REMEDIATION PROPOSAL

JENNINGS FED. COM. WELL #1

NMOCD REF. #1RP1093
EPI REF: #306001

UL-F (SE¼ OF THE NW¼) OF SECTION 15, T19S, R32E
~14 MILES SOUTH OF MALJAMAR, NM
LEA COUNTY, NEW MEXICO
LATITUDE: N 32° 39' 43.98" LONGITUDE: W 103° 45' 22.36"

DECEMBER 2007

PREPARED BY:

ENVIRONMENTAL PLUS, INC.
2100 AVENUE O
EUNICE, NEW MEXICO 88231

OK
Chris Williams
1/9/08

PREPARED FOR:

Raya Energy Corporation

P.O. Box 200685

Austin, Texas 78720

ENVIRONMENTAL PLUS, INC.
CONSULTING AND ENVIRONMENTAL REMEDIATION

21 December 2007

Mr. Larry Johnson
Environmental Engineer Specialist
New Mexico Oil Conservation Division
1625 North French Drive
Hobbs, New Mexico 88240

Re: Remediation Proposal
Raya Energy Corporation
Jennings Federal Com. Well #1
UL-F (SE ¼ of the NW ¼), Section 15, T 19 S, R 32 E
Latitude: 32° 39' 43.98"; Longitude: 103° 45' 22.36"
NMOCD Ref. 1RP#1093; EPI Ref. #306001
API #30-025-24836

Dear Mr. Johnson:

On October 15, 2006 a release of petroleum and/or production fluids occurred as a result of a tank battery overflow at the above referenced site. Raya Energy initially retained Environmental Plus, Inc. (EPI) in October, 2006 for emergency response activities and later to delineate the extent of impacted soil at the release area. On behalf of Raya Energy, EPI submitted an Initial NMOCD Form C-141 on October 17, 2006. This letter report documents the results of delineation activities and recommends remediation procedures for the release area.

Site Background

The Site is located in UL-F (SE ¼ of the NW ¼), of Section 15, T19S, R32E at an elevation of approximately 3,635 feet above mean sea level (amsl). The property is owned by the Department of the Interior and managed by the Bureau of Land Management (BLM). A search for water wells was completed utilizing the *New Mexico Office of the State Engineers* website and a database maintained by the United States Geological Survey (USGS). No domestic water wells or surface water exist within a 1,000 feet radius of the Site (reference *Figure 2*). Groundwater data indicates average water depth is approximately 380 feet below ground surface (bgs). Based on available information, it was determined the distance between impacted soil and groundwater is approximately 360 feet bgs. Utilizing this information, the New Mexico Oil Conservation Division (NMOCD) Remedial Goals for this Site were determined as follows:

Parameter	Remedial Goal
Benzene	10 parts per million
BTEX	50 parts per million
TPH	5,000 parts per million

* Chloride residuals may not be capable of impacting local groundwater above NMWQCC of 250 mg/L

P O BOX 1558 ••• 2100 WEST AVE O ••• EUNICE, NEW MEXICO 88231
TELEPHONE 505•394•3481 FAX 505•394•2601

ENVIRONMENTAL PLUS, INC.

Field Work

On October 15, 2006 a release of approximately 400 barrels of petroleum and/or production fluids occurred, of which approximately 260 barrels were recovered, as a result of a tank battery overflow. Immediate remedial activities outside the bermed tank battery area included excavation and on-site stockpiling of impacted soils on plastic sheets.

On October 16, 2006 EPI conducted a site assessment consisting of a GPS survey of and photographing the release area. On November 6, 2006 EPI delineated the release area outside the bermed tank battery confines by advancing three (3) soil borings to vertical depths ranging from twenty (20) feet below ground surface (bgs) to thirty (30) feet bgs (reference *Figure 4*). Soil samples were collected from the soil borings at varying depths to delineate vertical extent of contamination. Soil samples were transported to an independent laboratory for quantification of total petroleum hydrocarbons (TPH); benzene, toluene, ethyl-benzene and total xylenes (BTEX Constituents), chloride and sulfate concentrations. Laboratory analysis indicated TPH and BTEX constituent concentrations were non-detectable (ND) at or above laboratory analytical method detection limits (MDL). Chloride concentrations ranged from 16 mg/Kg (SB-2@ 20') to 496 mg/Kg (SB-1 @ 5') with the latter value above remedial threshold goals of 250 mg/Kg. Sulfate concentrations ranged from 49 mg/KG (SB-1@ 15') to 394 mg/Kg (SB-1@ 5') below NMOCD remedial threshold goal of 600 mg/Kg (reference *Table 2* and *Figure 4*).

Based on laboratory analytical data gathered from Site Delineation activities, EPI recommends the following remediation actions be undertaken to achieve conformance with NMOCD and BLM standards:

Proposed Remediation Plan

Although the release area within the confines of the tank battery was not analyzed for TPH, BTEX, chloride and sulfate concentrations, impacted caliche poses no threat to the environment or contamination of groundwater. This judgment is based on contaminant concentrations in the pooling areas where soil borings were advanced. Remediation of this section can be addressed whenever the tank battery is decommissioned and location reclaimed. Remediation efforts will be confined to the release area located outside the tank battery confines.

As relatively low chloride concentration should not impair growth of indigenous flora or planted grass (reference *Photographs No.6- No.8*), EPI proposes remedial activities to an approximate 10,400 square foot release area outside the tank battery bermed area. Excavate contaminated soil around the vicinity of SB-1 to a depth of ten (10)-ft bgs. However, both depth and width of excavation will be preliminary determined by field analyses of chloride concentrations with final verification by laboratory analyses. During emergency response efforts, contaminated soil in the release area was excavated to an approximate depth one (1)-ft bgs and stockpiled on plastic liners. The area of concern starts southwest of SB-1 and extends to the terminus of the release area as noted on *Figure 5*. The area will require some minor remedial efforts with contaminated soil stockpiled on plastic sheets. After completion of this effort, the entire area is to be disk tilled a minimum depth of one (1) foot bgs. Tilling activities will allow blending of soil to help disperse and lower chloride concentration. Once soil has been tilled, the disturbed area is to be saturated with a six-percent (6%) solution of Micro-Blaze. Volumetric application of Micro-Blaze solution will be sufficient to ensure minimum

penetration depth of two (2) to three (3) inches. After Micro-Blaze solution has penetrated the loose soil (± 48 hours), the area is to be disk tilled again a minimum depth of one (1) foot bgs and re-saturated with a six-percent (6%) solution of Micro-Blaze. This will allow Micro-Blaze solution to advance deeper into the soil while contouring it to a fairly smooth surface. While Micro-Blaze is chemically designed to attenuate petroleum hydrocarbons concentrations, the solution will also fertilize and condition soil. Upon completion of this operation, clean topsoil will be imported from an off-site source to backfill the excavated area around SB-1 and bring the entire release area to original ground surface. The latter activity will require approximately one (1) to two (2) vertical feet of top soil extending the width of the release area. Approximately four-hundred (400)-ft of existing fence will be replaced in the vicinity of SB-3 where the release traversed from one side of the fence to the other (reference *Figure 4*). Impacted soil remaining on-site will be transported to a State approved disposal facility.

Prior to planting grass, three (3) hand auger soil borings will be advanced to an approximate depth of six (6) feet bgs in the same locales as original soil borings (reference *Figure 4*). Soil samples will be collected at two (2) and six (6) feet bgs for analyses of TPH, BTEX and chloride concentrations by an independent laboratory. Dependent on laboratory analytical results, the release area may either require additional remediation activity as previously described or immediate seeding with a blend preferred by the BLM. EPI would prefer seeding the release area in late spring of 2008 when moisture levels are high and survival of newly emerged grass is greater, but is receptive to seeding the area with a cover crop (i.e., winter rye or wheat).

Upon completion of the remediation and seeding activities, the release area will be kept under surveillance until vegetation growth becomes visible. Should no growth appear within a time frame as determined between Raya Energy, NMOCD and BLM, the release area will be deep tilled with a disc to a minimum of one (1) foot bgs, saturated with Micro-Blaze and re-seeded. However, past success with similar projects have proven the recommended remedial activities will accomplish NMOCD and BLM requirements.

Should the above described remediation activities meet with the NMOCD and BLM approval, EPI will initiate remedial efforts immediately.

Please address questions, concerns and/or need for technical information to me at (505) 394-3481 or via e-mail at dduncan@envplus.net. Official correspondence should be addressed to Mr. Ray Reaves, Raya Energy Corporation, at P.O. Box 200685, Austin, Texas, 78720.

