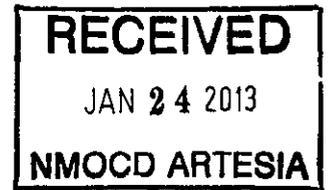




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Range Operating
South Culebra Bluff 2-B Flowline Release
January 23, 2013
Environmental Technician: Jacob Melancon
Proposal To Backfill Site

On January 2, 2013 environmental supervisor Jacob Melancon with Parker Energy was notified of a release for Range Operating on the South Culebra Bluff 2-B flow line that caused 20-30 bbls to release in pasture area just northwest of the Reid Wells #1 location. Technician arrived on site and did initial C-141, site mapping and photos also Mike Bratcher with OCD in Artesia was notified via voicemail at his office of Release.

I returned back to site on January 7th 2013 with backhoe to attempt to vertically delineate spill area. Backhoe could only dig to a depth of 1-2ft. before a hard rock cap was encountered. Backhoe was unable to break through solid rock cap. The initial samples that were ran on site for chlorides all came back above 4000. At this time BDS whose equipment was being used rented a trackhoe to dig trench samples and excavate site.

Trackhoe was on site January 10th 2013 along with a hammer hoe to help breakthrough rock cap. As trackhoe began digging trench sample #1 within 30 minutes 2 teeth had broken on bucket causing us to stop trenching for the day and the teeth had to be welded back onto bucket. Samples were taken at 1ft. and 2 ft. and both samples were high in chlorides above 4000.

On January 11th I returned back to site and trench sample #1 was dug down to a depth of 5-6ft. and chlorides decreased significantly at this depth from 4000+ to right around 800. Trackhoe then broke three teeth and we had to shut down for the day, crew ordered new bucket with rock teeth and it was put on during the weekend. Land Owner Johnny Reed showed up to assess site and said he would be fine with excavating down to solid rock cap and then hauling in clean backfill for site.

January 14th 2013 crew was back on site to finish with trench sample #1. At this time Jacob Melancon with Parker Energy notified Mike Bratcher with OCD and explained how hard and difficult digging was at site. Mr. Bratcher then informed Jacob to grab sample at the depth trench sample #1 was at and to take sample to lab for analytical analysis to see if site would require a plastic liner.

Mike Bratcher then instructed technician to remove all visible contamination at site and to excavate release area down to the hard rock cap approximately 2-3ft. down.

I went back to site on January 23, 2013 and crew had excavated release area down to hard rock cap and no visible contamination was present. Crew hauled approximately 2450 yards of contaminated soil to R-360 for disposal. Analytical data from Cardinal Labs in Hobbs NM showed no signs of B-Tex or Tph and Chlorides came back at 288. At this time I would like to propose to backfill excavated area hauling in clean backfill from landowner Johnny Reed.

If you have any questions or comments feel free to reach Jacob Melancon with Parker Energy at 575-602-2984.

Environmental Supervisor

A handwritten signature in black ink, appearing to read 'Jacob Melancon', written in a cursive style.

Jacob Melancon

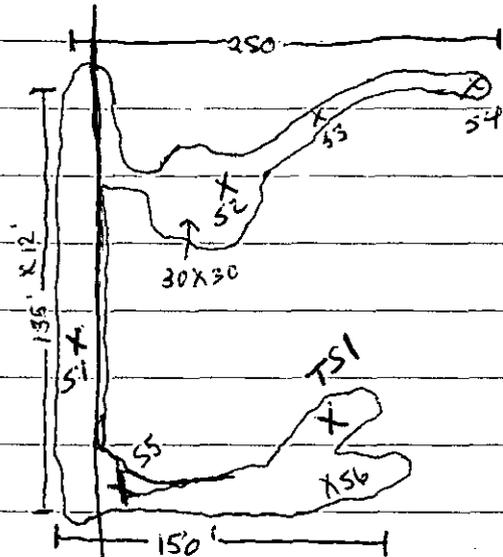
Range operating 1.2.2013

South Culebra Bluff Flowline Release

20-30 ABL release in pasture



BH Sample
X



Lease Road

Range Operating
Reid Wells #1



Century pipeline

Samples

Background - $2 \times 20 = 40$

S1 2-2.5' - $200 \times 20 = 4000 \pm$

S2 2-2.5' - $200 \times 20 = 4000 \pm$

S3 1' - $200 \times 20 = 4000 \pm$

S4 1' - $200 \times 20 = 4000 \pm$

S5 1' - $200 \times 20 = 4000 \pm$

S6 8"-1' - $200 \times 20 = 4000 \pm$

