

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



DEC 26 2007
OCD-ARTESIA

Form C- 144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

2RP-24

Operator: Chevron USA Inc OCD-115 # 4323
Telephone: (505) 394-1237 e-mail address: BillyAnderson@chevron.com
Address: Box 1949, Eunice, NM 88231
Facility or well name: Marquardt Federal #3 #: 30-015-23137 U/L or Qtr/Qtr K Sec 12 T 25S R 26E
County: Eddy Latitude N 32 deg 08.526' Longitude W 104 deg 14.974' NAD: 1927 ☒ 1983 ☐
Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

Pit	Below-grade tank
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>20</u> mil Clay <input type="checkbox"/> Pit Volume <u>7000</u> bbl	Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) > 70 Feet 100 feet or more (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) No (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more (0 points)
Ranking Score (Total Points) 10	

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☒ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☒ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results.
(5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: One half of the burial pit will be excavated, and samples will be collected below the liner. When laboratory results report chloride concentrations at approximately 2,000 mg/kg, the excavated half of the pit will be lined with a 20 mil plastic liner. At that time, the other half of the pit will be excavated and placed on the plastic. Samples will be collected below the liner, as previously described. When laboratory results report chloride concentrations at approximately 2,000 mg/kg, the excavated contents of the first half of the pit will be placed on the plastic. The entire contents of the pit will be completely encapsulated and capped with a 20 mil liner, and covered with 3 feet of topsoil to grade. The surface will be contoured and re-seeded with BLM #4 mixture. Sample results will be submitted with the final C144 form.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: December 17, 2007

Printed Name/Title: Billy A. Anderson, HES Specialist

Signature Billy A. Anderson

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Workplan / Analytical Data Attached

Approval:

Printed Name/Title

Signature

Signed By Mike Anderson

Date

JAN 07 2008

SEE ATTACHED
STIPULATIONS

Bratcher, Mike, EMNRD

From: Bratcher, Mike, EMNRD
Sent: Tuesday, January 08, 2008 12:30 PM
To: 'billyanderson@chevron.com'
Cc: 'Cindy Crain'
Subject: Marquardt Fed 003/Marquardt Fed 006

Mr. Billy Anderson
Chevron USA Inc.
PO Box 1949
Eunice NM 88231

Reference: Marquardt Federal 003 K-12-25s-26e API: 30-015-23137 (OCD Tracking: 2RP-24) Marquardt
Federal 006 E-1-25s-26e API: 30-015-28561 (OCD Tracking: 2RP-25)

Dear Mr. Anderson,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of a form C-144, analytical data, and a proposal for excavation and trench burial of closed drilling pit contents at the above referenced sites. The project is part of Bureau of Land Management (BLM) required site reclamation. The well bores at these sites are currently plugged. The OCD lists the responsible party (operator of record) as Chevron USA, Inc. OGRID number, 4323. The proposal was formulated by your agent, Ocotillo Environmental.

The closure proposals are approved as presented with the following stipulations:

- Notify the OCD 48 hours prior to commencement of activities.
- Notify the OCD 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to OCD.
- Submit a closure report to OCD upon satisfactory completion of project.
- Like approval by BLM.

Please be advised that this approval does not relieve the operator or responsible party of liability should their operations have failed to adequately investigate and remediate contamination that may pose a threat to ground water, human health or the environment. In addition, this approval does not relieve the operator or responsible party of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I can be of assistance, please contact me.

Sincerely,

Mike Bratcher
NMOCD District II
Office (575)748-1283x108
Cell (575)626-0857

1/8/2008

Ocotillo ENVIRONMENTAL

Dirt Work • On-Site Remediation • Soil Testing • Excavation

December 17, 2007

Mr. Bob Ballard
United States Department of the Interior
Bureau of Land Management
620 E. Greene St.
Carlsbad, NM 88220-6292

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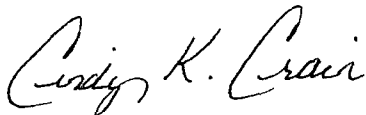
**Re: Remediation and Reclamation Workplan
Chevron Marquardt Federal #3
Unit Letter K, Section 12, T25S, R26E
Eddy County, New Mexico
Lat. N 32° 08.526', Long. W 104° 14.974'**

Dear Mr. Ballard:

Attached please find a Remediation and Reclamation Workplan for the Chevron Marquardt Federal #3 reserve pit. The site is located in Unit Letter K, Section 12, Township 25 South, Range 26 East, Eddy County, New Mexico. Upon approval of the plan by your office, Chevron will begin reclamation activities. This Workplan replaces the Reclamation Workplan dated September 25, 2007.