Sincerely,

David P. Duncan
Civil Engineer

Cc: Ray Reaves, Raya Energy Corporation
Paul Evans, BLM-Carlsbad
Cody Miller, General Manager, EPI
Roger Boone, Operations Superintendent, EPI
Jason Stegemoller, Environmental Scientist, EPI

Encl: Figure 1 – Area Map
Figure 2 – Site Location Map
Figure 3 – Site Map
Figure 4 – Soil Boring Map
Figure 5 – Proposed Excavated and Disk Tilled Areas
Table 1 – Summary of Soil Boring Field Analyses and Laboratory Analytical Results
Attachment I – Site Photographs
Attachment II – Laboratory Analytical Results and Chain-of-Custody Form
Attachment III – Soil Boring Logs
Attachment IV – Information and Metrics
Copy of Initial NMOCD Form C-141

FIGURES

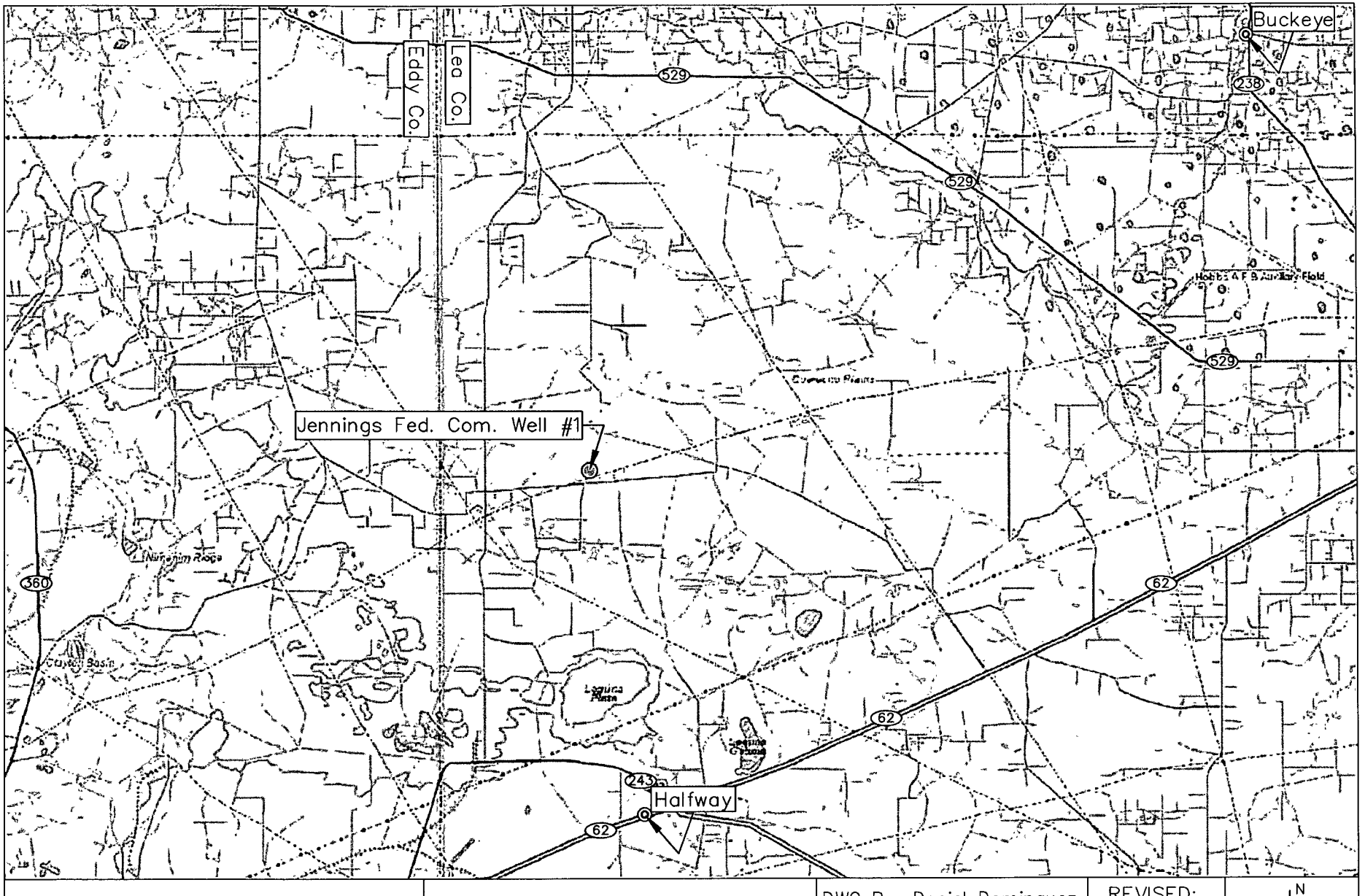


Figure 1
Area Map
Raya Energy Corporation
Jennings Fed. Com. Well #1

Lea County, New Mexico
SE 1/4 of the NW 1/4, Sec. 15, T19S, R32E
N 32° 39' 43.98" W 103° 45' 22.36"
Elevation: 3,635 feet amsl

DWG By: Daniel Dominguez
October 2006

REVISED:

0 3 6
Miles

SHEET
1 of 1

N

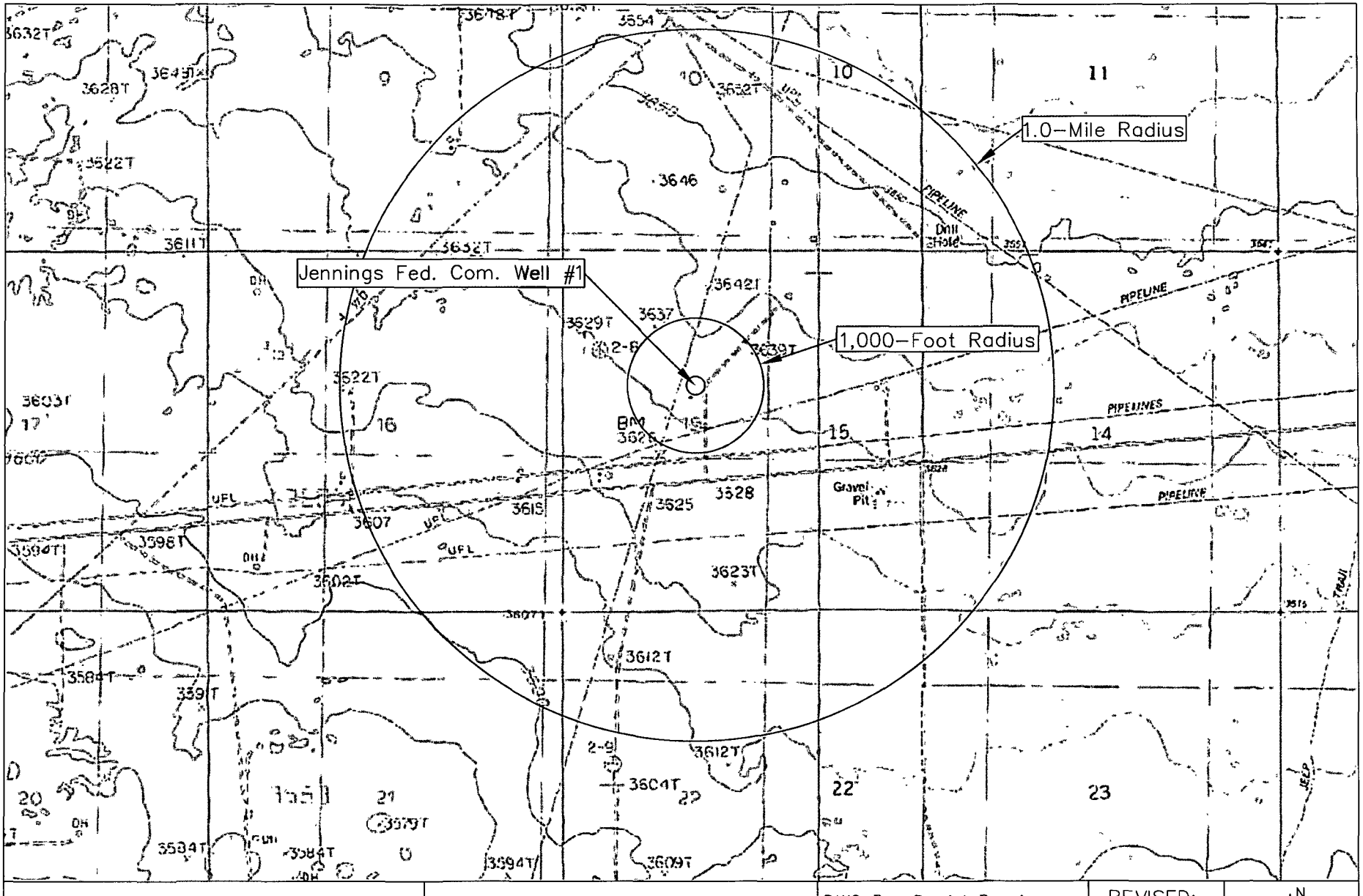


Figure 2 Site Location Map Raya Energy Corporation Jennings Fed. Com. #1	Lea County, New Mexico SE 1/4 of the NW 1/4, Sec. 15, T19S, R32E N 32° 39' 43.98" W 103° 45' 22.36" Elevation: 3,635 feet amsl	DWG By: Daniel Dominguez October 2006 0 2,000 4,000 Feet	REVISED: SHEET 1 of 1

