

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

REC'D 5/19/09

Form C-144
July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Pit, Closed-Loop System, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application

Type of action: ☐ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
☒ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Modification to an existing permit
☐ Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: McKay Oil Corporation c/o Penroc Oil OGRID #: 14424
Address: 1515 Calle Sur, Hobbs, NM 88240
Facility or well name: Snakeweed B Federal #1
API Number: 30-005-64002 OCD Permit Number: 0208123
U/L or Qtr/Qtr K Section 18 Township 6S Range 23E County: Chaves
Center of Proposed Design: Latitude N 33° 47' 41.63" Longitude W 104° 39' 22.07" NAD: ☒ 1927 ☐ 1983
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☒ **Pit:** Subsection F or G of 19.15.17.11 NMAC
Temporary: ☒ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☒ Lined ☐ Unlined Liner type: Thickness 20 mil ☒ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☒ String-Reinforced
Liner Seams: ☒ Welded ☐ Factory ☐ Other _____ Volume: 2565 bbl Dimensions: L 100 x W 80 x D 6

3.
☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Type of Operation: ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other _____
☐ Lined ☐ Unlined Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____

4.
☐ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: _____ bbl Type of fluid: _____
Tank Construction material: _____
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other _____
Liner type: Thickness _____ mil ☐ HDPE ☐ PVC ☐ Other _____

5.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

Form C-144
Final Closure DATE: 5/15/09
Oil Conservation Division

6.

Fencing: Subsection D of 19.15.17.11 NMAC (*Applies to permanent pits, temporary pits, and below-grade tanks*)

- ☐ Chain link, six feet in height, two strands of barbed wire at top (*Required if located within 1000 feet of a permanent residence, school, hospital, institution or church*)
- ☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
- ☐ Alternate. Please specify _____

7.

Netting: Subsection E of 19.15.17.11 NMAC (*Applies to permanent pits and permanent open top tanks*)

- ☐ Screen ☐ Netting ☐ Other _____
- ☐ Monthly inspections (If netting or screening is not physically feasible)

8.

Signs: Subsection C of 19.15.17.11 NMAC

- ☒ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
- ☒ Signed in compliance with 19.15.3.103 NMAC

9.

Administrative Approvals and Exceptions:

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

- ☐ Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.
- ☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

10.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to temporary, emergency, or cavitation pits and below-grade tanks</i>) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to permanent pits</i>) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

11.

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☒ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- ☒ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☒ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.

Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____

☐ Previously Approved Operating and Maintenance Plan API Number: _____ (Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

13.

Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H₂S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

14.

Proposed Closure: 19.15.17.13 NMAC**Instructions:** Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: ☒ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☐ Below-grade Tank ☐ Closed-loop System

☐ Alternative

Proposed Closure Method: ☒ Waste Excavation and Removal

☐ Waste Removal (Closed-loop systems only)

☐ On-site Closure Method (Only for temporary pits and closed-loop systems)

☐ In-place Burial ☐ On-site Trench Burial

☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15.

Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

- ☒ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☒ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☒ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- ☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)

Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please provide the information below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No

☐ NA

Ground water is between 50 and 100 feet below the bottom of the buried waste

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No

☐ NA

Ground water is more than 100 feet below the bottom of the buried waste.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No

☐ NA

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

☐ Yes ☐ No

Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.

- NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

- Written confirmation or verification from the municipality; Written approval obtained from the municipality

☐ Yes ☐ No

Within 500 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within the area overlying a subsurface mine.

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

☐ Yes ☐ No

Within an unstable area.

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

☐ Yes ☐ No

Within a 100-year floodplain.