If you have any questions or need additional information, please do not hesitate to call me at (505) 441-7244 or email me at Cindy.Crain@gmail.com.

Sincerely,
Ocotillo Environmental, LLC



Cindy K. Crain, P.G.
Environmental Manager

cc: Bill Anderson, Chevron
Mike Bratcher, OCD, Artesia

Ocotillo ENVIRONMENTAL

Dirt Work • On-Site Remediation • Soil Testing • Excavation

December 17, 2007

Mr. Bob Ballard
United States Department of the Interior
Bureau of Land Management
620 E. Greene St.
Carlsbad, NM 88220-6292

DEC 26 2007
OCD-ARTESIA

**Re: Remediation and Reclamation Workplan
Marquardt Federal #3
Unit Letter K, Section 12, T25S, R26E
Eddy County, New Mexico
Lat. N 32° 08.526', Long. W 104° 14.974'**

Dear Mr. Ballard:

Chevron MidContinent Alaska (Chevron) has retained Ocotillo Environmental, LLC (Ocotillo) to conduct soil reclamation activities at the Marquardt Federal #3 old reserve pit location. The abandoned well and pit are located in the northeast quarter (NE/4) of the southwest quarter (SW/4), Section 12, Township 25 South, Range 26 East, Eddy County, New Mexico (Site). A letter from the Bureau of Land Management (BLM) was received by Chevron on July 16, 2007, requesting that soil samples be collected at the site and a reclamation plan submitted if the samples "came back high greater than 3000 mg/l". On September 25, 2007, a Reclamation Workplan was submitted to the BLM and approved on October 22, 2007. The Workplan was subsequently submitted to the New Mexico Oil Conservation Division (NMOCD) in Artesia, New Mexico, also on October 22, 2007, for approval. Approval of the plan was denied by the NMOCD on December 13, 2007, and a new workplan for the encapsulation of the entire pit contents was requested. The following information is redundant of the September 25, 2007 Reclamation Workplan, and the proposed remediation and reclamation has been changed in order to satisfy the requirements of both the BLM and the NMOCD. Figure 1 shows the site location.

On July 31, 2007, Ocotillo collected soil samples (SS-1 through SS-7) at the site from seven (7) locations at a depth of 0 to 6 inches below ground surface (bgs). A background surface sample (SS-8) was also collected, approximately 185 feet north of the site. The soil samples were placed in clean glass jars and submitted under chain of custody control to Cardinal Laboratories (Cardinal) of Hobbs, New Mexico for chloride analysis. Figure 2 shows the sample locations and the chloride results. Table 1 reports a summary of the laboratory analyses. Laboratory results and chain of custody documentation are included in Appendix A.

Referring to Table 1, all samples reported chloride concentrations above 3,000 mg/kg, with the exception of sample SS-7 (2,399 mg/kg) located at the northeast edge of the site, and the background sample SS-8 (48 mg/kg).

On September 17, 2007, Ocotillo installed three (3) soil borings at the site (BH-1, BH-2 and BH-3) using an air rotary drilling rig, in order to determine the vertical extent of chloride impact. The rig was operated by Scarborough Drilling of Lamesa, Texas. Soil boring BH-1 was drilled to a depth of approximately 26 feet bgs, BH-2 to a depth of approximately 22 feet bgs, and

BH-3 to a depth of approximately 27 feet bgs. Soil samples were collected at a depth of five (5) feet bgs and every five (5) feet thereafter, to a depth of 20-22 feet bgs in boring BH-1 and BH-2, and a depth of 25-27 feet bgs in boring BH-3. Samples were placed in clean glass sample jars and submitted to Cardinal for laboratory analysis of chlorides. Figure 2 shows the boring locations. Table 1 reports a summary of the laboratory analyses. Laboratory results and chain of custody documentation are included in Appendix A. Boring logs are included in Appendix B.