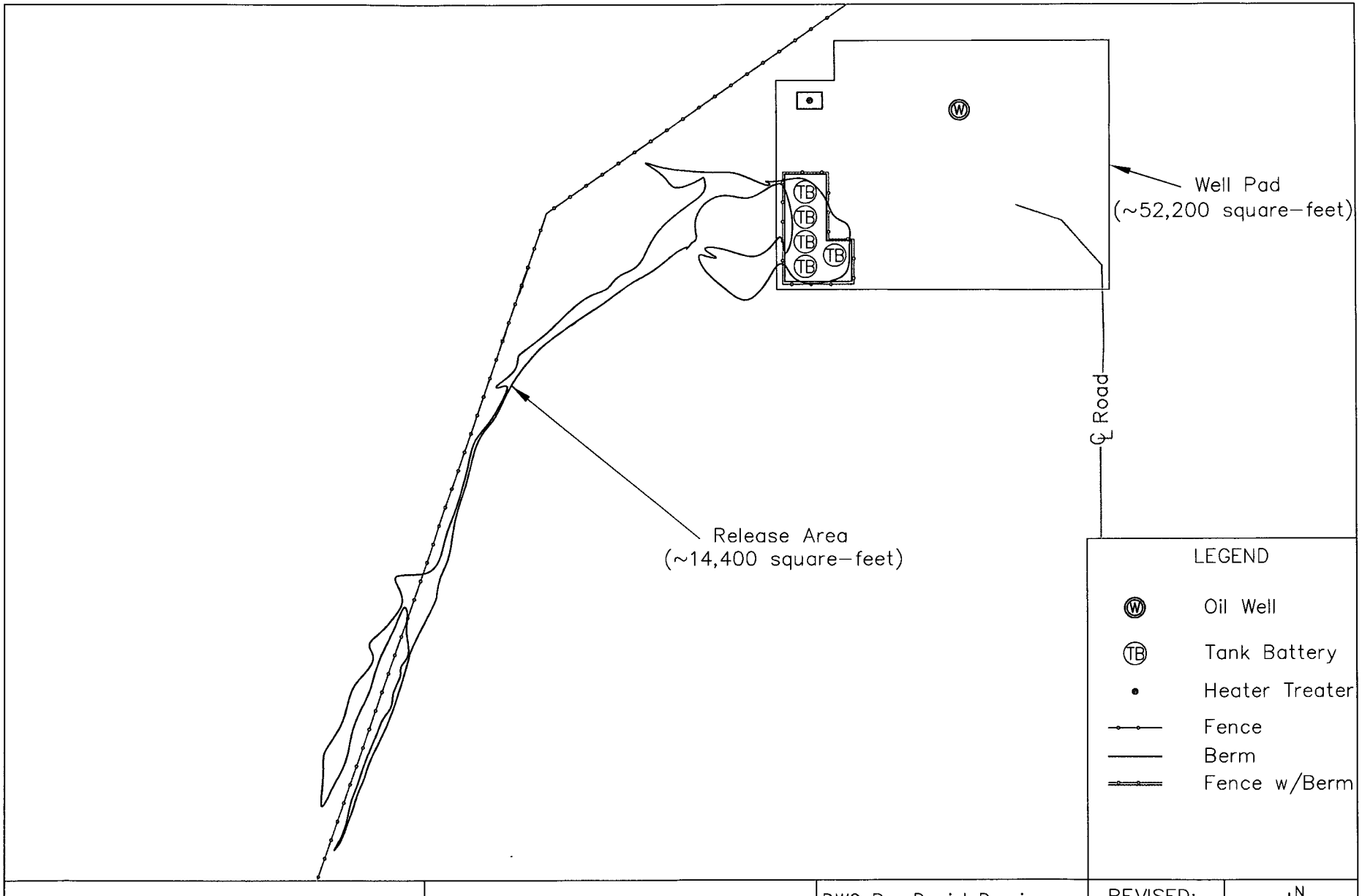


Figure 3
Site Map
Raya Energy Corporation
Jennings Fed. Com. Well #1

Lea County, New Mexico
SE 1/4 of the NW 1/4, Sec. 15, T19S, R32E
N 32° 39' 43.98" W 103° 45' 22.36"
Elevation: 3,635 feet amsl

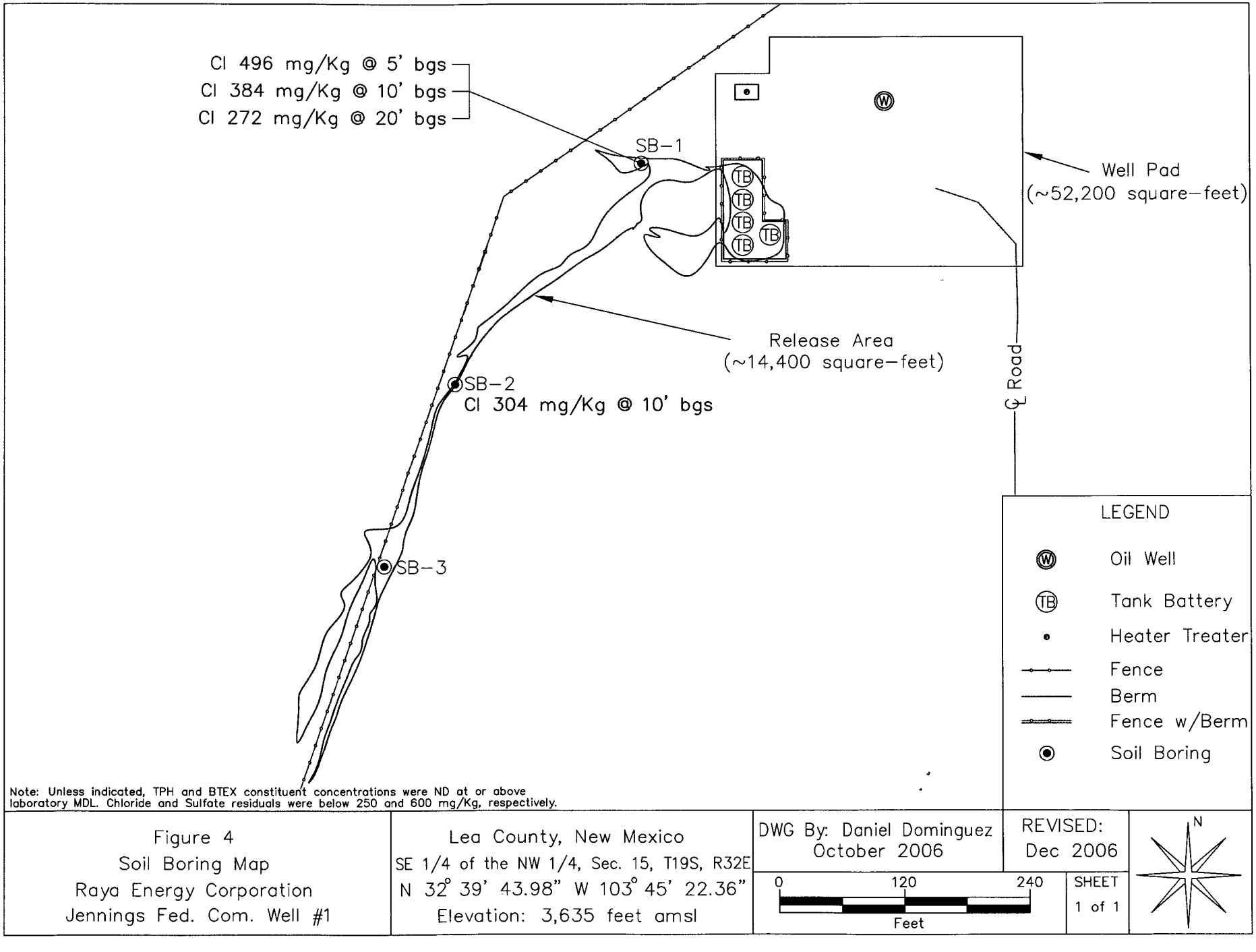
DWG By: Daniel Dominguez
October 2006

REVISED:

0 120 240
Feet

SHEET
1 of 1

N


Cl 496 mg/Kg @ 5' bgs
Cl 384 mg/Kg @ 10' bgs
Cl 272 mg/Kg @ 20' bgs
SB-1
Well Pad
(~52,200 square-feet)
Release Area
(~14,400 square-feet)
SB-2
Cl 304 mg/Kg @ 10' bgs
SB-3
℄ Road
LEGEND
Oil Well
Tank Battery
Heater Treater
Fence
Berm
Fence w/Berm
Soil Boring
Note: Unless indicated, TPH and BTEX constituent concentrations were ND at or above laboratory MDL. Chloride and Sulfate residuals were below 250 and 600 mg/Kg, respectively.
Figure 4
Soil Boring Map
Raya Energy Corporation
Jennings Fed. Com. Well #1
Lea County, New Mexico
SE 1/4 of the NW 1/4, Sec. 15, T19S, R32E
N 32° 39' 43.98" W 103° 45' 22.36"
Elevation: 3,635 feet amsl
DWG By: Daniel Dominguez
October 2006
REVISED:
Dec 2006
0
120
240
Feet
SHEET
1 of 1
N

