

Basin Environmental Service Technologies, LLC

3100 Plains Highway
P. O. Box 301
Lovington, New Mexico 88260

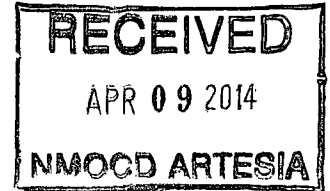
bjarguijo@basinenv.com

Office: (575) 396-2378

Fax: (575) 396-1429



REMEDIATION SUMMARY & SITE CLOSURE REQUEST



**BOPCO, LP
REMUDA BASIN UNIT #1 WATER TRANSFER LINE
Eddy County, New Mexico
Unit Letter "I" (NE/SE), Section 24, Township 23 South, Range 29 East
Latitude 32.288222° North, Longitude 103.9322289° West
NMOCD Reference #: 2RP-1258**

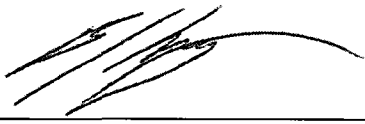
Prepared For:

**BOPCO, LP
522 W. Mermod, Suite 704
Carlsbad, New Mexico 88220**

Prepared By:

**Basin Environmental Service Technologies, LLC
3100 Plains Highway
Lovington, New Mexico 88260**

March 2014



**Ben J. Arguijo
Project Manager**

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1.0 INTRODUCTION & BACKGROUND INFORMATION

Basin Environmental Service Technologies, LLC (Basin Environmental), on behalf of BOPCO, LP (BOPCO), has prepared this *Remediation Summary & Site Closure Request* for the release site known as Remuda Basin Battery #1 Water Transfer Line (Remuda Basin WTL). The legal description of the release site is Unit Letter "I" (NE/SE), Section 24, Township 23 South, Range 29 East, in Eddy County, New Mexico. The geographic coordinates of the release site are 32.288222° North latitude and 103.9322289° West longitude. The property affected by the release is owned by the State of New Mexico and administered by the New Mexico State Land Office (NMSLO). Please reference Figure 1 for a "Site Location Map".

On July 12, 2012, BOPCO discovered a release had occurred on a three-inch (3") poly transfer line from the Remuda Basin Battery #1. A section of the poly line split, resulting in a release of produced water. The released fluid traveled down the adjacent oilfield access road, then flowed into the bordering pasture. The affected area of pastureland measured approximately nine hundred and sixty square feet (960 ft²), and the affected area of road measured approximately six hundred square feet (600 ft²). An additional one thousand, eight hundred square feet (1,800 ft²) of pastureland was affected by overspray at the release point. The damaged section of pipe was replaced during initial response activities.

The release was reported to the New Mexico Oil Conservation Division (NMOCD) Artesia District Office on August 20, 2012. The "Release Notification and Corrective Action" (Form C-141) indicated approximately ten barrels (10 bbls) of produced water were released, with no recovery. The Form C-141 is provided as Appendix A. General photographs of the release site are provided as Appendix B.

On April 18, 2012, during a site visit a few months prior to the release, it was noted that there had been several reports of illegal dumping of produced water by trucks traveling along the road from the Remuda Basin #1 Tank Battery to Rawhide Road. Based on this information and the fact that the road represents the only thoroughfare to several active production wells to the west of the release site, BOPCO requested and received NMOCD permission to leave impacted soil in the roadway in-situ.

2.0 NMOCD SITE CLASSIFICATION

A search of the New Mexico Water Rights Reporting System (NMWRRS) database maintained by the New Mexico Office of the State Engineer (NMOSE) indicated information was unavailable for Section 24, Township 23 South, Range 29 East. A depth-to-groundwater reference map utilized by the NMOCD indicates groundwater should be encountered at approximately seventy feet (70') to seventy-five feet (75') below ground surface (bgs). Based on the NMOCD ranking system, ten (10) points will be assigned to the site as a result of this criterion.

A search of the NMWRRS database indicated there are no water wells within one thousand feet (1,000') of the release. Based on the NMOCD ranking system, zero (0) points will be assigned to the site as a result of this criterion.

There are no surface water bodies within one thousand feet (1,000') of the release. Based on the NMOCD ranking system, zero (0) points will be assigned to the site as a result of this criterion.

NMOCD guidelines indicate the Remuda Basin WTL release site has an initial ranking score of ten (10) points. The soil remediation levels for a site with a ranking score of ten (10) points are as follows:

- Benzene – 10 mg/Kg (ppm)
- Benzene, ethylbenzene, toluene, and xylenes (BTEX) – 50 mg/Kg (ppm)
- Total petroleum hydrocarbons (TPH) – 1,000 mg/Kg (ppm)

The New Mexico Administrative Code (NMAC) does not currently specify a remediation level for chloride concentrations in soil. Chloride remediation levels are set by the NMOCD on a site-specific basis.

3.0 SUMMARY OF SOIL REMEDIATION ACTIVITIES

Following initial response activities, on February 27, 2014, Basin Environmental commenced delineation of the release site. A series of hand-augered soil borings were advanced at the site to investigate the vertical and horizontal extent of impacted soil. Core soil samples were field-screened using a chloride test kit.

On February 28, 2014, excavation of impacted soil commenced at the site. A chloride test kit was utilized to field-screen the horizontal extent of impacted soil and to guide the excavation. From February 28 through March 11, 2014, approximately one thousand, one hundred and forty cubic yards (1,140 yd³) of impacted soil was excavated and hauled to Lea Land, Inc. (NMOCD Permit # WM-01-035), for disposal.

On February 28, 2014, two (2) soil samples (WSW #1 and Floor) were collected from the floor and sidewall of the excavation and submitted to Cardinal Laboratories in Hobbs, New Mexico, for analysis of TPH and chloride concentrations. Soil sample Floor was also analyzed for concentrations of BTEX. Laboratory analytical results indicated TPH concentrations were less than the laboratory method detection limit (MDL) in both soil samples. Chloride concentrations ranged from 144 mg/kg in soil sample WSW #1 to 288 mg/kg in soil sample Floor. BTEX constituent concentrations in soil sample Floor were less than the appropriate laboratory MDL. Soil sample locations are depicted in Figure #2, "Site & Sample Location Map". Laboratory analytical results are summarized in Table 1.

On March 3, 2014, four (4) soil samples (SSW #1, SSW #2, Floor #2, and Floor #3) were collected from the floor and sidewalls of the excavation and submitted to the laboratory for analysis of chloride concentrations. Laboratory analytical results indicated chloride concentrations ranged from 32.0 mg/kg in soil samples SSW #1, SSW #2, and Floor #2 to 48.0 mg/kg in soil sample Floor #3.

On March 6, 2014, three (3) soil samples (ESW #1, SSW #3, and Floor #4) were collected from the floor and sidewalls of the excavation and submitted to the laboratory for analysis of chloride concentrations. Soil sample Floor #4 was also analyzed for concentrations of TPH and BTEX. Laboratory analytical results indicated chloride concentrations ranged from 112 mg/kg in soil sample ESW #1 to 768 mg/kg in soil sample SSW #3. TPH and BTEX constituent concentrations in soil sample Floor #4 were less than the appropriate laboratory MDL.

Review of laboratory analytical results indicated further excavation was required in the area represented by soil sample SSW #3.