Referring to Table 1, the laboratory results reported chloride concentrations less than 3,000 mg/kg in boring BH-1 at a depth of 15 to 17 feet bgs (1,710 mg/kg), in boring BH-2 at 10 to 12 feet bgs (1,120 mg/kg), and in boring BH-3 at a depth of 15 to 17 feet bgs (1,340 mg/kg).

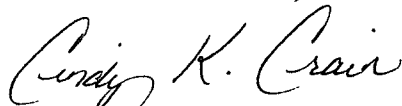
Proposed Remediation and Reclamation

As discussed with Mike Bratcher, of the NMOCD in Artesia, depth to groundwater at the Marquardt Federal #3 site has been proven to be greater than 70 feet below ground surface. A soil boring was drilled at the Marquardt Federal #1 located in Section 1, Township 25 South, Range 26 East, to a depth of 70 feet bgs, and allowed to remain open in order to measure a depth to groundwater. Groundwater was never observed in the borehole. The elevation of the Marquardt Federal #1 is 3,288 feet above mean sea level (AMSL) and the elevation of the Marquardt Federal #3 is 3,305 feet AMSL.

Chevron proposes to close the Marquardt Federal #3 reserve pit in accordance with New Mexico State Rule 50. The entire contents of the reserve pit will be excavated and buried in place, encapsulated in a 20 mil plastic liner. Soil samples will be collected below the liner, and the laboratory results will be submitted to the NMOCD with the final C144 form, for closure of the reserve pit. The pit contents will be buried at least three (3) feet below ground surface and covered with clean soil from the pit located immediately north of sample point SS-8. Upon completion of backfilling, the area will be contoured to surface conditions and re-seeded with BLM #4 mixture. The area will be watered periodically to promote re-vegetation of the site. An initial C144 form is included in Appendix C, for approval by the NMOCD.

Chevron plans to begin reclamation activities as soon as approval is granted by both the BLM and the NMOCD. A final report will be submitted to the BLM following reclamation completion, and a final report and C144 form will be submitted to the NMOCD. If you have any questions or need additional information, please call Mr. Bill Anderson at (505) 394-1237 or myself at (505) 441-7244. We may also be reached by email at billyanderson@chevron.com or Cindy.Crain@gmail.com.