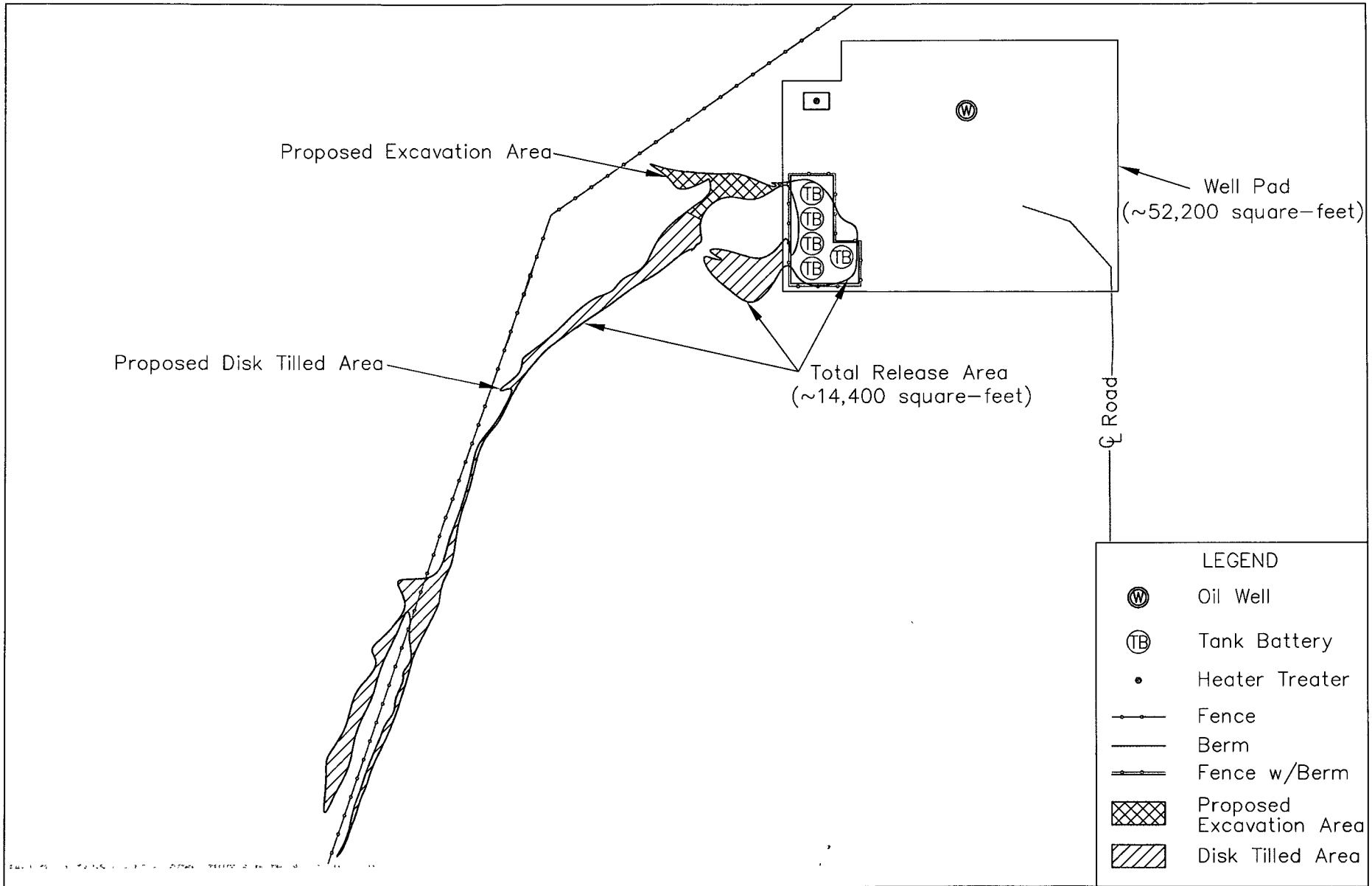


Figure 5 Proposed Excavated & Disk Tilled Map Raya Energy Corporation Jennings Fed. Com. Well #1	Lea County, New Mexico SE 1/4 of the NW 1/4, Sec. 15, T19S, R32E N 32° 39' 43.98" W 103° 45' 22.36" Elevation: 3,635 feet amsl	DWG By: Daniel Dominguez October 2006	REVISED: Nov. 2007	N SHEET 1 of 1

TABLES

TABLE 1

Summary of Soil Boring Soil Sample Field Analyses and Laboratory Analytical Results

Raya Energy - Jennings Fed. Com. Well #1 (EPI Ref. #306001)

Sample ID	Depth (feet)	Soil Status	Sample Date	PID Reading (ppm)	Field Chloride (mg/Kg)	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Total Xylenes (mg/Kg)	Total BTEX (mg/Kg)	Carbon Ranges C6-C10 (mg/Kg)	Carbon Ranges >C10-C28 (mg/Kg)	TPH (mg/Kg)	Sulfate (mg/Kg)	Chloride (mg/Kg)
SB-1	5	In situ	6-Nov-06	2	560	<0.005	<0.005	<0 005	<0.015	<0.030	<10.0	<10.0	<20.0	394	**496**
SB-1	10	In situ	6-Nov-06	0	480	<0005	<005	<005	<015	<0.030	<10.0	<10.0	<20 0	193	**384**
SB-1	15	In situ	6-Nov-06	0	320	--	--	--	--	--	--	--	--	49	144
SB-1	20	In situ	6-Nov-06	0	400	--	--	--	--	--	--	--	--	29	**272**
SB-1	25	In situ	6-Nov-06	0	320	--	--	--	--	--	--	--	--	191	160
SB-1	30	In situ	6-Nov-06	0	160	--	--	--	--	--	--	--	--	209	32
SB-2	5	In situ	6-Nov-06	0	160	<0.005	<0.005	<0.005	<0.015	<0.030	<10 0	<10.0	<20.0	160	32
SB-2	10	In situ	6-Nov-06	0	400	<0.005	<0.005	<0 005	<0.015	<0.030	<10.0	<10 0	<20.0	128	**304**
SB-2	15	In situ	6-Nov-06	0	200	--	--	--	--	--	--	--	--	220	112
SB-2	20	In situ	6-Nov-06	0	160	--	--	--	--	--	--	--	--	87	16
SB-3	5	In situ	6-Nov-06	0.5	200	<0.005	<0.005	<0.005	<0.015	<0 030	<10 0	<10.0	<20.0	151	64
SB-3	10	In situ	6-Nov-06	0	400	<0.005	<0.005	<0.005	<0.015	<0.030	<10 0	<10 0	<20.0	85	240
SB-3	15	In situ	6-Nov-06	0	240	--	--	--	--	--	--	--	--	188	128
SB-3	20	In situ	6-Nov-06	0	160	--	--	--	--	--	--	--	--	104	32
NMOCD Remedial Thresholds				100		10				50			5,000	600	250