On March 17, 2014, the excavation was advanced in the area represented by soil sample SSW #3 until field tests indicated chloride concentrations were less than NMOCD regulatory standards. A confirmation soil sample (SSW #3A) was collected from the sidewall of the excavation and submitted to the laboratory for analysis of chloride concentrations. Laboratory analytical results indicated the chloride concentration in soil sample SSW #3A was 416 mg/kg.

Based on laboratory analytical results and field-screens, from March 17 through March 19, 2014, the excavation was backfilled, compacted, and contoured to fit the surrounding topography. The final dimensions of the excavation were approximately one hundred and ninety-two feet (192') in length, approximately thirty-five feet (35') in width, and approximately four feet (4') in depth.

The affected pastureland will be seeded with an NMSLO-approved seed mixture at a time more conducive to germination.

4.0 QA/QC PROCEDURES

4.1 Soil Sampling

Soil samples were delivered to Cardinal Laboratories in Hobbs, New Mexico, for BTEX, TPH, and/or chloride analyses using the methods described below:

- BTEX concentrations in accordance with EPA Method SW-846 8021b
- TPH concentrations in accordance with EPA Method SW-846 8015M
- Chloride concentrations in accordance with EPA Methods 4500 Cl-B

4.2 Decontamination of Equipment

Cleaning of the sampling equipment was the responsibility of the environmental technician. Prior to use, and between each sample, the sampling equipment was cleaned with Liqui-Nox® detergent and rinsed with distilled water.

4.3 Laboratory Protocol

The laboratory was responsible for proper QA/QC procedures after signing the chain-of-custody form(s). These procedures were either transmitted with the laboratory reports or are on file at the laboratory.

5.0 SITE CLOSURE REQUEST

Soil samples collected from the floor and sidewalls of the Remuda Basin WTL excavation were analyzed by an NMOCD-approved laboratory, and concentrations of benzene, BTEX, TPH, and chloride were below the regulatory remediation action levels established for the site by the NMOCD. Basin Environmental recommends BOPCO provide the NMOCD Artesia District Office

and the NMSLO a copy of this *Remediation Summary & Site Closure Request* and request the NMOCD grant site closure to the Remuda Basin WTL release site.

6.0 LIMITATIONS

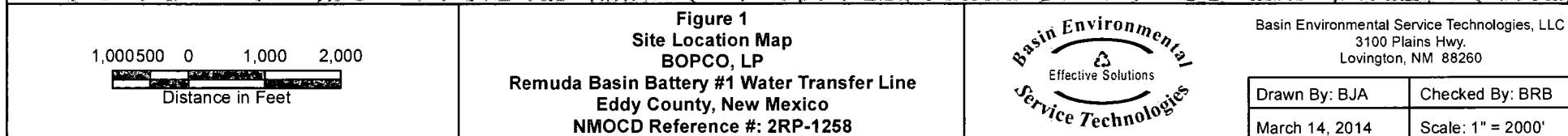
Basin Environmental Service Technologies, LLC, has prepared this *Remediation Summary & Site Closure Request* to the best of its ability. No other warranty, expressed or implied, is made or intended. Basin Environmental has examined and relied upon documents referenced in the report and on oral statements made by certain individuals. Basin Environmental has not conducted an independent examination of the facts contained in referenced materials and statements. Basin Environmental has presumed the genuineness of these documents and statements and that the information provided therein is true and accurate. Basin Environmental has prepared this report in a professional manner, using the degree of skill and care exercised by similar environmental consultants. Basin Environmental notes that the facts and conditions referenced in this report may change over time, and the conclusions and recommendations set forth herein are applicable only to the facts and conditions as described at the time of this report.

This report has been prepared for the benefit of BOPCO, LP. The information contained in this report, including all exhibits and attachments, may not be used by any other party without the express consent of Basin Environmental Service Technologies, LLC, and/or BOPCO, LP.

7.0 DISTRIBUTION:

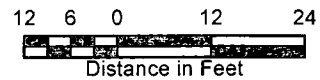
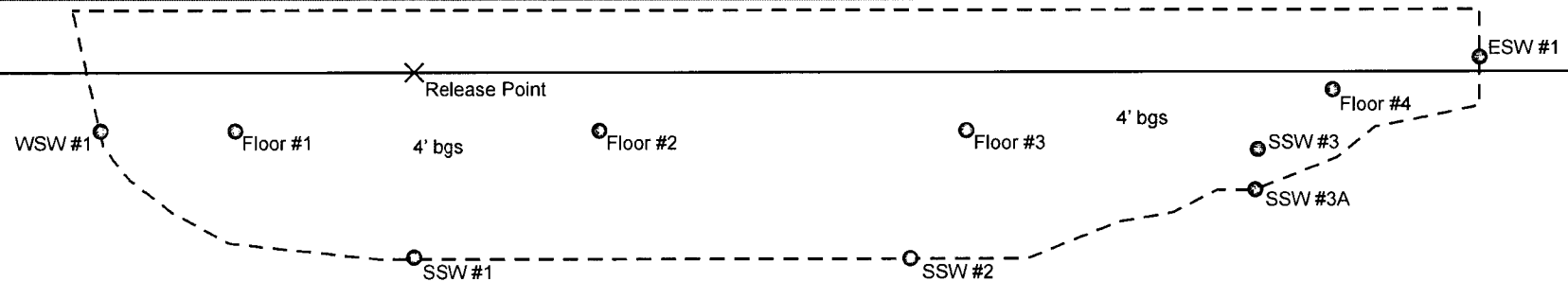
- Copy 1: Mike Bratcher
New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division (District 2)
1301 E. Grand Avenue
Artesia, NM 88210
- Copy 2: Andrew Kraemer
New Mexico State Land Office
602 N. Canal Street, Ste. B
Carlsbad, New Mexico 88220
- Copy 3: Tony Savoie
BOPCO, LP
522 W. Mermod, Suite 704
Carlsbad, NM 88220
- Copy 4: Basin Environmental Service Technologies, LLC
P.O. Box 301
Lovington, NM 88260

Figures



**Basin Environmental
Service Technologies**
Effective Solutions

| | |
|----------------|-------------------|
| Drawn By: BJA | Checked By: BRB |
| March 14, 2014 | Scale: 1" = 2000' |



Legend

- - - Excavation
- Pipeline
- Road
- X Release Point
- Sample Location

Figure 2
Site & Sample Location Map
BOPCO, LP
Remuda Basin Battery #1 Water Transfer Line
Eddy County, New Mexico
NMOCD Reference #: 2RP-1258



Basin Environmental Service Technologies, LLC
3100 Plains Hwy.
Lovington, NM 88260

Drawn By: BJA

Checked By: BRB

March 25, 2014

Scale: 1" = 24'