- FEMA map

☐ Yes ☐ No

On-Site Closure Plan Checklist: (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC

☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC

☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC

☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)

☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19 Operator Application Certification:
 I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print) M. Y. (Merch) Merchant Title Legal Agent for McKay Oil Corporation
 Signature [Signature] Date 4/15/09
 e-mail address mymarch@pcoroil.com Telephone (575) 492-1236

20 OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure Plan (only) ☐ OCD Conditions (see attachment)
 OCD Representative Signature: Signed By [Signature] Approval Date APR 20 2009
 Title: _____ OCD Permit Number: 0208123

21 Closure Report (required within 60 days of closure completion): Subsection K of 19 15 17 13 NMAC
Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.
☒ Closure Completion Date: 5/15/09

22 Closure Method:
☒ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)
☐ If different from approved plan, please explain _____

23 Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:
Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.
 Disposal Facility Name _____ Disposal Facility Permit Number: _____
 Disposal Facility Name _____ Disposal Facility Permit Number: _____
 Were the closed-loop system operations and associated activities performed on or in areas that will not be used for future service and operations?
☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No
Required for impacted areas which will not be used for future service and operations.
☐ Site Reclamation (Photo Documentation)
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique

24 Closure Report Attachment Checklist: *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*
☐ Proof of Closure Notice (surface owner and division)
☐ Proof of Deed Notice (required for on-site closure)
☐ Plot Plan (for on-site closures and temporary pits)
☒ Confirmation Sampling Analytical Results (if applicable)
☐ Waste Material Sampling Analytical Results (required for on-site closure)
☒ Disposal Facility Name and Permit Number
☒ Soil Backfilling and Cover Installation
☒ Re-vegetation Application Rates and Seeding Technique
☒ Site Reclamation (Photo Documentation)
 On-site Closure Location Latitude _____ Longitude _____ NAD: ☐ 1927 ☐ 1983

25 Operator Closure Certification:
 I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print) M.Y. (Merch) Merchant Title Legal Agent for McKay Oil Corporation
 Signature [Signature] Date 5/18/09
 e-mail address mymarch@pcoroil.com Telephone (575) 492-1236

Accepted for record
 NMOCD

MAY 20 2009

District I
1625 N. Central Ave., Hobbs, NM 88240
District II
1201 W. Central Avenue, Artesia, NM 88210
District III
1001 R. A. Bland Road, Alamo, NM 87410
District IV
1220 S. Francisco 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

MAY - 6 2009

Form C-141
Revised October 10, 2004

Submit 2 Copies to appropriate
District Office in accordance
with Rule 416 on back
side of form

30-005-64002

Release Notification and Corrective Action

C-141-09/263809		14424 OPERATOR		<input checked="" type="checkbox"/> Initial Report	<input checked="" type="checkbox"/> Final Report
Name of Company	McKay Oil Corporation c/o Penroz Oil	Contact	M Y (Merch) Merchant		
Address	1515 Calle San, Hobbs, NM 88240	Telephone No	(575) 492-1236		
Facility Name	Snakewood B Federal #1	Facility Type	Well		
Surface Owner	Federal	Mineral Owner	Federal	API No	30-005-64002

LOCATION OF RELEASE

Unit/Enter	Section	Township	Range	Feet from the	North-South Line	Feet from the	East-West Line	County
K	18	6S	23	1980	South	2080	West	Chaves

Latitude N 33 deg 47 41 63" Longitude W 104 deg 39 22 07"

NATURE OF RELEASE

Type of Release	Water	Volume of Release	Unknown	Volume Recovered	None
Source of Release	Well (Reserve Drilling Pit)	Date and Hour of Occurrence	Unknown	Date and Hour of Discovery	5/5/09 8:30 am
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	IF YES To Whom?	Mike Bratcher, OCD, Artesia		
By Whom?	Gandy-Gunn/Oakdale Environmental	Date and Hour	5/5/09	8:45 am	
Was a Watersource Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	IF YES, Volume Impacting the Watersource			
If a Watersource was Impacted Describe Fully *					

Describe Cause of Problem and Remedial Action Taken *

The contents of the reserve drilling pit were removed from the site and disposed at Gandy-Marley, pursuant to an approved C141. On 4/27/09, a composite soil sample was collected from below the pit liner and analyzed for chloride, BTEX and TPH by Environmental Lab of Odessa, TX. The laboratory reported BTEX concentrations below the test method detection limit, a TPH concentration of 619 mg/kg, and a chloride concentration of 1.010 mg/kg. As per N.M. Rule 19.15.17, this C141 serves as notification of chloride exceeding the approved clean up concentration of 1,000 mg/kg. It is not believed that the existing chloride concentration poses any threat to groundwater, surface water or human consumption, as depth to groundwater at the site is approximately 300 feet. Analytical Documentation is attached. Sample SS-1 was collected from below the liner. All other samples were collected from the well pads and will be addressed in a separate C141.