Sincerely,
Ocotillo Environmental, LLC

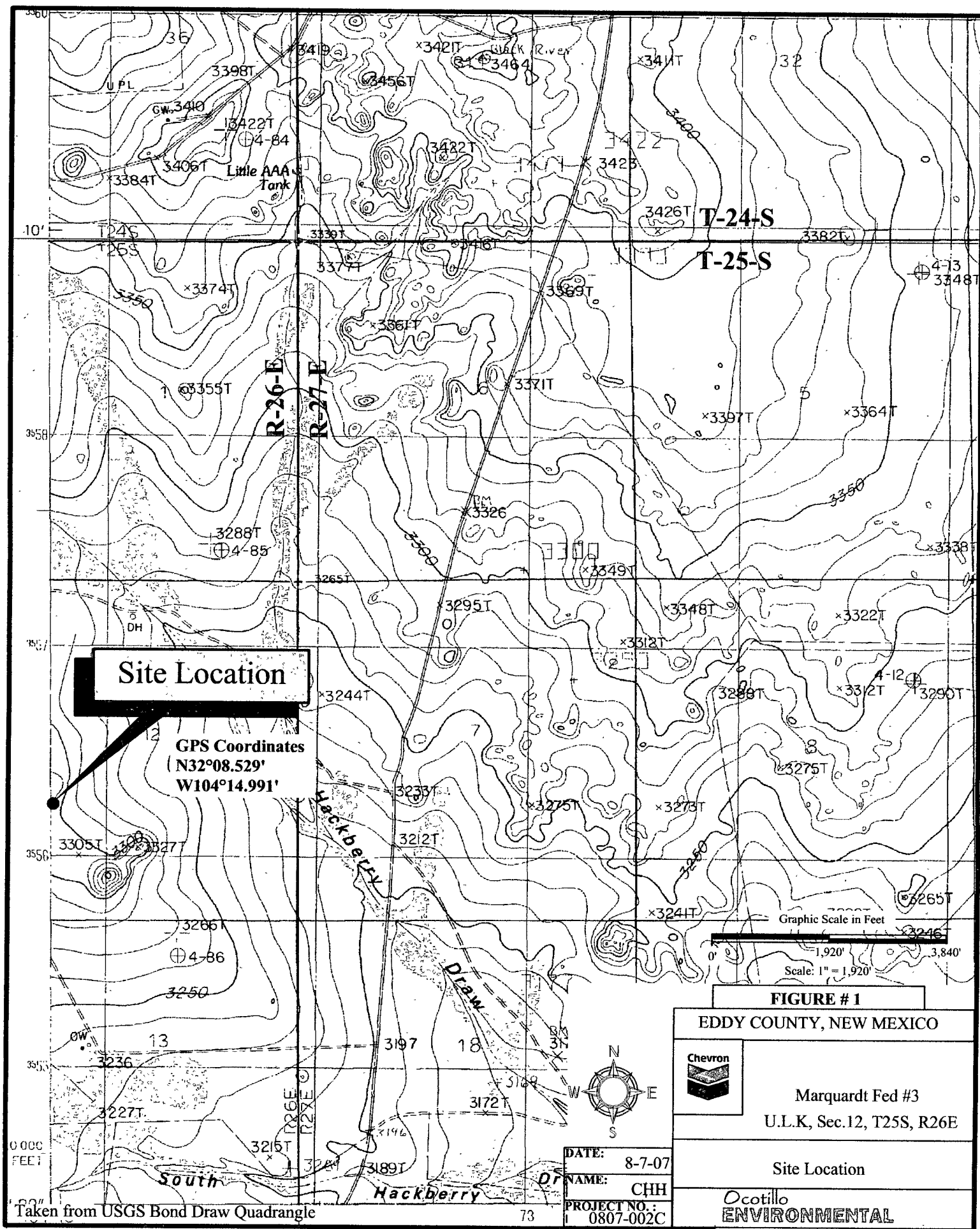


Cindy K. Crain, P.G.
Environmental Manager

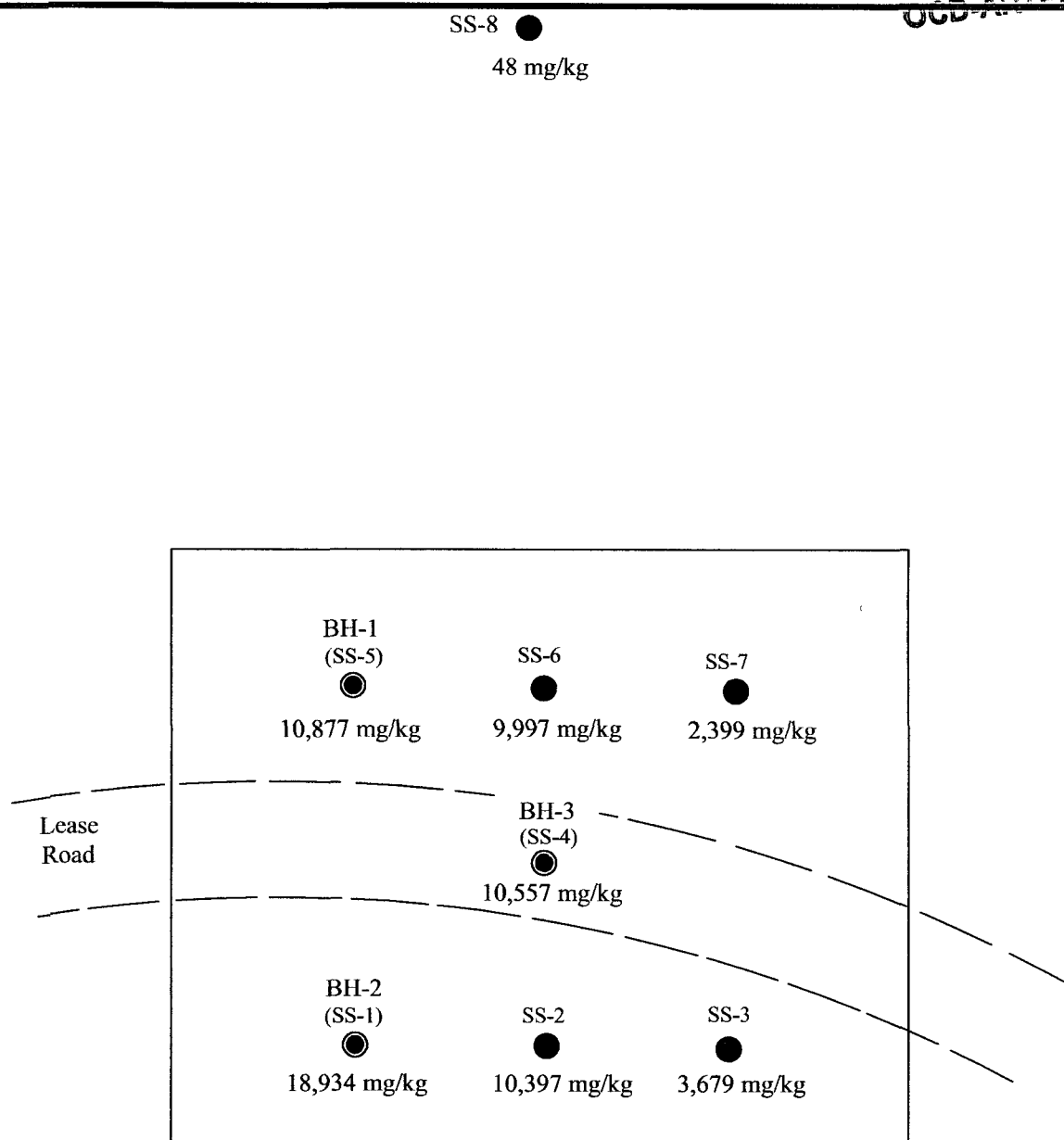
Cc: Bill Anderson, Chevron

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FIGURES



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Sample Location GPS Coordinates		
BH-2	N32°08.515'	W104°14.990'
SS-2	N32°08.523'	W104°14.984'
SS-3	N32°08.526'	W104°14.974'
BH-3	N32°08.529'	W104°14.991'
BH-1	N32°08.529'	W104°15.002'
SS-6	N32°08.537'	W104°14.996'
SS-7	N32°08.543'	W104°14.990'
SS-8	N32°08.557'	W104°15.023'

LEGEND

- SS-1
●
18,934 mg/kg
- BH-1
⊙
Bore hole sample location, taken on 9-17-07.
- Surface soil sample location, taken on 7-31-07 with chloride concentration (mg/kg).

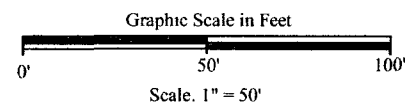


FIGURE # 2

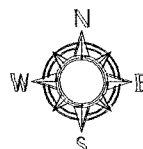
EDDY COUNTY, NEW MEXICO



Marquardt Fed #3
U.L.K, Sec.12, T25S, R26E

Site Drawing with Boring
and Sample Locations

Ocotillo
ENVIRONMENTAL



DATE: 9-23-07
NAME: CHH
PROJECT NO.: 0807-002C

DEC 26 2007
OCD-ARTESIA

TABLE

Table 1:
Summary of Laboratory Analysis of Soil Samples
Chevron MidContinent Alaska, Marquardt Federal #3
Section 12, Township 25 South, Range 26 East
Eddy County, New Mexico

