

March 12, 2013

SPORT ENVIRONMENTAL SERVICES, PLLC

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Mr. Geoffrey R. Leking, Environmental Engineer State of New Mexico Oil Conservation Division, District 1 1625 N. French Drive Hobbs, New Mexico 88240

Mr. Legion Brumley, Realty Compliance U.S. Department of the Interior Bureau of Land Management 620 East Greene Carlsbad, NM 88220

RE: Site Remediation Work Plan Siana Operating, LLC Curry Federal #2 SWD Section 22, T-23-S, R-34-E Lea County, New Mexico

Dear Mr. Leking and Mr. Brumley,

On behalf of Siana Operating, LLC, please see the work plan to excavate and haul residual chloride contaminated soils at the abovementioned site in accordance with Bureau of Land Management (BLM) and NM Oil Conservation Division (NMOCD) requirements for this site.

On November 2, 2012, Sport Environmental performed delineation sampling along the two spill paths (see Sample Location Map) at the Curry Federal #2 release location. Sport Environmental utilized a Geoprobe direct push coring device for sampling at various denoted depths along both spill paths. Please see attached for the analytical results identifying the six particular sample locations and sample depths that were above the predetermined 1,000 ppm chloride (Cl) limit. The analytical results also show no presence of TPH or BTEX constituents within the samples.

For the primary spill path, four sample locations (SP-1, SP-2, SP-2b, and SP-9) with elevated chlorides comprise two areas of concern measuring approximately 25,300sf (230ft by110ft encompassing sample points requiring soils SP-1, SP-2 and SP-2b) and approximately 7,500sf (150ft by 50ft encompassing sample point SP-9).

appressed **Environmental Specialist**

NMOCD-DIST 1 4/29/13 For the pit path, two sample locations (PP-2 and PP-4) exceeded the Cl limit. These separate and distinct sample points created two areas of concern with surface areas approximately 6,000sf (120ft x 50ft) and 2,500sf (50ft x 50ft) respectively.

The work plan will consist of the following:

- The sample point SP-10 had a chloride concentration of 956 ppm. Due to the close proximity of the field value to the 1,000 ppm Cl limit, additional sampling will be performed to confirm the chloride concentrations. The samples will be sent to the laboratory for confirmation.
- The sample point PP-1 had a chloride concentration of 884 ppm. Due to the close proximity of the field value to the 1,000 ppm Cl limit, additional sampling will be performed to confirm the chloride concentrations. The samples will be sent to the laboratory for confirmation.
- The area encompassing the sample point SP-9 along the primary spill path will be excavated and soils with chloride concentrations greater than 1,000 ppm will be transported to Sundance for disposal. Confirmation laboratory analysis will be performed to confirm chloride concentrations both horizontally and vertically are below the 1,000 ppm Cl limit.
- The area encompassing the sample point PP-2 along the pit spill path will be excavated and soils with chloride concentrations greater than 1,000 ppm will be transported to Sundance for disposal. Confirmation laboratory analysis will be performed to confirm chloride concentrations both horizontally and vertically are below the 1,000 ppm Cl limit.
- The area along the primary spill path encompassing the sample points SP-1, SP-2, and SP-2b will be excavated horizontally and vertically until chloride concentrations are less than 1,000 ppm. The area will then be vertically delineated to 250 ppm chloride concentrations as required by the NMOCD. Laboratory analysis will confirm the chloride concentrations.
- The area along the pit spill path encompassing the sample point PP-4 will be excavated horizontally and vertically until chloride concentrations are less than 1,000 ppm. The area will then be vertically delineated to 250 ppm chloride concentrations as required by the NMOCD. Laboratory analysis will confirm the chloride concentrations.
- The areas will be feathered to blend with the natural contour of the land and the affected areas will be reseeded in accordance with BLM guidance and seed mixture specification. If area cannot be properly feathered due to excavation depths, Sport Environmental will seek approval from the BLM and NMOCD with regard to backfill specifications.

If you have any questions or comments, please don't hesitate to contact me anytime at either my office (432-683-1100) or on my mobile (432-553-8555).

Sincerely,

Debi Sport Moore, M.E., R.E.P.A. President

Cc: Mr. Legion Brumley, Realty Compliance U.S. Department of the Interior Bureau of Land Management 620 East Greene Carlsbad, NM 88220

> Mr. Matt Doffer Siana Oil and Gas Co., LLC 601 N. Marienfeld, Suite 300 Midland, TX 79701

Mr. Paul J. Muthig, PG Muthig Environmental, Inc. 100 East Springs Road Columbia, SC 29223

Mr. Dale Reed Travelers – Oil & Gas Claims 3245 Whitcomb Road Casper, WY 82601