Describe Area Affected and Cleanup Action Taken *

As the pit contents and pit liner have been disposed at Gandy-Marley (Permit Number NM-711-1-0020) and the soil sample from below the liner reported concentrations that do not pose any threat to groundwater, surface water or human consumption, the pit will be backfilled according to the closure plan of the previously approved C141 (i.e. to a depth of approximately one (1) foot below ground surface and compacted. One (1) foot of topsoil will be placed above the compacted soil and contoured to surface grade. The entire area will be re-seeded with a native grass seed mixture per BLM specifications.)

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: <i>Mike Bratcher</i>		OIL CONSERVATION DIVISION	
Printed Name: M Y (Merch) Merchant	Approved by: <i>Mike Bratcher</i>	Signed By: <i>Mike Bratcher</i>	
Title: Legal Agent for McKay Oil Corporation	Approval Date: MAY 06 2009	Expiration Date:	N/A
E-mail Address: my.merchant@penroz.com	Conditions of Approval: N/A	Attached: <input type="checkbox"/>	
Date: 5/5/09	Phone: (575) 492-1236		

* Attach Additional Sheets If Necessary

Analytical Report 331311

for

Ocotillo Environmental, LLC

Project Manager: Cindy Crain

McKay Oil, Snakeweed Fed B # 1

0409-017R

05-MAY-09



12600 West I-20 East Odessa, Texas 79765

Texas certification numbers:

Houston, TX T104704215-08B-TX - Odessa/Midland, TX T104704400-08-TX

Florida certification numbers:

Houston, TX E871002 - Miami, FL E86678 - Tampa, FL E86675

Miramar, FL E86349

Norcross(Atlanta), GA E87429

South Carolina certification numbers:

Norcross(Atlanta), GA 98015

North Carolina certification numbers:

Norcross(Atlanta), GA 483

Houston - Dallas - San Antonio - Tampa - Miami - Latin America

Midland - Corpus Christi - Atlanta



05-MAY-09

Project Manager: **Cindy Crain**
Ocotillo Environmental, LLC
P.O. Box 1816
Hobbs, NM 88241

Reference: XENCO Report No: **331311**
McKay Oil, Snakeweed Fed B # 1
Project Address: Chaves County, NM

Cindy Crain:

We are reporting to you the results of the analyses performed on the samples received under the project name referenced above and identified with the XENCO Report Number 331311. All results being reported under this Report Number apply to the samples analyzed and properly identified with a Laboratory ID number. Subcontracted analyses are identified in this report with either the NELAC certification number of the subcontract lab in the analyst ID field, or the complete subcontracted report attached to this report.

Unless otherwise noted in a Case Narrative, all data reported in this Analytical Report are in compliance with NELAC standards. Estimation of data uncertainty for this report is found in the quality control section of this report unless otherwise noted. Should insufficient sample be provided to the laboratory to meet the method and NELAC Matrix Duplicate and Matrix Spike requirements, then the data will be analyzed, evaluated and reported using all other available quality control measures.

The validity and integrity of this report will remain intact as long as it is accompanied by this letter and reproduced in full, unless written approval is granted by XENCO Laboratories. This report will be filed for at least 5 years in our archives after which time it will be destroyed without further notice, unless otherwise arranged with you. The samples received, and described as recorded in Report No. 331311 will be filed for 60 days, and after that time they will be properly disposed without further notice, unless otherwise arranged with you. We reserve the right to return to you any unused samples, extracts or solutions related to them if we consider so necessary (e.g., samples identified as hazardous waste, sample sizes exceeding analytical standard practices, controlled substances under regulated protocols, etc).

We thank you for selecting XENCO Laboratories to serve your analytical needs. If you have any questions concerning this report, please feel free to contact us at any time.

Respectfully,

Brent Barron, II

Odessa Laboratory Manager

Recipient of the Prestigious Small Business Administration Award of Excellence in 1994.

Certified and approved by numerous States and Agencies.