Tables

TABLE 1
CONCENTRATIONS OF BENZENE, BTEX, TPH & CHLORIDE IN SOIL

BOPCO, LP
REMUDA BASIN BATTERY #1 WATER TRANSFER LINE
EDDY COUNTY, NEW MEXICO
NMOCD REFERENCE #: 2RP-1258

| SAMPLE LOCATION | SAMPLE DEPTH (BGS) | SAMPLE DATE | SOIL STATUS | METHOD: EPA SW 846-8021B, 5030 | | | | | METHOD: 8015M | | | TOTAL TPH C ₆ -C ₃₅ (mg/Kg) | 4500 Cl-B CHLORIDE (mg/Kg) |
|-----------------------|--------------------|-------------|-------------|--------------------------------|-----------------|-----------------------|-----------------------|--------------------|---|--|--|---|----------------------------|
| | | | | BENZENE (mg/Kg) | TOLUENE (mg/Kg) | ETHYL-BENZENE (mg/Kg) | TOTAL XYLENES (mg/Kg) | TOTAL BTEX (mg/Kg) | GRO C ₆ -C ₁₂ (mg/Kg) | DRO C ₁₂ -C ₂₈ (mg/Kg) | ORO C ₂₈ -C ₃₅ (mg/Kg) | | |
| WSW #1 | 3' | 2/28/2014 | In-Situ | - | - | - | - | - | <10.0 | <10.0 | <10.0 | <10.0 | 144 |
| Floor | 4' | 2/28/2014 | In-Situ | <0.050 | <0.050 | <0.050 | <0.150 | <0.150 | <10.0 | <10.0 | <10.0 | <10.0 | 288 |
| | | | | | | | | | | | | | |
| SSW #1 | 3' | 3/3/2014 | In-Situ | - | - | - | - | - | - | - | - | - | 32.0 |
| SSW #2 | 3' | 3/3/2014 | In-Situ | - | - | - | - | - | - | - | - | - | 32.0 |
| Floor #2 | 4' | 3/3/2014 | In-Situ | - | - | - | - | - | - | - | - | - | 32.0 |
| Floor #3 | 4' | 3/3/2014 | In-Situ | - | - | - | - | - | - | - | - | - | 48.0 |
| | | | | | | | | | | | | | |
| ESW #1 | 3' | 3/6/2014 | In-Situ | - | - | - | - | - | - | - | - | - | 112 |
| SSW #3 | 3' | 3/6/2014 | Excavated | - | - | - | - | - | - | - | - | - | 768 |
| Floor #4 | 4' | 3/6/2014 | In-Situ | <0.050 | <0.050 | <0.050 | <0.150 | <0.150 | <10.0 | <10.0 | <10.0 | <10.0 | 128 |
| | | | | | | | | | | | | | |
| SSW #3A | 3' | 3/17/2014 | In-Situ | - | - | - | - | - | - | - | - | - | 416 |
| | | | | | | | | | | | | | |
| NMOCD Criteria | | | | 10 | | | | 50 | | | | 1,000 | 500 |

- = Not analyzed.

Appendices

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

| | | | | | |
|---|--|---|--|--|---------------------------------------|
| nJMW1223641037 | | OPERATOR | | <input checked="" type="checkbox"/> Initial Report | <input type="checkbox"/> Final Report |
| Name of Company: BOPCO, L.P. 260737 | | Contact: Tony Savoie | | | |
| Address: 522 W. Mermod, Suite 704 Carlsbad, N.M. 88220 | | Telephone No. 575-887-7329 | | | |
| Facility Name: Remuda Basin Battery #1 Water Transfer Line Approximately 1250 ft. East of the battery. | | Facility Type: Exploration and Production | | | |

| | | |
|------------------------------|------------------------------|----------------------|
| Surface Owner: State of N.M. | Mineral Owner: State of N.M. | API No. 30-015-03691 |
|------------------------------|------------------------------|----------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|----------------|
| Unit Letter I | Section 24 | Township 23S | Range 29E | Feet from the | North/South Line | Feet from the | East/West Line | County Eddy |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|----------------|

Latitude: N 32.288222 Longitude: W 103.932289

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release: Produced water | Volume of Release: 10 Bbls | Volume Recovered: None |
| Source of Release: 3" poly line | Date and Hour of Occurrence: 7/26/12 at approximately 9:00 a.m. | Date and Hour of Discovery: 7/26/12 10:00 a.m. |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom? | |
| By Whom? | Date and Hour | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |
| If a Watercourse was Impacted, Describe Fully.* | | |
| Describe Cause of Problem and Remedial Action Taken.* The 3" poly line split, the bad section of pipe was replaced. | | |
| Describe Area Affected and Cleanup Action Taken.* Approximately 1800 sq.ft. of pasture was lightly misted at the release point, the fluid traveled down a caliche road, then exited the road into the pasture. Approximately 600 sq.ft. of road and approximately 960 sq.ft. of pasture was affected by the run-off areas. The area was reviewed prior to the release date; it was noted on 4/18/12 that there had been several reports of trucks dumping produced water on the road from the tank battery to Rawhide road. The affected area in the pasture will be remediated in accordance to the NMOCD guidelines. | | |
| 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. | | |
| OIL CONSERVATION DIVISION | | |
| Signature: <i>Tony Savoie</i> | Approved by Environmental Specialist: Signed By <i>M. H. [Signature]</i> | |
| Printed Name: Tony Savoie | Approval Date: AUG 22 2012 Expiration Date: | |
| Title: Waste Management and Remediation Specialist | Conditions of Approval: | |
| E-mail Address: tasavoie@basspet.com | Attached <input type="checkbox"/> | |
| Date: 8/15/12 | Phone: 432-556-8730 | |

* Attach Additional Sheets If Necessary

Remediation per OCD Rules &
Guidelines. **SUBMIT REMEDIATION
PROPOSAL NOT LATER THAN:**
Sept. 22, 2012

2RP-1258

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

| | |
|--|---|
| Name of Company: BOPCO, LP | Contact: Tony Savoie |
| Address: 522 W. Mermod, Suite 704, Carlsbad, NM 88220 | Telephone No. (575)887-7329 |
| Facility Name: Remuda Basin Battery #1 Water Transfer Line Approximately 1,250 ft. East of battery. | Facility Type: Exploration & Production |

| | | |
|----------------------------|----------------------|----------------------|
| Surface Owner: State of NM | Mineral Owner: State | API No. 30-015-03691 |
|----------------------------|----------------------|----------------------|

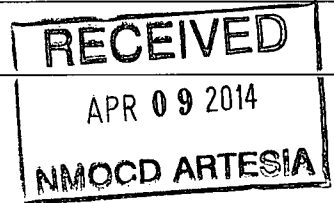
LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|----------------|
| Unit Letter I | Section 24 | Township 23S | Range 29E | Feet from the | North/South Line | Feet from the | East/West Line | County Eddy |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|----------------|

Latitude 32.288222° North Longitude 103.932289° West

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release Produced water | Volume of Release 10 bbls | Volume Recovered None |
| Source of Release 3" poly line | Date and Hour of Occurrence 7/26/12 at approximately 9:00AM | Date and Hour of Discovery 7/26/12 10:00AM |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom? | |
| By Whom? | Date and Hour | |
| 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.* The 3" poly line split. The damaged section of pipe was replaced during initial response activities.

Describe Area Affected and Cleanup Action Taken.* Approximately 1800 sq.ft. of pasture was lightly misted at the release point. The fluid traveled down a caliche road, then exited the road into the pasture. Approximately 600 sq.ft. of road and approximately 960 sq.ft. of pasture was affected by the run-off areas. On April 18, 2012, during a site visit a few months prior to the release, it was noted that there had been several reports of illegal dumping of produced water by trucks traveling along the road from the Remuda Basin #1 Tank Battery to Rawhide Road. Based on this information and the fact that the road represents the only thoroughfare to several active production wells to the west of the release site, BOPCO requested and received NMOCD approval to leave impacted soil in the roadway in-situ. The affected area in the pasture was remediated as per NMOCD recommended guidelines. Please reference the attached *Remediation Summary & Site Closure Request* for remediation details.