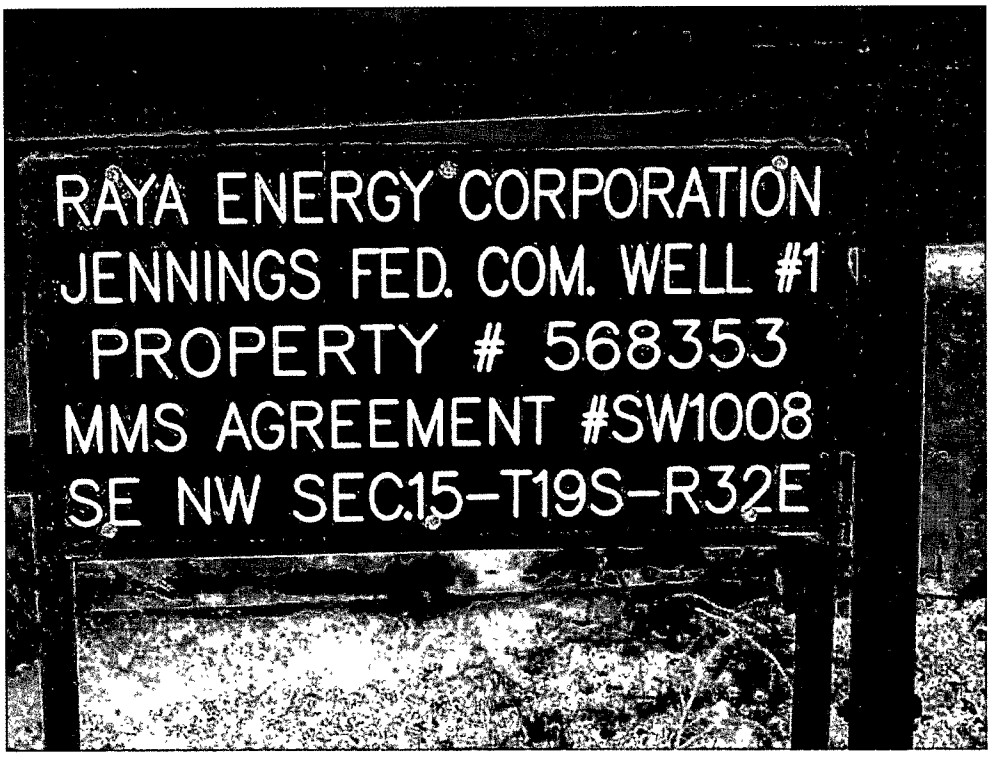
-- = Not Analyzed

***Bold** values are in excess of NMOCD Remediation Threshold Goals*

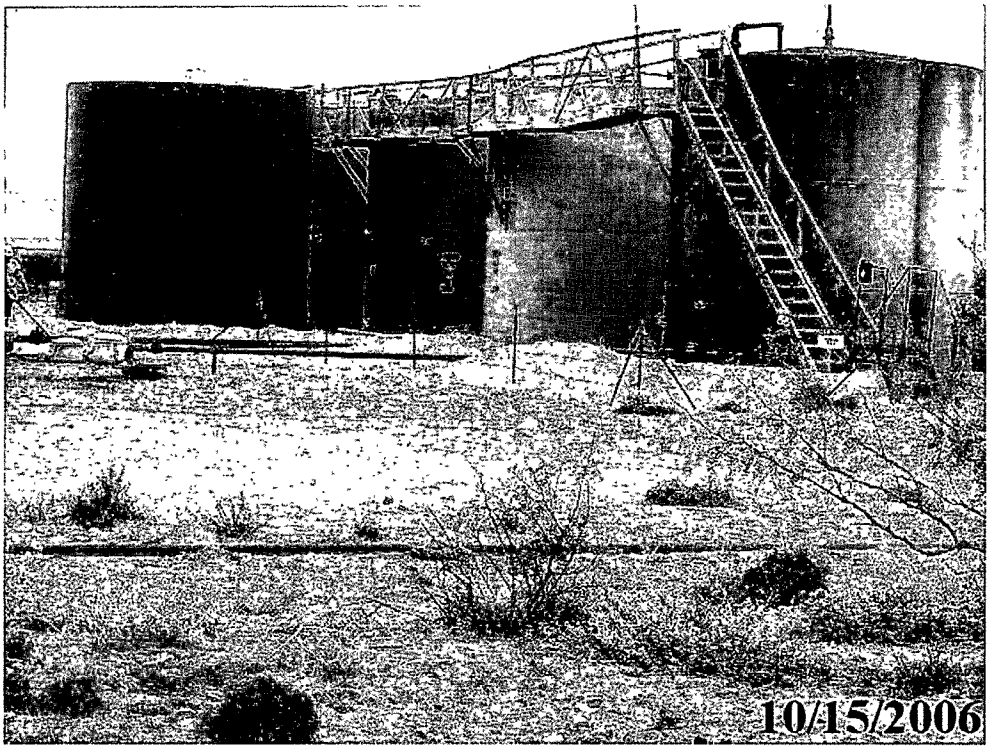
ATTACHMENTS

ATTACHMENT I

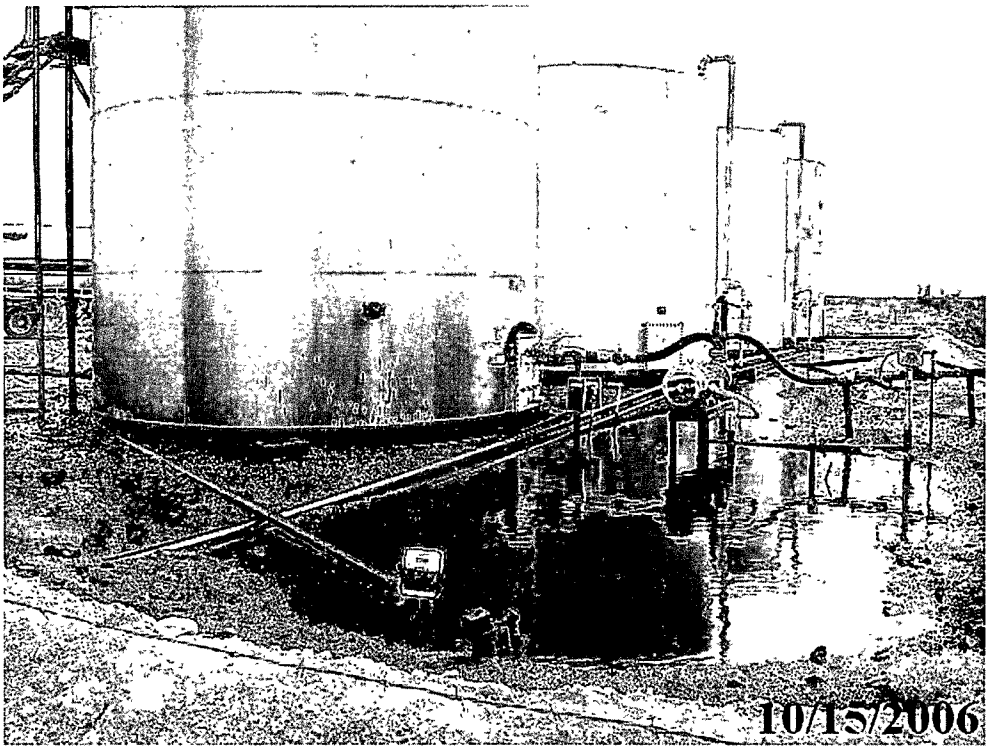
PROJECT PHOTOGRAPHS



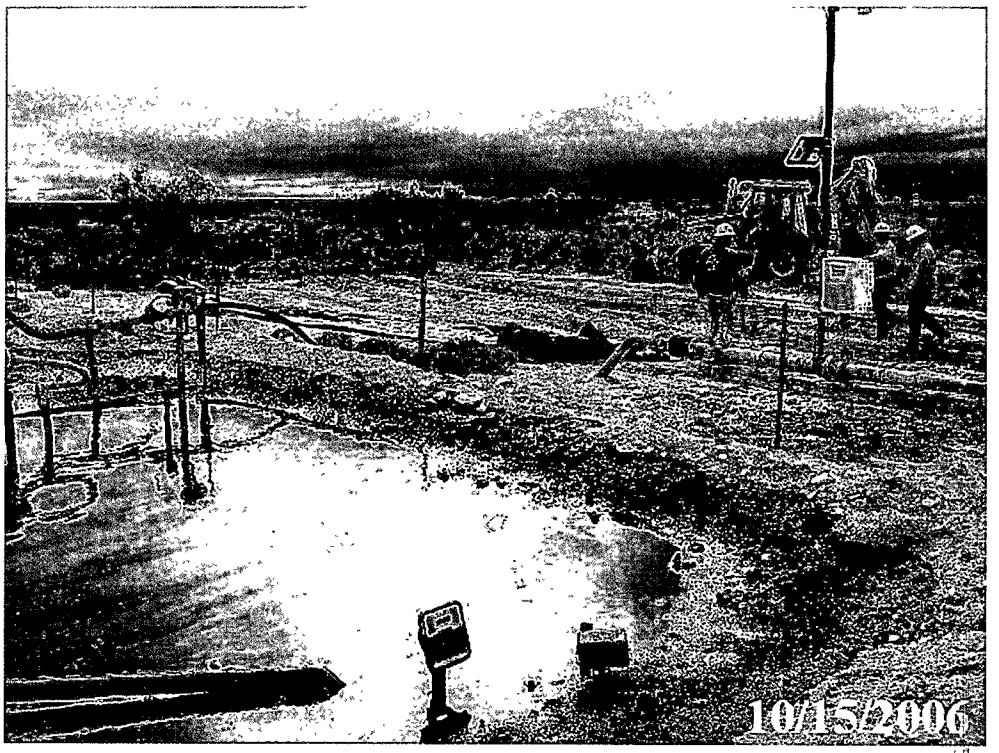
Photograph #1 – Lease sign.