A Small Business and Minority Status Company that delivers SERVICE and QUALITY

Houston - Dallas - San Antonio - Austin - Tampa - Miami - Atlanta - Corpus Christi - Latin America



Sample Cross Reference 331311



Ocotillo Environmental, LLC, Hobbs, NM

McKay Oil, Snakeweed Fed B # 1

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
SS-1 (Comp)	S	Apr-27-09 14:20	6.5 - 6.5 ft	331311-001
SS-2 (Comp)	S	Apr-27-09 14:30	6" - 1 ft	331311-002
SS-3 (Comp)	S	Apr-27-09 14:40	6" - 1 ft	331311-003
SS-4 (Comp)	S	Apr-27-09 14:50	6" - 1 ft	331311-004
SS-5	S	Apr-27-09 15:00	0 - 3 In	331311-005
SS-6	S	Apr-27-09 15:05	0 - 3 In	331311-006



Certificate of Analysis Summary 331311

Ocotillo Environmental, LLC, Hobbs, NM

Project Name: McKay Oil, Snakeweed Fed B # 1



Project Id: 0409-017R

Contact: Cindy Crain

Project Location: Chaves County, NM

Date Received in Lab: Wed Apr-29-09 12:47 pm

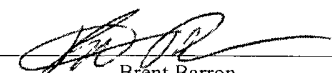
Report Date: 05-MAY-09

Project Manager: Brent Barron, II

<i>Analysis Requested</i>	<i>Lab Id:</i>	331311-001	331311-002	331311-003	331311-004	331311-005	331311-006
	<i>Field Id:</i>	SS-1 (Comp)	SS-2 (Comp)	SS-3 (Comp)	SS-4 (Comp)	SS-5	SS-6
	<i>Depth:</i>	6 5-6 5 ft	6"-1 ft	6"-1 ft	6"-1 ft	0-3 In	0-3 In
	<i>Matrix:</i>	SOIL	SOIL	SOIL	SOIL	SOIL	SOIL
	<i>Sampled:</i>	Apr-27-09 14 20	Apr-27-09 14 30	Apr-27-09 14 40	Apr-27-09 14 50	Apr-27-09 15 00	Apr-27-09 15 05
Anions by EPA 300	<i>Extracted:</i>						
	<i>Analyzed:</i>	Apr-29-09 14 18	Apr-29-09 14 18	Apr-29-09 14 18	Apr-29-09 14 18	Apr-29-09 14 18	Apr-29-09 14 18
	<i>Units/RL:</i>	mg/kg RL	mg/kg RL	mg/kg RL	mg/kg RL	mg/kg RL	mg/kg RL
Chloride		1040 67 1	550 60 4	14300 571	5740 234	ND 28 8	ND 25 8
BTEX by EPA 8021B	<i>Extracted:</i>	Apr-30-09 17 00					
	<i>Analyzed:</i>	Apr-30-09 18 00					
	<i>Units/RL:</i>	mg/kg RL					
Benzene		ND 0 0013					
Toluene		ND 0 0027					
Ethylbenzene		ND 0 0013					
m,p-Xylenes		ND 0 0027					
o-Xylene		ND 0 0013					
Total Xylenes		ND 0 0013					
Total BTEX		ND 0 0013					
Percent Moisture	<i>Extracted:</i>						
	<i>Analyzed:</i>	Apr-29-09 15 30	Apr-29-09 15 30	Apr-29-09 15 30	Apr-29-09 15 30	Apr-29-09 15 30	Apr-29-09 15 30
	<i>Units/RL:</i>	% RL	% RL	% RL	% RL	% RL	% RL
Percent Moisture		25 49 1 00	17 16 1 00	12 47 1 00	14 67 1 00	13 30 1 00	22 36 1 00
TPH By SW8015 Mod	<i>Extracted:</i>	May-04-09 05 45					
	<i>Analyzed:</i>	May-04-09 07 57					
	<i>Units/RL:</i>	mg/kg RL					
C6-C12 Gasoline Range Hydrocarbons		ND 20 1					
C12-C28 Diesel Range Hydrocarbons		64 9 20 1					
C28-C35 Oil Range Hydrocarbons		ND 20 1					
Total TPH		64 9 20 1					