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: Tony Savoie | | Approved by Environmental Specialist: | |
| Title: Waste Management and Remediation Specialist | | Approval Date: | Expiration Date: |
| E-mail Address: tasavoie@basspet.com | | Conditions of Approval: | |
| Date: <u>4/9/14</u> Phone: 432-556-8730 | | Attached <input type="checkbox"/> | |

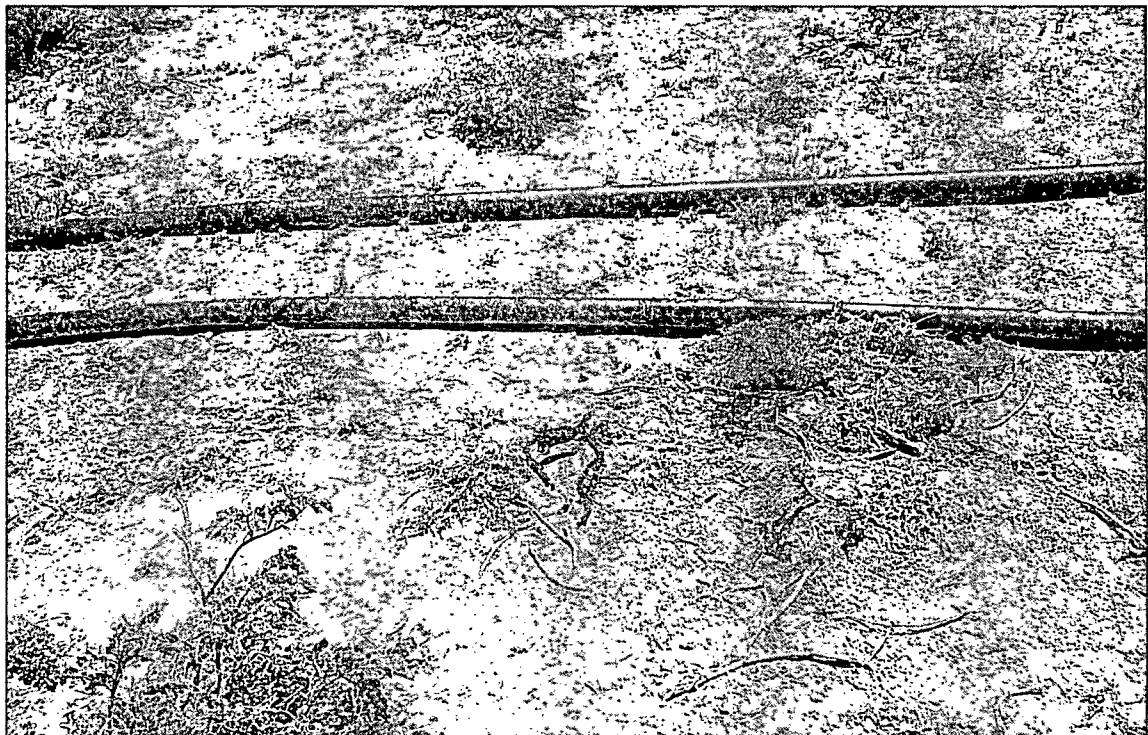
* Attach Additional Sheets If Necessary

Appendix B

Photographs



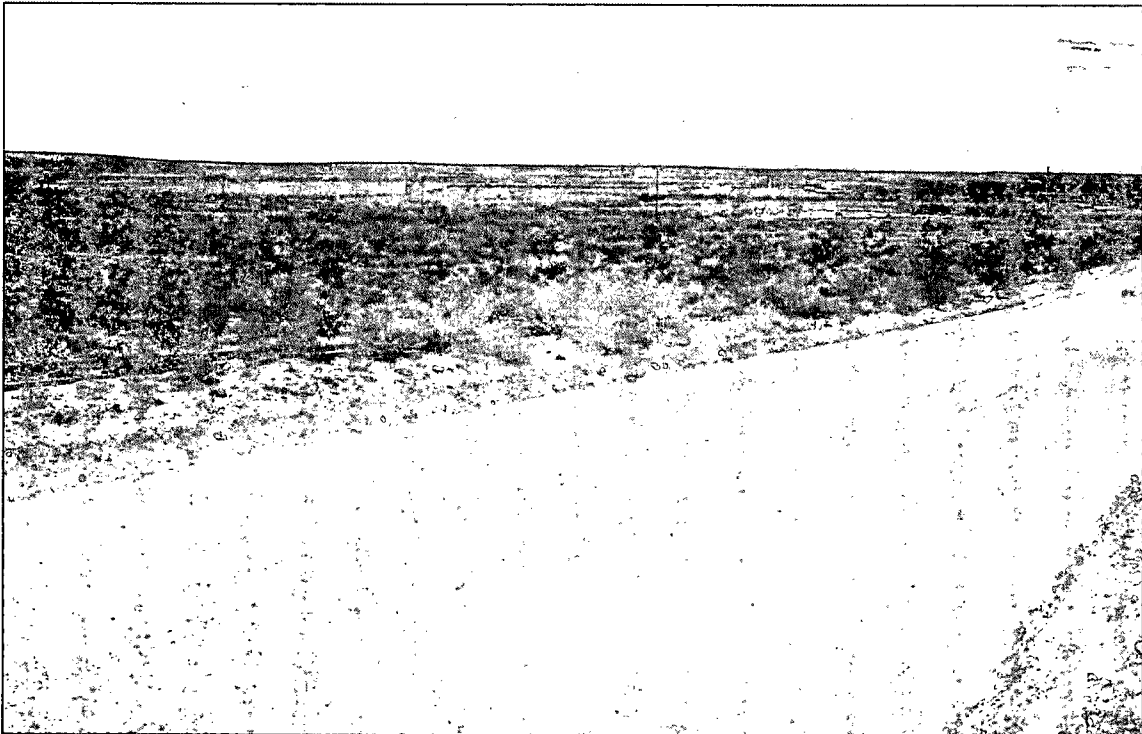
Remuda Basin Battery #1 Water Transfer Line – Release Site