Sample Date	Soil Sample Number	Sample Depth (feet BGS)	Chloride (mg/kg)
BLM Standard			3,000
7/31/07	SS-1	0-6"	18,934
9/17/07	BH-2	5-7	3,490
9/17/07	BH-2	10-12	1,120
9/17/07	BH-2	15-17	688
9/17/07	BH-2	20-22	144
7/31/07	SS-2	0-6"	10,397
7/31/07	SS-3	0-6"	3,679
7/31/07	SS-4	0-6"	10,557
9/17/07	BH-3	5-7	4,560
9/17/07	BH-3	10-12	5,680
9/17/07	BH-3	15-17	1,340
9/17/07	BH-3	20-22	2,370
9/17/07	BH-3	25-27	352
7/31/07	SS-5	0-6"	10,877
9/17/07	BH-1	5-7	8,800
9/17/07	BH-1	10-12	3,520
9/17/07	BH-1	15-17	1,710
9/17/07	BH-1	20-22	1,010
7/31/07	SS-6	0-6"	9,997
7/31/07	SS-7	0-6"	2,399
7/31/07	SS-8	0-6"	48

Notes:

1. BGS: Depth in feet below ground surface
2. mg/kg: Milligrams per kilogram

APPENDIX A

Laboratory Data and Chain-of-Custody Documentation

DEC 26 2007
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PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 353-2326 • 101 E MARLAND • HOBBS NM 88240

ANALYTICAL RESULTS FOR
OCOTILLO ENVIRONMENTAL, LLC
ATTN. CINDY CRAIN
P.O. BOX 1816
HOBBS, NM 88241
FAX TO: (432) 272-0304

Receiving Date: 07/31/07
Reporting Date: 08/01/07
Project Owner: CHEVRON
Project Name: MARQUARDT FED #3
Project Location: EDDY CO, NM

Analysis Date: 08/01/07
Sampling Date: 07/31/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: LB
Analyzed By: KS

LAB NO.	SAMPLE ID	Cl ⁻ (mg/Kg)
H13011-1	SS - 1	18,934
H13011-2	SS - 2	10,397
H13011-3	SS - 3	3679
H13011-4	SS - 4	10,557
H13011-5	SS - 5	10,877
H13011-6	SS - 6	9997
H13011-7	SS - 7	2399
H13011-8	SS - 8	48
Quality Control		490
True Value QC		500
% Recovery		98
Relative Percent Difference		2.0

METHOD: Standard Methods

4500-ClB

Note: Analyses performed on 1:4 w/v aqueous extracts

Chemist

08-02-07
Date

H13011 OCO

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 analysis. As 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 analytical 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 services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

H13011

Company Name Dentillo Environmental LLC		BILL TO		ANALYSIS REQUEST	
Project Manager Lindy Crain		P.O.#:			
Address: P.O. Box 1816		Company: Chevron			
City: Hobbs State: NM Zip: 88241		Attn: Billy Anderson			
Phone #: (505) 441-7244 Fax #: (432) 272-0304		Address:			
Project #:		City: Conite			
Project Owner: Chevron		State:			
Project Name: Marquardt Fed # 3		Zip:			
Project Location: Eddy Co. NM		Phone #:			
Sampler Name: Lindy Crain		Fax #:			

Lab I.D.	Sample I.D.	IGAS OR COMP	# CONTAINERS	MATRIX							PRESERV	SAMPLING	DATE	TIME		
				GROUNDWATER	WASTEWATER	SOIL	SOLID	SLUDGE	OTHER	AIR/DUST						ICE / COOL
H3011-1	SS-1	G	1			✓							7/31/07	1057	✓	
-2	SS-2	G	1			✓							"	1040	✓	
-3	SS-3	G	1			✓							"	1044	✓	
-4	SS-4	G	1			✓							"	1047	✓	
-5	SS-5	G	1			✓							"	1050	✓	
-6	SS-6	G	1			✓							"	1053	✓	
-7	SS-7	G	1			✓							"	1056	✓	
-8	SS-8	G	1			✓							"	1100	✓	

PLEASE NOTE: Liability and Damages: Cardinal's liability and claims exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the 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 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruption, loss of sales, or loss of profits incurred by client. No limitations, exclusions, restrictions, conditions or other related to the performance of services hereunder shall apply. Acceptance of delivery shall constitute acceptance of all terms and conditions of service.