This analytical report, and the entire data package it represents, has been made for your exclusive and confidential use. The interpretations and results expressed throughout this analytical report represent the best judgment of XENCO Laboratories. XENCO Laboratories assumes no responsibility and makes no warranty to the end use of the data hereby presented. Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

Since 1990 Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America - Atlanta - Corpus Christi


Brent Barron
Odessa Laboratory Director



Flagging Criteria



- X** In our quality control review of the data a QC deficiency was observed and flagged as noted. MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to effect the recovery of the spike concentration. This condition could also effect the relative percent difference in the MS/MSD.
- B** A target analyte or common laboratory contaminant was identified in the method blank. Its presence indicates possible field or laboratory contamination.
- D** The sample(s) were diluted due to targets detected over the highest point of the calibration curve, or due to matrix interference. Dilution factors are included in the final results. The result is from a diluted sample.
- E** The data exceeds the upper calibration limit; therefore, the concentration is reported as estimated.
- F** RPD exceeded lab control limits.
- J** The target analyte was positively identified below the MQL and above the SQL.
- U** Analyte was not detected.
- L** The LCS data for this analytical batch was reported below the laboratory control limits for this analyte. The department supervisor and QA Director reviewed data. The samples were either reanalyzed or flagged as estimated concentrations.
- H** The LCS data for this analytical batch was reported above the laboratory control limits. Supporting QC Data were reviewed by the Department Supervisor and QA Director. Data were determined to be valid for reporting.
- K** Sample analyzed outside of recommended hold time.
- JN** A combination of the "N" and the "J" qualifier. The analysis indicates that the analyte is "tentatively identified" and the associated numerical value may not be consistent with the amount actually present in the environmental sample.

BRL Below Reporting Limit. **RL** Reporting Limit

* Outside XENCO's scope of NELAC Accreditation.

Recipient of the Prestigious Small Business Administration Award of Excellence in 1994.

Certified and approved by numerous States and Agencies.

A Small Business and Minority Status Company that delivers SERVICE and QUALITY

Houston - Dallas - San Antonio - Corpus Christi - Midland/Odessa - Tampa - Miami - Latin America

4143 Greenbriar Dr, Stafford, Tx 77477
9701 Harry Hines Blvd, Dallas, TX 75220
5332 Blackberry Drive, San Antonio TX 78238
2505 North Falkenburg Rd, Tampa, FL 33619
5757 NW 158th St, Miami Lakes, FL 33014
12600 West I-20 East, Odessa, TX 79765
842 Cantwell Lane, Corpus Christi, TX 78408

Phone	Fax
(281) 240-4200	(281) 240-4280
(214) 902 0300	(214) 351-9139
(210) 509-3334	(210) 509-3335
(813) 620-2000	(813) 620-2033
(305) 823-8500	(305) 823-8555
(432) 563-1800	(432) 563-1713
(361) 884-0371	(361) 884-9116



Form 2 - Surrogate Recoveries

Project Name: McKay Oil, Snakeweed Fed B # 1

Work Orders : 331311,

Project ID: 0409-017R

Lab Batch #: 757589

Sample: 529182-1-BKS / BKS

Batch: 1 Matrix: Solid

Units: mg/kg

Date Analyzed: 04/30/09 16:34

SURROGATE RECOVERY STUDY

BTEX by EPA 8021B Analytes	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0307	0.0300	102	80-120	
4-Bromofluorobenzene	0.0325	0.0300	108	80-120	

Lab Batch #: 757589

Sample: 529182-1-BSD / BSD

Batch: 1 Matrix: Solid

Units: mg/kg

Date Analyzed: 04/30/09 16:55

SURROGATE RECOVERY STUDY

BTEX by EPA 8021B Analytes	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0308	0.0300	103	80-120	
4-Bromofluorobenzene	0.0311	0.0300	104	80-120	

Lab Batch #: 757589

Sample: 529182-1-BLK / BLK

Batch: 1 Matrix: Solid

Units: mg/kg

Date Analyzed: 04/30/09 17:39

SURROGATE RECOVERY STUDY

BTEX by EPA 8021B Analytes	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0262	0.0300	87	80-120	
4-Bromofluorobenzene	0.0282	0.0300	94	80-120	