Remuda Basin Battery #1 Water Transfer Line – Point of Release



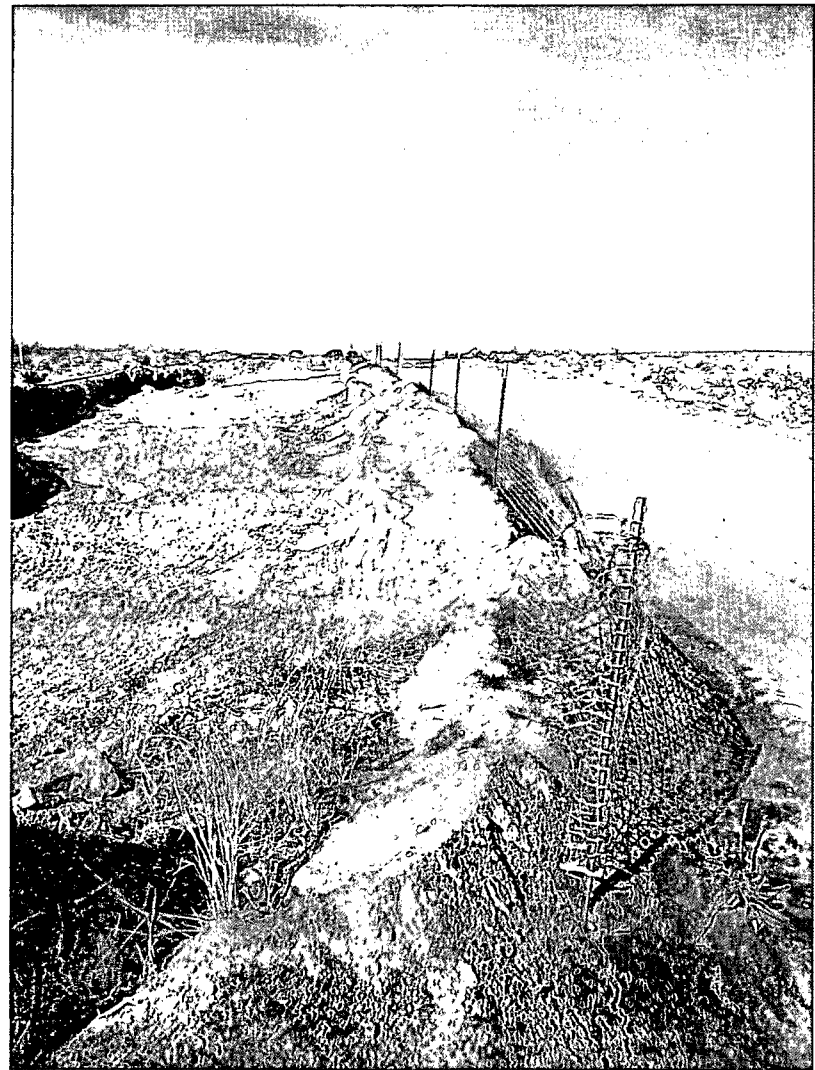
Remuda Basin Battery #1 Water Transfer Line – Flow Path



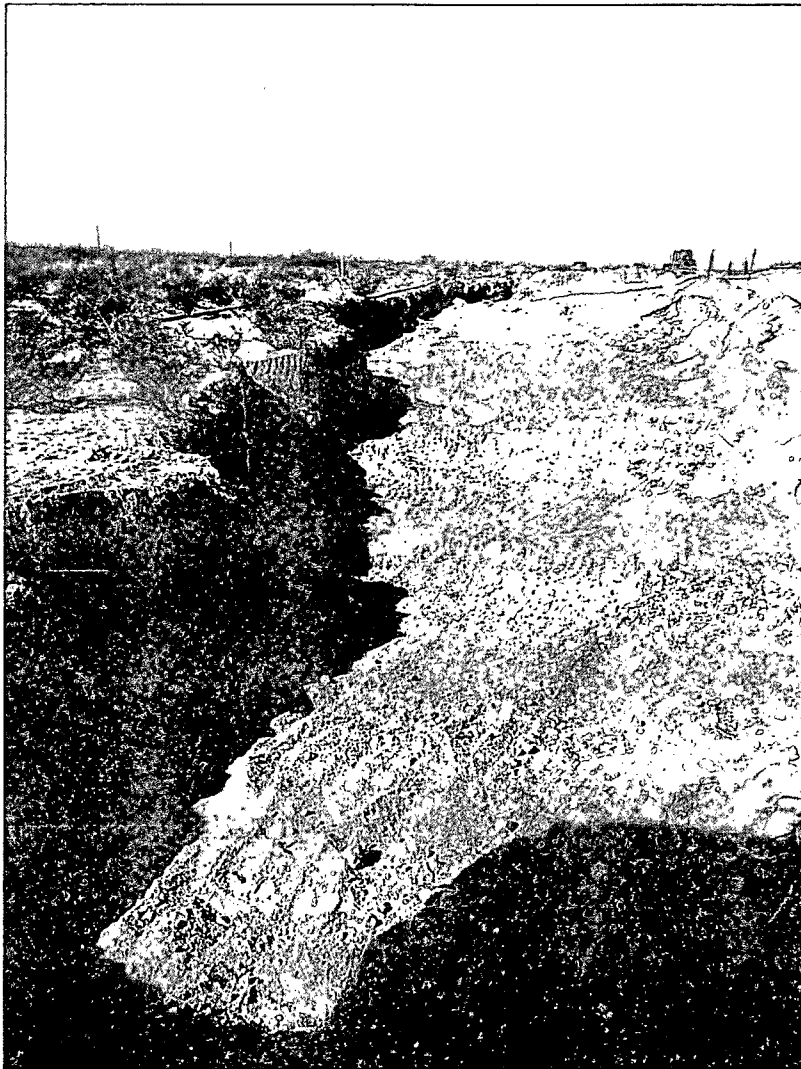
Remuda Basin Battery #1 Water Transfer Line – Flow Path and Overspray Area



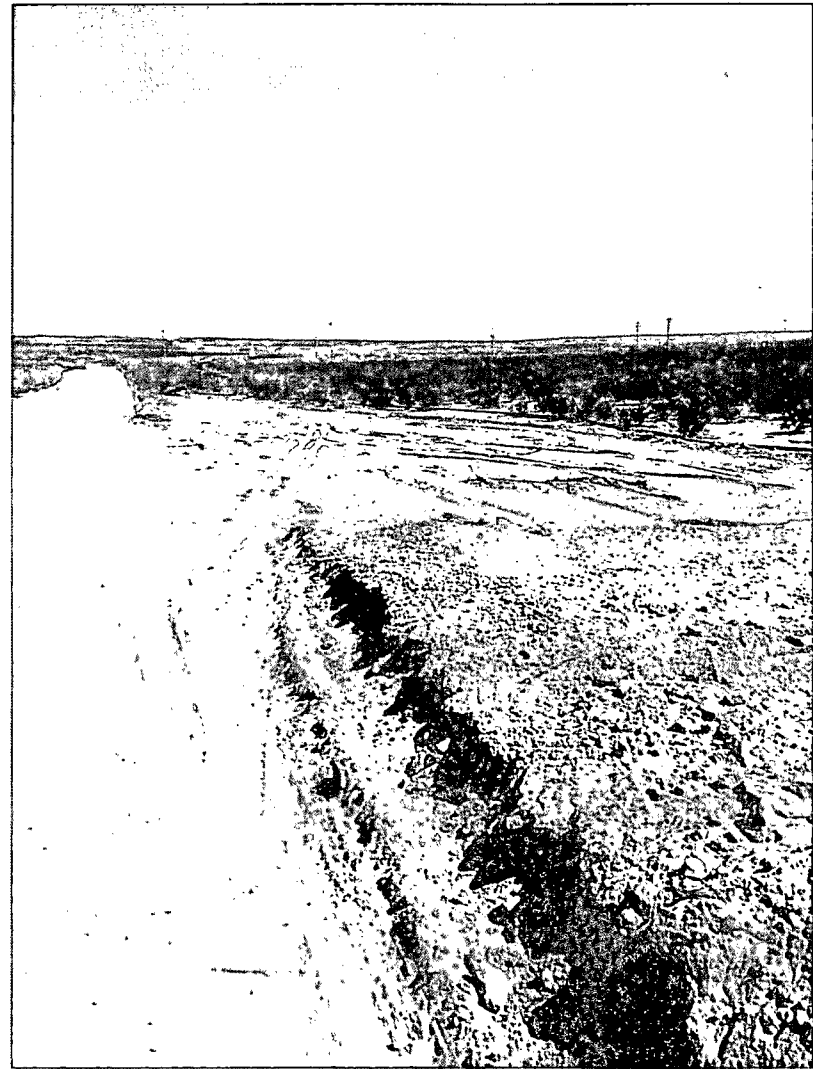
Remuda Basin Battery #1 Water Transfer Line –
Excavation (Looking East)