Relinquished By: Lindy Crain Relinquished By:	Date: 7/31/07	Received By:	Phone Result: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Add'l Phone # Fax Result: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Add'l Fax # REMARKS:
	Time: 1444	 Billy Anderson	(432) 272-0304 lindycrain@gmail.com
	Date:		

Delivered By: (Circle One)	Sample Condition Cool Intact	CHECKED BY: (Initials)
Sampler - UPS - Bus - Other:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No	 Billy Anderson

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.

DEC 26 2007
OCD-ARTESIA



DEC 26 2007

OCD-AR, L.L.A.

PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
OCOTILLO ENVIRONMENTAL, LLC
ATTN: CINDY CRAIN
P.O. BOX 1816
HOBBS, NM 88241
FAX TO: (432) 272-0304

Receiving Date: 09/19/07
Reporting Date: 09/20/07
Project Number: 0807-002C
Project Name: MARQUARDT FED #3
Project Location: EDDY CO., NM

Analysis Date: 09/20/07
Sampling Date: 09/17/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: HM
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl ⁻ (mg/Kg)
H13331-1	BH-1 (5-7')	8,800
H13331-2	BH-1 (10-12')	3,520
H13331-3	BH-1 (15-17')	1,710
H13331-4	BH-1 (20-22')	1,010
H13331-5	BH-2 (5-7')	3,490
H13331-6	BH-2 (10-12')	1,120
H13331-7	BH-2 (15-17')	688
H13331-8	BH-2 (20-22')	144
H13331-9	BH-3 (5-7')	4,560
H13331-10	BH-3 (10-12')	5,680
H13331-11	BH-3 (15-17')	1,340
H13331-12	BH-3 (20-22')	2,370
H13331-13	BH-3 (25-27')	352
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods

4500-Cl⁻B

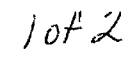
Note: Analyses performed on 1:4 w:v aqueous extracts.

Kristen Dupont
Chemist

9/20/07
Date

H13331 OCO

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 services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

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 the client for the analysis. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 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 services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Phone Result: ☐ Yes ☒ No Add'l Phone #:
Fax Result: ☒ Yes ☐ No Add'l Fax #:
REMARKS:
Fax to (432) 272-0304
email to: Cindy.Crain@gmail.com

DEC 26 2007
OCD-ARTISIA



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

2 of 2

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 the client for the analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 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 services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Relinquished By: <i>Cindy Crain</i>		Date: <i>2/19/07</i>	Received By: <i>Hop S. N. Oren</i>	Phone Result: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Add'l Phone #:
		Time: <i>1338</i>		Fax Result: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Add'l Fax #:
Relinquished By:		Date:	Received By:	REMARKS: <i>Fax to (432) 272-0304</i> <i>email to: Cindy.Crain@gmail.com</i>
		Time:		
Delivered By: (Circle One) <i>Sampler</i> - UPS - Bus - Other:			Sample Condition Cool Intact <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No	CHECKED BY: (Initials) <i>HSN</i>

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

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APPENDIX B
Soil Boring Logs

<p>Client: Chevron MidContinent Alaska</p> <p>Project: Marquardt Federal #3</p> <p>Project No.: 0807-002C</p> <p>Location: UL-K, Sec. 12, T25S, R26E, Eddy Co., NM</p>	<p>Log: BH-1</p> <p>Page: 1 of 1</p> <p>Geologist: C. Crain</p>
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Depth	Symbol	Description	Sample Number	Sample Type	Sample Recover	Field Chloride ppm	Analytical Data
						500 1500	
0		Ground Surface					
0-5		Clayey Sand Reddish Brown clayey sand, very fine grained, moderately well sorted, dry					0-6" sample collected 7/31/07 Chloride 10,877 mg/kg
5-7		Damp at 16'	1	SS	2	2500	5-7' bas Chloride 8,800 mg/kg
10-12		Moist at 20'	2	SS	2	2000	10-12' bas Chloride 3,520 mg/kg
15-17			3	SS	2	250	15-17' bas Chloride 1,710 mg/kg
20-22			4	SS	2	500	20-22' bas Chloride 1,010 mg/kg
25		Gravelly Sand Light tan gravelly quartz sand, very poorly sorted, dry					
25-30		TD @26' bgs					
30-35							
35-40							