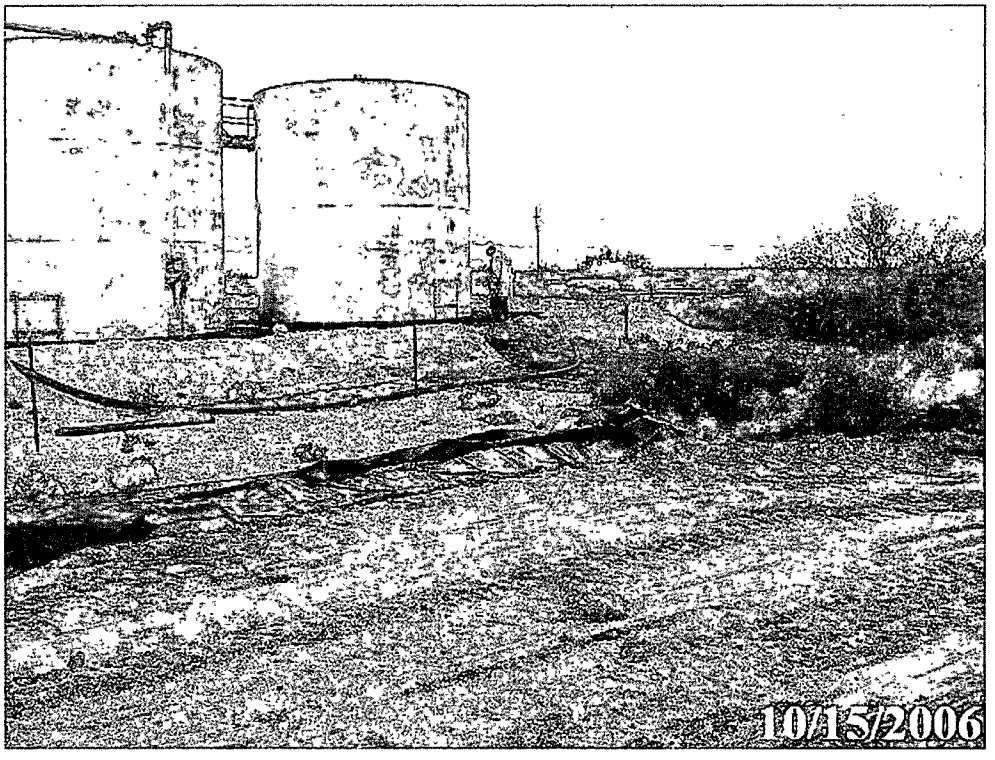
Photograph #2 - Looking north at the release area and tank battery with berm.



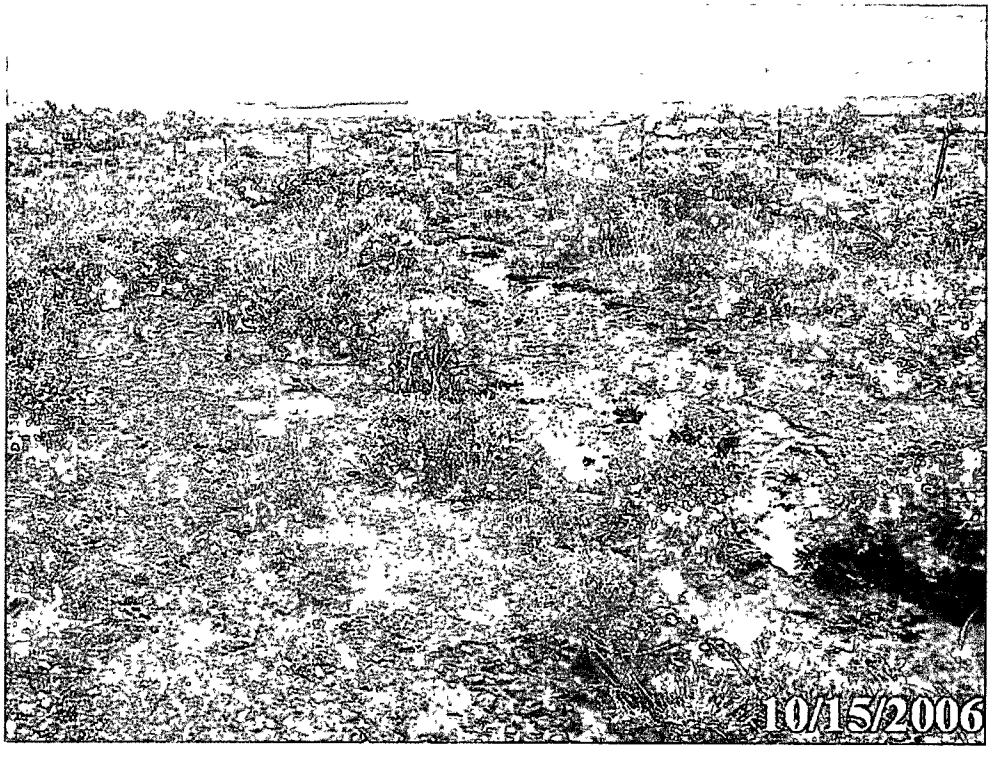
Photograph #3-Looking northerly at release area inside Tank Battery berms.



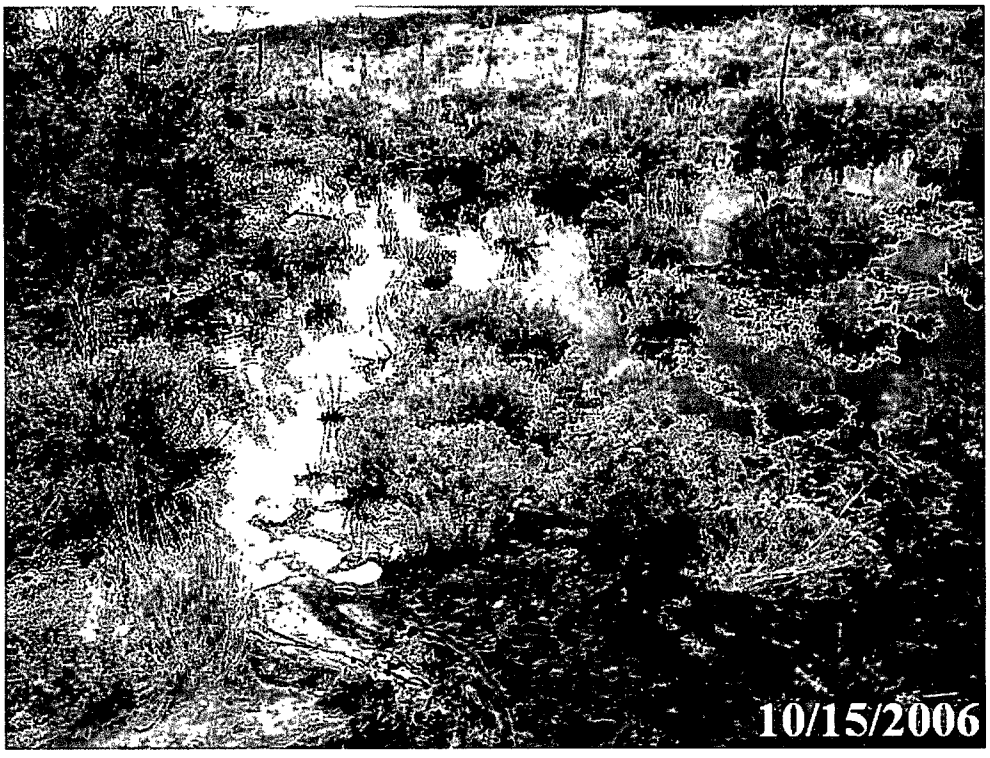
Photograph #4-Looking westerly at release area and emergency response personnel.



Photograph #5-Looking easterly at release area.



Photograph #6-Looking east at release area.



Photograph #7-Looking westerly at release area.

Photograph #8-Looking east at release area.

ATTACHMENT II

LABORATORY ANALYTICAL REPORTS AND CHAIN-OF-CUSTODY FORM

CARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 393-2326 • 101 E MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
ENVIRONMENTAL PLUS, INC.
ATTN: DAVID P. DUNCAN
P.O. BOX 1558
EUNICE, NM 88231
FAX TO: (505) 394-2601

Receiving Date: 11/07/06
Reporting Date: 11/13/06
Project Owner: RAYA ENERGY (306001)
Project Name: JENNINGS #1
Project Location: UL-F, SECT. 15, T 19 S, R 32 E

Sampling Date: 11/06/06
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: HM
Analyzed By: BC

LAB NO.	SAMPLE ID	GRO (C_6-C_{10}) (mg/Kg)	DRO (>C_{10}-C_{28}) (mg/Kg)	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE:		11/10/06	11/10/06	11/10/06	11/10/06	11/10/06	11/10/06
H11768-1	SB-1 (5')	<10.0	<10.0	<0.005	<0.005	<0.005	<0.015
H11768-2	SB-1 (10')	<10.0	<10.0	<0.005	<0.005	<0.005	<0.015
H11768-7	SB-2 (5')	<10.0	<10.0	<0.005	<0.005	<0.005	<0.015
H11768-8	SB-2 (10')	<10.0	<10.0	<0.005	<0.005	<0.005	<0.015
H11768-11	SB-3 (5')	<10.0	<10.0	<0.005	<0.005	<0.005	<0.015
H11768-12	SB-3 (10')	<10.0	<10.0	<0.005	<0.005	<0.005	<0.015
Quality Control		749	763	0.101	0.103	0.102	0.294
True Value QC		800	800	0.100	0.100	0.100	0.300
% Recovery		93.6	95.4	101	103	102	97.9
Relative Percent Difference		2.1	5.2	4.1	1.2	0.1	0.4

METHODS: TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8260.