Remuda Basin Battery #1 Water Transfer Line -
Excavation (Looking West)



Remuda Basin Battery #1 Water Transfer Line -
Excavation (Looking West)



Remuda Basin Battery #1 Water Transfer Line -
Backfilled Excavation (Looking East)

Appendix C

Permits



Ray Powell, M.S., D.V.M.
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Remuda Basin Battery # 1
Water Transfer Line

January 10, 2014

BOPCO, LP
522 W. Mermod
Carlsbad, New Mexico 88220

Attn: Tony Savoie

Re: Right-of-Entry Application No. ROE-2418

Dear Mr. Savoie

Enclosed is the completed captioned Right-of-Entry permit. If any corrections are necessary, please let us know and we will retype or amend this lease as necessary.

If you have any questions, please feel free to contact this office at the above address or for Donald Martinez, Surface Director @ (505) 827-5731 or myself @ 827-5710.

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony Vigil", with a long horizontal flourish extending to the right.

Anthony Vigil, Management Analyst
Right of Way Section
Surface Resource Management Division

NEW MEXICO STATE LAND OFFICE
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.
New Mexico State Land Office Building
P.O. Box 1148, Santa Fe, NM 87504-1148

RIGHT OF ENTRY PERMIT
CONTRACT NO. ROE-2418
(Remediation)

1. RIGHT OF ENTRY PERMIT

This permit is issued under the authority of NMSA 1978, Section 19-1-2. Therefore, and in consideration of and subject to the terms, covenants, conditions, agreements, obligations and reservations contained in the permit and all other existing rights, the Commissioner of Public Lands, New Mexico State Land Office, State Of New Mexico, hereinafter called "COMMISSIONER," grants to **BOPCO, LP.** State of Incorporation (if applicable) , whose address is **522 W. Mermod, Carlsbad, New Mexico 88220,** hereinafter called "PERMITTEE," authorized use of a specific tract(s) of State Trust Land only for the term, and only for the permitted use, described in this permit.

2. TERM AND LAND DESCRIPTION

Right of entry is granted for a term of **180 days**, commencing, **November 20, 2013**, and ending **May 19, 2014** to the following State Trust Lands.

Section 24, Township 23 South, Range 29 East. NE ¼ SE ¼ Eddy County

3. APPLICATION and PROCESSING FEE

\$530.00

4. PERMITTED USE, PERSONNEL, EQUIPMENT AND MATERIALS

Permitted use is for the purpose of: **Perform soil remediation (Remuda Basin Battery # 1).**

Personnel present on State Trust Land: **Representatives of BOPCO, Basin Environmental & Straub Corporation**

Equipment & Materials present on State Trust Land: **Excavator, backhoe, dump trucks, pickups, hydrovac and drilling rig**

2014 JAN 6 AM 8 16
2013 DEC 10 AM 7 53

Prior to execution of project company must identify and contact the Grazing Lessee.

The granting of this permit does not allow access across private lands.

5. IMPROVEMENTS

No improvements shall be placed on the premises without the prior written consent of the Commissioner.

6. RESERVATIONS

Commissioner reserves the right to execute leases, rights of way, easements, permits, exchange agreements, sale agreements, permits and other lawful rights on or across the land covered by this permit, including but not limited to any such rights for mining purposes and for the extraction of oil, gas, salt, geothermal resources, and other mineral deposits there from and the right to go upon, explore for, mine, remove and sell same.

7. COMPLIANCE WITH LAWS

Permittee shall at its own expense comply fully with and be subject to all applicable regulations, rules, ordinances, and requirements of law or of the Commissioner, including but not limited to the regulations of the State Land Office; Chapter 19 NMSA governing State Trust Lands; federal and state environmental laws and regulations; and the New Mexico Cultural Properties Act, NMSA 1978 Sections 18-6-1 through 18-6-23. It is illegal for any person or his agent to appropriate, excavate, injure, or destroy any historic, or prehistoric ruin or monument, or any object of historical, archaeological, architectural, or scientific value situated on lands owned or controlled by the State Land Office without a valid permit issued by the Cultural Properties Review Committee and approved by the Commissioner of Public Lands.

8. HOLD HARMLESS AND INDEMNIFICATION

Permittee shall save, hold harmless, indemnify and defend Commissioner, the State Land Office, the State of New Mexico, and any of their officers, employees or agents, in their official and individual capacities, of and from any and all liability, claims, losses, damages, costs, and fees arising out of or alleged to arise out of, or directly or indirectly connected with, the operations of Permittee under this permit on or off State Trust Lands or arising out of the presence on State Trust Lands of any equipment, material, agent, invitee, contractor or subcontractor of Permittee. This Hold Harmless and Indemnification clause covers any claim, including any brought in any court or before any administrative agency, of any loss or alleged loss, and any damages or alleged damages asserted with respect to any violation or alleged violation of any state, federal or local law or regulation, including but not limited to any environmental law or regulation, any cultural properties law (including the New Mexico Cultural Properties Act, cited above) or regulation, and any alleged damage to the property, rights or interests of any State Land Office lessee, right-of-way holder, or other permittee.

2019 JAN 6 AM 6 15

2013 DEC 10 AM 7 53

9. AMENDMENT

This permit shall not be altered, changed, or amended except by an instrument in writing executed by Commissioner and Permittee.

10. WITHDRAWAL

Commissioner reserves the right to withdraw any or all of the land authorized for use under this permit. If applicable, Permittee shall vacate the acreage specified within 30 days after receipt of written notification of withdrawal from the Commissioner.

11. CANCELLATION

The violation by Permittee of any of the terms, conditions, or covenants of this permit or the nonpayment by Permittee of the fees due under this permit shall at the option of the Commissioner be considered a default and shall cause the cancellation of this permit 30 days after Permittee has been sent written notice of such.

12. PRESERVE AND PROTECT

The Permittee agrees to preserve and protect the natural environmental conditions of the land encompassed in this permit, and to take those reclamation or corrective actions that are accepted soil and water conservation practices and that are deemed necessary by the Commissioner to protect the land from pollution, erosion, or other environmental degradation. The Permittee further agrees not to injure the property of, or interfere with the operations or rights of, any State Land Office lessee, right-of-way holder, easement holder or other permittee who has rights to use the State Trust Land subject to this permit.

13. RECLAMATION, REMOVAL OF EQUIPMENT, MATERIALS, AND WASTE

The Permittee agrees to reclaim those areas that may be damaged by activities conducted thereon.

The Permittee agrees to remove from the State Trust Lands, no later than the end of the term of this permit, all equipment, and materials it has placed or brought upon the land and to clean up and remove from the land any trash, waste, effluent, or other products used or brought upon the land in connection with this permit.