<p>Ocotillo Environmental, LLC 2125 French Drive Hobbs, NM 88240 (505) 393-6371</p>		
<p>Drill Method: Air Rotary</p> <p>Drill Date: 9/17/07</p> <p>Hole Size: 4"</p>	<p>Elevation: NA</p> <p>Checked by: CLK</p> <p>Drilled by: Scarborough Drig.</p>	

DEC 26 2007
OCD-AK-2007

Client: Chevron MidContinent Alaska Project: Marquardt Federal #3 Project No.: 0807-002C Location: UL-K, Sec. 12, T25S, R36E, Eddy Co., NM	Log: BH-2 Page: 1 of 1 Geologist: C. Crain
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Depth	Symbol	Description	Sample Number	Sample Type	Sample Recover	Field Chloride ppm 500 1500	Analytical Data
0		Ground Surface					
0-5		Clayey Sand Reddish Brown clayey sand, very fine grained, moderately well sorted, dry	1	SS	2	2000	0-6" sample collected 7/31/07 Chloride 18,934 mg/kg
5-10		Caliche Pinkish White, caliche, non-indurated, dry	2	SS	2	1800	5-7' bgs Chloride 3,490 mg/kg
10-15			3	SS	2	600	10-12' bgs Chloride 1,120 mg/kg
15-20			4	SS	2	300	15-17' bgs Chloride 688 mg/kg
20-22'							20-22' bgs Chloride: 144 mg/kg
22'		TD @22' bgs					
25							
30							
35							
40							

Ocotillo Environmental, LLC 2125 French Drive Hobbs, NM 88240 (505) 393-6371		
Drill Method: Air Rotary Drill Date: 9/17/07 Hole Size: 4"	Elevation: NA Checked by: CKC Drilled by: Scarborough Drilg.	

DEC 26 2007
OCD-Air

<p>Client: Chevron MidContinent Alaska</p> <p>Project: Marquardt Federal #3</p> <p>Project No.: 0807-002C</p> <p>Location: UL-K, Sec. 12, T25S, R26E, Eddy Co., NM</p>	<p>Log: BH-3</p> <p>Page: 1 of 1</p> <p>Geologist: C. Crain</p>
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Depth	Symbol	Description	Sample Number	Sample Type	Sample Recover	Field Chloride ppm 500 1500	Analytical Data
0		Ground Surface					
0-5		Clayey Sand Reddish Brown clayey sand, very fine grained, moderately well sorted, dry	1	SS	2	>2500	0-6' sample collected 7/31/07 Chloride 10,557 mg/kg 5-7' bas Chloride 4,560 mg/kg
5-10		Clayey Sand Light tan clayey sand, very fine grained, moderately well sorted, damp	2	SS	2	>2500	10-12' bas Chloride 5,680 mg/kg
10-15		Silty Sand Light tan silty, quartz sand, very fine to fine grained, poorly sorted, moderately loose, dry	3	SS	2	1500	15-17' bas Chloride 1,340 mg/kg
15-20		Silty Clay Reddish brown silty clay, very poorly sorted, medium grained, dry	4	SS	2	250	20-22' bas Chloride 2,370 mg/kg
20-25			5	SS	2	250	25-27' bas Chloride 352 mg/kg
25-30		TD @ 27' bgs					
30							
35							
40							

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<p>Drill Method: Air Rotary</p> <p>Drill Date: 9/17/07</p> <p>Hole Size: 4"</p>	<p>Elevation: NA</p> <p>Checked by: CKC</p> <p>Drilled by: Scarborough Drig.</p>	

DEC 26 2007
OCD-ARTESIA

APPENDIX C
INITIAL C144 FORM