01-07 | 00:00 | 2009-01-08 |
| 184123 | SW 35' | soil | 2009-01-07 | 00:00 | 2009-01-08 |
| 184124 | Center 25' | soil | 2009-01-07 | 00:00 | 2009-01-08 |
| 184125 | Center 38' | soil | 2009-01-07 | 00:00 | 2009-01-08 |

| | |] | BTEX | · · · · · · · · · · · · · · · · · · · | TPH 418.1 | TPH DRO | TPH GRO |
|---------------------|----------|----------|--------------|---------------------------------------|-----------|---------|-----------|
| | Benzene | Toluene | Ethylbenzene | Xylene | TRPHC | DRO | GRO |
| Sample - Field Code | (mg/Kg) | (mg/Kg) | (mg/Kg) | (mg/Kg) | (mg/Kg) | (mg/Kg) | (111g/Kg) |
| 184122 - SW 25' | < 0.0100 | <0.0100 | < 0.0100 | 0.0149 | <10.0 | <50.0 | 3.56 |
| 184124 - Center 25' | < 0.0100 | < 0.0100 | < 0.0100 | < 0.0100 | <10.0 | <50.0 | 1.87 |

Sample: 184122 - SW 25'

| Param | Flag | Result | Units | RL |
|----------------|--------------|--------|-------|---------------|
| Chloride | | 1680 | mg/Kg | 4.00 |
| | | | | |
| Sample: 184123 | - SW 35' | | | |
| Param | Flag | Result | Units | RL |
| Chloride | | 761 | mg/Kg | 4.00 |
| Sample: 184124 | - Center 25' | | | |
| Param | Flag | Result | Units | \mathbf{RL} |
| Chloride | | 3980 | mg/Kg | 4.00 |

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| Report Date: Janua 3653 | ary 12, 2009 | Work Order: 9010805 Unit-Gourley Fed. #3 | Page I | Number: 2 of 2 Eddy Co., NM |
|----------------------------|--------------------------|---|-----------------------------|--------------------------------|
| Sample: 184125 - | - Center 38' | | | |
| Param | Flag | Result | Units | RL |
| Chloride | 1 | 2170 | mg/Kg | 4.00 |
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