14. SPECIAL INSTRUCTIONS AND/OR RESTRICTIONS

1. No off road traffic allowed.
2. No wood collection or tree cutting allowed.
3. Disturbing, dislodging, damaging, defacing, destroying or removing historical archaeological, paleontological or cultural sites or artifacts is prohibited.
4. Disturbing, dislodging, damaging, defacing, destroying any improvement, fixture, item, object or thing placed or located in, under or upon the land is prohibited.

2019 JAN 6 AM 8 15

2019 DEC 10 AM 7 53

5. This permit does not grant a right to enter State Trust Lands to which there is no public access.

6. Any uses or activities not within the scope of this permit are not allowed unless prior written approval from the Commissioner of Public Lands is granted.

7. OTHER

WITNESS the hands and seals of PERMITTEE and COMMISSIONER on the day(s) and year entered below.

I am David Telephone: 432-556-8730
PERMITTEE
For Colin Barry V.P. Special Services

ACKNOWLEDGMENT

STATE OF New Mexico)
COUNTY OF Eddy)

The foregoing instrument was acknowledged before me this 23rd day of DECEMBER, 20 13.

My Commission Expires: 2-1-15

Sally J. Phillips
NOTARY PUBLIC

Ray Powell Brown
COMMISSIONER OF PUBLIC LANDS

DATE: 1-10-14

ROE-2418

2014 JAN 6 AM 8 16

Appendix D

Laboratory Analytical Reports

March 10, 2014

JOEL LOWRY

Basin Environmental Service

P.O. Box 301

Lovington, NM 88260

RE: REMUDA BASIN 3" WATER TRANSFER

Enclosed are the results of analyses for samples received by the laboratory on 03/03/14 9:12.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. 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.

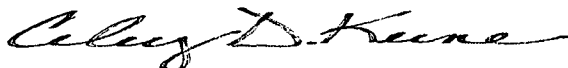
Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|------------------------------|
| 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,



Celey D. Keene

Lab Director/Quality Manager



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

Analytical Results For:

Basin Environmental Service
JOEL LOWRY
P.O. Box 301
Lovington NM, 88260
Fax To: (575) 396-1429

| | | | |
|-------------------|--------------------------------|---------------------|---------------|
| Received: | 03/03/2014 | Sampling Date: | 02/28/2014 |
| Reported: | 03/10/2014 | Sampling Type: | Soil |
| Project Name: | REMUDA BASIN 3" WATER TRANSFER | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | EDDY COUNTY, NM | | |

Sample ID: WSW #1 (H400626-01)

| Chloride, SM4500CI-B | | mg/kg | | Analyzed By: AP | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 144 | 16.0 | 03/06/2014 | ND | 416 | 104 | 400 | 0.00 | |

Sample ID: FLOOR #1 (H400626-02)

| BTEX 8260B | | mg/kg | | Analyzed By: MS | | | | | |
|----------------|--------|-----------------|------------|-----------------|------|------------|---------------|-------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 03/08/2014 | ND | 2.14 | 107 | 2.00 | 0.624 | |
| Toluene* | <0.050 | 0.050 | 03/08/2014 | ND | 2.14 | 107 | 2.00 | 3.61 | |
| Ethylbenzene* | <0.050 | 0.050 | 03/08/2014 | ND | 2.05 | 103 | 2.00 | 3.71 | |
| Total Xylenes* | <0.150 | 0.150 | 03/08/2014 | ND | 6.26 | 104 | 6.00 | 3.84 | |
| Total BTEX | <0.300 | 0.300 | 03/08/2014 | ND | | | | | |

Surrogate: Dibromofluoromethane 95.0 % 61.3-142

Surrogate: Toluene-d8 104 % 71.3-129

Surrogate: 4-Bromofluorobenzene 102 % 65.7-141

| Chloride, SM4500CI-B | | mg/kg | | Analyzed By: AP | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 288 | 16.0 | 03/06/2014 | ND | 416 | 104 | 400 | 0.00 | |

| 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 | 03/04/2014 | ND | 205 | 102 | 200 | 6.43 | |
| DRO >C10-C28 | <10.0 | 10.0 | 03/04/2014 | ND | 194 | 97.0 | 200 | 9.21 | |
| EXT DRO >C28-C35 | <10.0 | 10.0 | 03/04/2014 | ND | | | | | |

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:

Basin Environmental Service
JOEL LOWRY
P.O. Box 301
Lovington NM, 88260
Fax To: (575) 396-1429

| | | | |
|-------------------|--------------------------------|---------------------|---------------|
| Received: | 03/03/2014 | Sampling Date: | 02/28/2014 |
| Reported: | 03/10/2014 | Sampling Type: | Soil |
| Project Name: | REMUDA BASIN 3" WATER TRANSFER | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | EDDY COUNTY, NM | | |

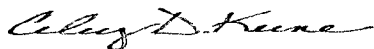
Sample ID: FLOOR #1 (H400626-02)

| TPH 8015M | mg/kg | | Analyzed By: ms | | | | | | |
|-------------------------------|--------|-----------------|-----------------|--------------|----|------------|---------------|-----|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Surrogate: 1-Chlorooctane | 93.3 % | 65.2-140 | | | | | | | |
| Surrogate: 1-Chlorooctadecane | 92.7 % | 63.6-154 | | | | | | | |

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

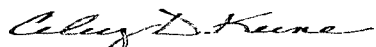
Notes and Definitions

| | |
|-----|--|
| 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

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Celey D. Keene, Lab Director/Quality Manager

ARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240

(575) 393-2326 FAX (575) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 5 of 5

[illegible]

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| | | | |
|---|-----------------|--|---|
| Relinquished By: <i>Quel journey</i> | Date: 3/3/13 | Received By: <i>[Signature]</i> | Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Phone #: |
| | Time: 8:00 | | Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Fax #: |
| Relinquished By: <i>[Signature]</i> | Date: 3/3/14 | Received By: <i>Jodi Henson</i> | REMARKS: |
| | Time: 9:12 | | |
| Delivered By: (Circle One) | | Sample Condition | CHECKED BY: |
| | | Cool Intact | <i>[Signature]</i> |
| Sampler - UPS - Bus - Other: | 5.4°C | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| | | <input type="checkbox"/> Yes <input type="checkbox"/> No | |

Please email results to pm@basinenv.com,
TASavoie@BassPet.com & SJWalters@BassPet.com

FORM-006
Revision 1.0

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

#54

March 14, 2014

JOEL LOWRY

Basin Environmental Service

P.O. Box 301

Lovington, NM 88260

RE: REMUDA BASIN 3" WATER TRANSFER

Enclosed are the results of analyses for samples received by the laboratory on 03/05/14 9:15.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. 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.