Burgess J. A. Cooke, Ph. D.

11/13/06
Date

H11768A

CARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 393-2326 • 101 E MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
ENVIRONMENTAL PLUS, INC.
ATTN: DAVID P. DUNCAN
P.O. BOX 1558
EUNICE, NM 88231
FAX TO: (505) 394-2601

Receiving Date: 11/07/06
Reporting Date: 11/09/06
Project Owner: RAYA ENERGY (306001)
Project Name: JENNINGS #1
Project Location: UL-F, SECT. 15, T 19 S, R 32 E

Sampling Date: 11/06/06
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: HM
Analyzed By: AB

LAB NUMBER	SAMPLE ID	SO_4 (mg/Kg)	Cl (mg/Kg)
ANALYSIS DATE:		11/08/06	11/08/06
H11768-1	SB-1 (5')	394	496
H11768-2	SB-1 (10')	193	384
H11768-3	SB-1 (15')	49	144
H11768-4	SB-1 (20')	79	272
H11768-5	SB-1 (25')	191	160
H11768-6	SB-1 (30')	209	32
H11768-7	SB-2 (5')	160	32
H11768-8	SB-2 (10')	128	304
H11768-9	SB-2 (15')	220	112
H11768-10	SB-2 (20')	87	16
H11768-11	SB-3 (5')	151	64
H11768-12	SB-3 (10')	85	240
H11768-13	SB-3 (15')	188	128
H11768-14	SB-3 (20')	104	32
Quality Control		27.2	490
True Value QC		25.0	500
% Recovery		109	98
Relative Percent Difference		13.0	2.0

METHODS:	EPA 600/4-79-020	375.4	SM 4500 Cl B

NOTE: Analyses performed on 1:4 w:v aqueous extracts.

Chemist

11-13-06
Date

H11768

Environmental Plus, Inc.

Chain of Custody Form

2100 Avenue O, Eunice, NM 88231 *P.O. Box 1558, Eunice, NM 88231*
(505) 394-3481 FAX: (505) 394-2601

LAB: Cardinal

Company Name	Environmental Plus, Inc.
EPI Project Manager	David P. Duncan
Mailing Address	P.O. BOX 1558
City, State, Zip	Eunice New Mexico 88231
EPI Phone#/Fax#	505-394-3481 / 505-394-2601
Client Company	RAYA ENERGY
Facility Name	Jennings #1
Location	UL-F, Sect. 15, T 19 S, R 32 E
Project Reference	306001
EPI Sampler Name	George Blackburn

Bill To

Jennings Fed. Com. #1

ANALYSIS REQUEST

LAB I.D.	SAMPLE I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX: GROUND WATER	MATRIX: WASTEWATER	MATRIX: SOIL	MATRIX: CRUDE OIL	MATRIX: SLUDGE	MATRIX: OTHER:	PRESERV.: ACID/BASE	PRESERV.: ICE/COOL	PRESERV.: OTHER	SAMPLING: DATE	SAMPLING: TIME	BTEX 8021B	TPH 8015M	CHLORIDES (Cl^-)	SULFATES ($SO_4^=$)	pH	TCLP	OTHER >>>	PAH			
#11768 - 1	SB-1 (5')	G	1			X					X		06-Nov-06	8:30	X	X	X	X							
2	SB-1 (10')	G	1			X					X		06-Nov-06	9:00	X	X	X	X							
3	SB-1 (15")	G	1			X					X		06-Nov-06	9:30	X	X	X	X		SEE NOTES					
4	SB01 (20')	G	1			X					X		06-Nov-06	9:58	X	X	X	X		SEE NOTES					
5	SB-1 (25')	G	1			X					X		06-Nov-06	10:35	X	X	X	X		SEE NOTES					
6	SB-1 (30')	G	1			X					X		06-Nov-06	11:05	X	X	X	X		SEE NOTES					
7	SB-2 (5')	G	1			X					X		06-Nov-06	13:28	X	X	X	X							
8	SB-2 (10')	G	1			X					X		06-Nov-06	13:47	X	X	X	X							
9	SB-2 (15')	G	1			X					X		06-Nov-06	14:14	X	X	X	X		SEE NOTES					
10	SB-2 (20')	G	1			X					X		06-Nov-06	14:40	X	X	X	X		SEE NOTES					

Sampler Relinquished:	Date / Time	Received By	
Relinquished by	Date 11-7-06 / Time 7:15	Received By. (lab staff)	
Delivered by	Sample Cool & Intact (Yes) No	Checked By	

E-mail results to: dduncan@envplus.net

NOTES: Analyze soil samples for TPH and BTEX concentrations until two (2) consecutive analyses are below the following remedial threshold goals: benzene <10 mg/Kg, BTEX < 50 mg/Kg and TPH <5000 mg/Kg. Analyze all soil samples for chloride and sulfate concentrations. **ANY QUESTIONS, PLEASE CALL DAVID P. DUNCAN AT (505) 394-3481.**

NOTE: TALKED TO DAVID (11-09-06) ABOUT SAMPLE #11768-3. SHOULD BE 15' NOT 15"

Environmental Plus, Inc.

2100 Avenue O, Eunice, NM 88231 *P.O. Box 1558, Eunice, NM 88231*
(505) 394-3481 FAX: (505) 394-2601

Chain of Custody Form

LAB: Cardinal

Company Name	Environmental Plus, Inc.
EPI Project Manager	David P. Duncan
Mailing Address	P.O. BOX 1558
City, State, Zip	Eunice New Mexico 88231
EPI Phone#/Fax#	505-394-3481 / 505-394-2601
Client Company	RAYA ENERGY
Facility Name	Jennings #1
Location	UL-F, Sect. 15, T 19 S, R 32 E
Project Reference	306001
EPI Sampler Name	George Blackburn

Bill To

Jennings Fed. Com. #1

ANALYSIS REQUEST

LAB I.D.	SAMPLE I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX: GROUND WATER	MATRIX: WASTEWATER	MATRIX: SOIL	MATRIX: CRUDE OIL	MATRIX: SLUDGE	MATRIX: OTHER:	PRESERV.: ACID/BASE	PRESERV.: ICE/COOL	PRESERV.: OTHER	SAMPLING: DATE	SAMPLING: TIME	BTEX 8021B	TPH 8015M	CHLORIDES (Cl^-)	SULFATES ($SO_4^{=}$)	pH	TCLP	OTHER >>>	PAH			
#11768 - 1	SB-3 (5')	G	1			X					X		06-Nov-06	15:00	X	X	X	X							
- 2	SB-3 (10')	G	1			X					X		06-Nov-06	15:28	X	X	X	X							
- 3	SB-3 (15')	G	1			X					X		06-Nov-06	15:50	X	X	X	X			SEE NOTES				
- 4	SB03 (20')	G	1			X					X		06-Nov-06	16:20	X	X	X	X			SEE NOTES				
5																									
6																									
7																									
8																									
9																									
10																									

Sampler Relinquished	Date / Time	Received By:	
Relinquished by:	Date 11-7-06 / Time 315	Received By: (lab staff)	
Delivered by:	Sample Cool & Intact: Yes / No	Checked By	

E-mail results to: dduncan@envplus.net

NOTES: Analyze soil samples for TPH and BTEX concentrations until two (2) consecutive analyses are below the following remedial threshold goals: benzene <10 mg/Kg. BTEX < 50 mg/Kg and TPH <5000 mg/Kg. Analyze all soil samples for chloride and sulfate concentrations. **ANY QUESTIONS, PLEASE CALL DAVID P. DUNCAN AT (505) 394-3481.**

ATTACHMENT III

SOIL BORING LOGS

Log Of Test Borings

(NOTE - Page 1 of 1)

ENVIRONMENTAL PLUS, INC.
CONSULTING AND
REMEDIAL CONSTRUCTION
EUNICE, NEW MEXICO
505-394-3481

Project Number: 306001

Project Name: Raya Energy-Jennings #1

Location: UL-F, Section 15, Township 19 South, Range 32 East

Boring Number: SB-1 | Surface Elevation: 3,635-feet amsl

Start Date: 11-6-06 Time: 0800 hrs

Completion Date: 11-6-06 Time: 1245 hrs

Time	Sample Type	Recovery (inches)	Moisture	PID Readings (ppm)	Chloride Analysis (mg/Kg)	U.S.C.S. Symbol	Depth (feet)	Description
								SAND, Red
								CLAY/Sand, Red
0830	SS	6	little	1.9	560		5	5' CALICHE/Sand, Tan
0900	SS	6	little	0	480		10	10' CALICHE/Sand, Tan
0930	SS	6	no	0	320		15	15' CALICHE/Sand, Tan
0958	SS	6	no	0	400		20	20' SAND/Gravel, Reddish Brown
1035	SS	6	no	0	320		25	25' SAND/Gravel, Reddish Brown
								CLAY/Sand, Red
1108	SS	6	no	0	160		30	30' CLAY/Sand, Red
								End of Soil Boring at 30' bgs