Lab Batch #: 757589

Sample: 331311-001 / SMP

Batch: 1 Matrix: Soil

Units: mg/kg

Date Analyzed: 04/30/09 18:00

SURROGATE RECOVERY STUDY

BTEX by EPA 8021B Analytes	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0250	0.0300	83	80-120	
4-Bromofluorobenzene	0.0291	0.0300	97	80-120	

Lab Batch #: 757589

Sample: 331229-005 S / MS

Batch: 1 Matrix: Soil

Units: mg/kg

Date Analyzed: 05/01/09 00:47

SURROGATE RECOVERY STUDY

BTEX by EPA 8021B Analytes	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1,4-Difluorobenzene	0.0308	0.0300	103	80-120	
4-Bromofluorobenzene	0.0327	0.0300	109	80-120	

* Surrogate outside of Laboratory QC limits

** Surrogates outside limits: data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = $100 * A / B$

All results are based on MDL and validated for QC purposes



Form 2 - Surrogate Recoveries

Project Name: McKay Oil, Snakeweed Fed B # 1

Work Orders : 331311,

Project ID: 0409-017R

Lab Batch #: 757589

Sample: 331229-005 SD / MSD

Batch: 1 Matrix: Soil

Units: mg/kg

Date Analyzed: 05/01/09 01:08

SURROGATE RECOVERY STUDY

BTEX by EPA 8021B	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
Analytes					
1,4-Difluorobenzene	0.0302	0.0300	101	80-120	
4-Bromofluorobenzene	0.0317	0.0300	106	80-120	

Lab Batch #: 757801

Sample: 529312-1-BKS / BKS

Batch: 1 Matrix: Solid

Units: mg/kg

Date Analyzed: 05/04/09 06:40

SURROGATE RECOVERY STUDY

TPH By SW8015 Mod	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
Analytes					
1-Chlorooctane	102	100	102	70-135	
o-Terphenyl	46.9	50.0	94	70-135	

Lab Batch #: 757801

Sample: 529312-1-BSD / BSD

Batch: 1 Matrix: Solid

Units: mg/kg

Date Analyzed: 05/04/09 07:06

SURROGATE RECOVERY STUDY

TPH By SW8015 Mod	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
Analytes					
1-Chlorooctane	102	100	102	70-135	
o-Terphenyl	47.4	50.0	95	70-135	

Lab Batch #: 757801

Sample: 529312-1-BLK / BLK

Batch: 1 Matrix: Solid

Units: mg/kg

Date Analyzed: 05/04/09 07:31

SURROGATE RECOVERY STUDY

TPH By SW8015 Mod	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
Analytes					
1-Chlorooctane	87.0	100	87	70-135	
o-Terphenyl	50.9	50.0	102	70-135	

Lab Batch #: 757801

Sample: 331311-001 / SMP

Batch: 1 Matrix: Soil

Units: mg/kg

Date Analyzed: 05/04/09 07:57

SURROGATE RECOVERY STUDY

TPH By SW8015 Mod	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
Analytes					
1-Chlorooctane	86.2	100	86	70-135	
o-Terphenyl	49.7	50.0	99	70-135	

* Surrogate outside of Laboratory QC limits

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = $100 * A / B$

All results are based on MDL and validated for QC purposes.



Form 2 - Surrogate Recoveries

Project Name: McKay Oil, Snakeweed Fed B # 1

Work Orders : 331311,

Project ID: 0409-017R

Lab Batch #: 757801

Sample: 331311-001 D / MD

Batch: 1 Matrix: Soil

Units: mg/kg

Date Analyzed: 05/04/09 08:23

SURROGATE RECOVERY STUDY

TPH By SW8015 Mod Analytes	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	86.9	100	87	70-135	
o-Terphenyl	50.8	50.0	102	70-135	

* Surrogate outside of Laboratory QC limits

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = $100 * A / B$

All results are based on MDL and validated for QC purposes.