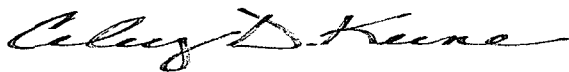
Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|------------------------------|
| 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,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 Basin Environmental Service
 JOEL LOWRY
 P.O. Box 301
 Lovington NM, 88260
 Fax To: (575) 396-1429

| | | | |
|-------------------|--------------------------------|---------------------|---------------|
| Received: | 03/05/2014 | Sampling Date: | 03/03/2014 |
| Reported: | 03/14/2014 | Sampling Type: | Soil |
| Project Name: | REMUDA BASIN 3" WATER TRANSFER | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | EDDY COUNTY, NM | | |

Sample ID: SSW #2 (H400664-01)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 32.0 | 16.0 | 03/06/2014 | ND | 432 | 108 | 400 | 7.69 | |

Sample ID: FLOOR #2 (H400664-02)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 48.0 | 16.0 | 03/06/2014 | ND | 432 | 108 | 400 | 7.69 | |

Sample ID: FLOOR #3 (H400664-03)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 32.0 | 16.0 | 03/06/2014 | ND | 432 | 108 | 400 | 7.69 | |

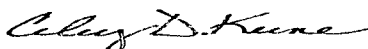
Sample ID: SSW #1 (H400664-04)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 32.0 | 16.0 | 03/06/2014 | ND | 432 | 108 | 400 | 7.69 | |

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

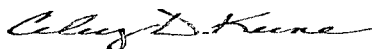
Notes and Definitions

| | |
|-----|--|
| 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

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Celey D. Keene, Lab Director/Quality Manager



Page 4 of 4

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

4
#54

March 13, 2014

JOEL LOWRY

Basin Environmental Service

P.O. Box 301

Lovington, NM 88260

RE: REMUDA BASIN 3" WATER TRANSFER

Enclosed are the results of analyses for samples received by the laboratory on 03/07/14 12:00.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. 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.

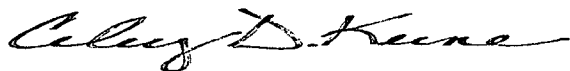
Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|------------------------------|
| 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,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

Basin Environmental Service
JOEL LOWRY
P.O. Box 301
Lovington NM, 88260
Fax To: (575) 396-1429

Received: 03/07/2014
Reported: 03/13/2014
Project Name: REMUDA BASIN 3" WATER TRANSFER
Project Number: NONE GIVEN
Project Location: EDDY COUNTY, NM

Sampling Date: 03/06/2014
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: FLOOR #4 (H400715-01)

| BTEX 8260B | | mg/kg | | Analyzed By: MS | | | | | |
|----------------|--------|-----------------|------------|-----------------|-------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 03/13/2014 | ND | 0.428 | 107 | 0.400 | 3.69 | |
| Toluene* | <0.050 | 0.050 | 03/13/2014 | ND | 0.419 | 105 | 0.400 | 1.43 | |
| Ethylbenzene* | <0.050 | 0.050 | 03/13/2014 | ND | 0.430 | 108 | 0.400 | 5.19 | |
| Total Xylenes* | <0.150 | 0.150 | 03/13/2014 | ND | 1.25 | 104 | 1.20 | 1.84 | |
| Total BTEX | <0.300 | 0.300 | 03/13/2014 | ND | | | | | |

Surrogate: Dibromofluoromethane 95.0 % 61.3-142

Surrogate: Toluene-d8 103 % 71.3-129

Surrogate: 4-Bromofluorobenzene 102 % 65.7-141

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 128 | 16.0 | 03/12/2014 | ND | 400 | 100 | 400 | 3.92 | |

| 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 | 03/11/2014 | ND | 214 | 107 | 200 | 1.23 | |
| DRO >C10-C28 | <10.0 | 10.0 | 03/11/2014 | ND | 202 | 101 | 200 | 2.63 | |
| EXT DRO >C28-C35 | <10.0 | 10.0 | 03/11/2014 | ND | | | | | |

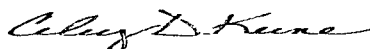
Surrogate: 1-Chlorooctane 100 % 65.2-140

Surrogate: 1-Chlorooctadecane 109 % 63.6-154

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

Basin Environmental Service
JOEL LOWRY
P.O. Box 301
Lovington NM, 88260
Fax To: (575) 396-1429

| | | | |
|-------------------|--------------------------------|---------------------|---------------|
| Received: | 03/07/2014 | Sampling Date: | 03/06/2014 |
| Reported: | 03/13/2014 | Sampling Type: | Soil |
| Project Name: | REMUDA BASIN 3" WATER TRANSFER | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | EDDY COUNTY, NM | | |

Sample ID: ESW #1 (H400715-02)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 112 | 16.0 | 03/12/2014 | ND | 400 | 100 | 400 | 3.92 | |

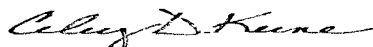
Sample ID: SSW #3 (H400715-03)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 768 | 16.0 | 03/12/2014 | ND | 400 | 100 | 400 | 3.92 | | |

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Celey D. Keene, Lab Director/Quality Manager

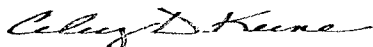
Notes and Definitions

| | |
|-----|--|
| 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 |

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Caley D. Keene, Lab Director/Quality Manager

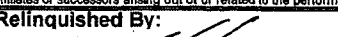

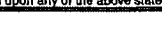


(575) 393-2326 FAX (575) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

[illegible]

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| | | | | | | | |
|--|--|----------------------------|--|--|--|--|--|
| Relinquished By:  | | Date: 3/2/14 Time: 1200 | | Received By:  | | Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Phone #: | |
| Relinquished By: | | Date: Time: | | Received By: | | Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Fax #: | |
| Delivered By: (Circle One) Sample OR UPS 06 Bus - Other: | | | | Sample Condition Cool Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | CHECKED BY: (Initials)  | |
| 5.0° | | | | REMARKS: Please email results to pm@basinenv.com, TASavoie@BassPet.com & SJWalters@BassPet.com | | | |

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



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

March 25, 2014

JOEL LOWRY

Basin Environmental Service

P.O. Box 301

Lovington, NM 88260

RE: REMUDA BASIN 3" WATER TRANSFER

Enclosed are the results of analyses for samples received by the laboratory on 03/18/14 10:55.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. 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/ga/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,

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

Basin Environmental Service
JOEL LOWRY
P.O. Box 301
Lovington NM, 88260
Fax To: (575) 396-1429

Received: 03/18/2014
Reported: 03/25/2014
Project Name: REMUDA BASIN 3" WATER TRANSFER
Project Number: NONE GIVEN
Project Location: EDDY COUNTY, NM

Sampling Date: 03/17/2014
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson


Sample ID: SSW #3A (H400813-01)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 416 | 16.0 | 03/21/2014 | ND | 416 | 104 | 400 | 7.41 | |

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Celest D. Keene, Lab Director/Quality Manager

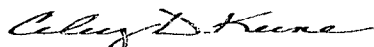
Notes and Definitions

| | |
|-----|--|
| 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 |

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Celey D. Keene, Lab Director/Quality Manager



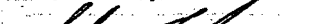





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| | | | | | |
|---|--|---|---|---|----------------|
| Relinquished By:  | | Date: 3/17/14 | Received By:  | Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No | Add'l Phone #: |
| | | Time: 5:00 | | Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No | Add'l Fax #: |
| Relinquished By:  | | Date: 3/18/14 | Received By:  | REMARKS: | |
| | | Time: 0700 | | | |
| Delivered By: (Circle One)  Sampler: <input checked="" type="checkbox"/> UPS <input type="checkbox"/> Bus <input type="checkbox"/> Other | | Sample Condition Cool <input type="checkbox"/> Intact <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> | CHECKED BY: (Initials)  | Please email results to bjarguijo@basinenv.com, TASavoie@BassPet.com & SJWalters@BassPet.com | |
| FORM-006 | | 3.40 | | | |

Revision 1.0

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