Water Level Measurements (feet)

Date	Time	Sample Depth	Casing Depth	Cave-in Depth	Water Level
-	-	-	-	-	-
-	-	-	-	-	-

Drilling Method: Auger

Backfill Method: Bentonite

Field Representative: GB

Log Of Test Borings

ENVIRONMENTAL PLUS, INC.
CONSULTING AND
REMEDIAL CONSTRUCTION
EUNICE, NEW MEXICO
505-394-3481

Project Number: 306001

Project Name: Raya Energy-Jennings #1

Location: UL-F, Section 15, Township 19 South, Range 32 East

Boring Number: SB-2 | Surface Elevation: 3,635-feet amsl

Start Date: 11-6-06 Time: 1310 hrs

Completion Date: 11-6-06 Time: 1455 hrs

Time	Sample Type	Recovery (inches)	Moisture	PID Readings (ppm)	Chloride Analysis (mg/Kg)	U.S.C.S. Symbol	Depth (feet)	Description
								SAND/Clay, Red
							5	
1328	SS	5	no	0	160			5' CALICHE/Sand, Tan
							10	
1347	SS	5	no	0	400			10' CALICHE/Sand, Tan
								SANDSTONE/Gravel, Brown
							15	
1412	SS	6	no	0	200			15' SANDSTONE/Gravel, Brown
								SANDSTONE, Reddish Brown
							20	
1440	SS	6	no	0	160			20' SANDSTONE, Reddish Brown
								End of Soil Boring at 20' bgs
							25	
							30	

Water Level Measurements (feet)

Date	Time	Sample Depth	Casing Depth	Cave-in Depth	Water Level
-	-	-	-	-	-
-	-	-	-	-	-

Drilling Method: Auger

Backfill Method: Bentonite

Field Representative: GB

Log Of Test Borings

ENVIRONMENTAL PLUS, INC.
CONSULTING AND
REMEDIAL CONSTRUCTION
EUNICE, NEW MEXICO
505-394-3481

Project Number: 306001

Project Name: Raya Energy-Jennings #1

Location: UL-F, Section 15, Township 19 South, Range 32 East

Boring Number: SB-3 | Surface Elevation: 3,635-feet amsl

Start Date: 11-6-06 Time: 1500 hrs

Completion Date: 11-6-06 Time: 1645 hrs

Time	Sample Type	Recovery (inches)	Moisture	PID Readings (ppm)	Chloride Analysis (mg/Kg)	U.S.C.S. Symbol	Depth (feet)	Description
								SAND, Black Oily
1510	SS	6	little	.5	200		5	5' CALICHE
1528	SS	6	no	0	400		10	10' SANDSTONE, Whitish
1550	SS	6	no	0	240		15	15' SANDSTONE/Gravel, Reddish Brown
1620	SS	6	no	0	160		20	20' SANDSTONE/Gravel, Reddish Brown
								End of Soil Boring at 20' bgs
							25	
							30	

Water Level Measurements (feet)

Date	Time	Sample Depth	Casing Depth	Cave-in Depth	Water Level
-	-	-	-	-	-
-	-	-	-	-	-

Drilling Method: Auger

Backfill Method: Bentonite

Field Representative: GB

ATTACHMENT IV

INFORMATION AND METRICS FORM
INITIAL NMOCD FORM C-141

Raya Energy Corporation Information and Metrics	**Incident Date:** 15 October 2006	**NMOCD Notified:** 16 October 2006

Site: Jennings Fed. Com. Well #1	**Assigned Site Reference :** #306001
Company: Raya Energy Corporation	
Street Address:	
Mailing Address: P.O. Box 200685	
City, State, Zip: Austin, Texas 78720	
Representative: Ronnie Rogers	
Representative Telephone: (512) 250-8692	
Telephone:	
Fluid volume released (bbls): 400 bbls	**Recovered (bbls):** 250 bbls
>25 bbls: Notify NMOCD verbally within 24 hrs and submit form C-141 within 15 days. (Also applies to unauthorized releases >500 mcf Natural Gas)	
5-25 bbls: Submit form C-141 within 15 days (Also applies to unauthorized releases of 50-500 mcf Natural Gas)	
Leak, Spill, or Pit (LSP) Name: Jennings Fed. Com. Well #1	
Source of contamination: Tank Battery	
Land Owner, i.e., BLM, ST, Fee, Other: BLM	
LSP Dimensions: 144 feet by 100 feet	
LSP Area: ~14,400 ft^2	
Location of Reference Point (RP):	
Location distance and direction from RP:	
Latitude: N 32° 39' 43.98"	
Longitude: W 103° 45' 22.36"	
Elevation above mean sea level: 3,635 feet	
Feet from North Section Line:	
Feet from West Section Line:	
Location- Unit or ¼¼: SE¼ of the NW¼	**Unit Letter:** F
Location- Section: 15	
Location- Township: T19S	
Location- Range: R32E	
Surface water body within 1000 ' radius of site: none	
Domestic water wells within 1000' radius of site: none	
Agricultural water wells within 1000' radius of site: none	
Public water supply wells within 1000' radius of site: none	
Depth from land surface to groundwater (DG): ~380 feet	
Depth of contamination (DC): unknown	
Depth to groundwater (DG – DC = DtGW): ~380 feet	

1. Groundwater	**2. Wellhead Protection Area**	**3. Distance to Surface Water Body**
If Depth to GW <50 feet: *20 points*	If <1000' from water source, or;<200' from private domestic water source: *20 points*	<200 horizontal feet: *20 points*
If Depth to GW 50 to 99 feet: *10 points*		200-1000 horizontal feet: *10 points*
If Depth to GW >100 feet: *0 points*	If >1000' from water source, or; >200' from private domestic water source: *0 points*	>1000 horizontal feet: *0 points*
Site Rank (1+2+3) = 0+0+0=0		

Total Site Ranking Score and Acceptable Concentrations

Parameter	>19	10-19	0-9
Benzene[1]	10 ppm	10 ppm	10 ppm
BTEX[1]	50 ppm	50 ppm	50 ppm
TPH	100 ppm	1,000 ppm	5,000 ppm

[1]100 ppm field VOC headspace measurement may be substituted for lab analysis

District I
1625 N. French Dr , Hobbs, NM 88240
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

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 October 10, 2003

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company: Raya Energy Corporation	**Contact:** Ronnie Rogers
Address: P.O. Box 200685, Austin, Tx 78720	**Telephone No.:** (512) 250-8692
Facility Name: Jennings Fed. Com. Well #1	**Facility Type:** Tank Battery

Surface Owner: BLM	**Mineral Owner:**	**Lease No.:**

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
F	15	19S	32E					Lea

380'

Latitude: N 32° 39' 43.98" **Longitude:** W 103° 45' 22.36"

NATURE OF RELEASE

Type of Release: Petroleum and/or production fluids	**Volume of Release:** 400 bbls	**Volume Recovered:** 260 bbls
Source of Release: Tank Battery	**Date and Hour of Occurrence:** 15 October 2006 @ 1100 hrs	**Date and Hour of Discovery:** 15 October 2006 @ 1100 hrs
Was Immediate Notice Given? ☐ Yes ☒ No ☐ Not Required	**If YES, To Whom?**	
By Whom? Ray Reeves	**Date and Hour:** 16 October 2006 @ a.m.	
Was a Watercourse Reached? ☐ Yes ☒ No	**If YES, Volume Impacting the Watercourse:** Not Applicable	

Depth to water: ~380 ft

If a Watercourse was Impacted, Describe Fully.* Not Applicable

Describe Cause of Problem and Remedial Action Taken.* The release is due to a tank battery overflow.

Describe Area Affected and Cleanup Action Taken.* Approximately 400 barrels of oil/produced water were released from the tank battery with recovery of approximately 260 barrels. Approximately 14,400 square-feet of surface area were impacted by the release. Environmental Plus, Inc. (EPI) responded on an emergency call and assisted another crew in temporarily cleaning the surface impacted soil. An unknown volume of soil was placed on plastic barriers while the remainder was covered with top soil in an effort to both dry the material and prevent spreading of the commingled fluid. EPI will develop a remediation plan and submit it to the NMOCD for approval.

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: Ronnie Rogers	**Approved by District Supervisor:** Enrico Gil	
Title: Pumper	**Approval Date:** 10.20.06	**Expiration Date:** 12.20.06
E-mail Address:	**Conditions of Approval:** SUBMIT DELINEATION & PLAN FOR APPROVAL BY 12.20.06	**Attached** ☐
Date: **Phone:** (512) 250-8692		

*** Attach Additional Sheets If Necessary**

Facility - fPAC0629231114
Incident - nPAC0629231194
Application - pPAC0629231295

RP#1093