Blank Spike Recovery



Project Name: McKay Oil, Snakeweed Fed B # 1

Work Order #: 331311

Project ID:

0409-017R

Lab Batch #: 757422

Sample: 757422-1-BKS

Matrix: Solid

Date Analyzed: 04/29/2009

Date Prepared: 04/29/2009

Analyst: LATCOR

Reporting Units: mg/kg

Batch #: 1

BLANK /BLANK SPIKE RECOVERY STUDY

Anions by EPA 300 Analytes	Blank Result [A]	Spike Added [B]	Blank Spike Result [C]	Blank Spike %R [D]	Control Limits %R	Flags
Chloride	ND	10.0	9.54	95	90-110	

Blank Spike Recovery [D] = $100 \times [C]/[B]$

All results are based on MDL and validated for QC purposes



BS / BSD Recoveries



Project Name: McKay Oil, Snakeweed Fed B # 1

Work Order #: 331311

Analyst: ASA

Date Prepared: 04/30/2009

Project ID: 0409-017R

Date Analyzed: 04/30/2009

Lab Batch ID: 757589

Sample: 529182-1-BKS

Batch #: 1

Matrix: Solid

Units: mg/kg

BLANK /BLANK SPIKE / BLANK SPIKE DUPLICATE RECOVERY STUDY

BTEX by EPA 8021B	Blank Sample Result [A]	Spike Added [B]	Blank Spike Result [C]	Blank Spike %R [D]	Spike Added [E]	Blank Spike Duplicate Result [F]	Blk. Spk Dup. %R [G]	RPD %	Control Limits %R	Control Limits %RPD	Flag
Analytes											
Benzene	ND	0.1000	0.1012	101	0.1	0.0985	99	3	70-130	35	
Toluene	ND	0.1000	0.1026	103	0.1	0.0995	100	3	70-130	35	
Ethylbenzene	ND	0.1000	0.1045	105	0.1	0.1009	101	4	71-129	35	
m,p-Xylenes	ND	0.2000	0.2236	112	0.2	0.2150	108	4	70-135	35	
o-Xylene	ND	0.1000	0.1102	110	0.1	0.1056	106	4	71-133	35	

Analyst: BHW

Date Prepared: 05/04/2009

Date Analyzed: 05/04/2009

Lab Batch ID: 757801

Sample: 529312-1-BKS

Batch #: 1

Matrix: Solid

Units: mg/kg

BLANK /BLANK SPIKE / BLANK SPIKE DUPLICATE RECOVERY STUDY

TPH By SW8015 Mod	Blank Sample Result [A]	Spike Added [B]	Blank Spike Result [C]	Blank Spike %R [D]	Spike Added [E]	Blank Spike Duplicate Result [F]	Blk. Spk Dup. %R [G]	RPD %	Control Limits %R	Control Limits %RPD	Flag
Analytes											
C6-C12 Gasoline Range Hydrocarbons	ND	1000	1010	101	1000	1010	101	0	70-135	35	
C12-C28 Diesel Range Hydrocarbons	ND	1000	959	96	1000	969	97	1	70-135	35	

Relative Percent Difference RPD = $200 * [(C-F)/(C+F)]$

Blank Spike Recovery [D] = $100 * (C)/[B]$

Blank Spike Duplicate Recovery [G] = $100 * (F)/[E]$

All results are based on MDL and Validated for QC Purposes



Form 3 - MS Recoveries

Project Name: McKay Oil, Snakeweed Fed B # 1



Work Order #: 331311

Lab Batch #: 757422

Date Analyzed: 04/29/2009

QC- Sample ID: 331268-001 S

Reporting Units: mg/kg

Project ID: 0409-017R

Analyst: LATCOR

Date Prepared: 04/29/2009

Batch #: 1

Matrix: Soil

MATRIX / MATRIX SPIKE RECOVERY STUDY

Inorganic Anions by EPA 300 Analytes	Parent Sample Result [A]	Spike Added [B]	Spiked Sample Result [C]	%R [D]	Control Limits %R	Flag
Chloride	35.4	228	257	97	80-120	

Matrix Spike Percent Recovery [D] = $100 \times (C-A)/B$

Relative Percent Difference [E] = $200 \times (C-A)/(C+B)$

All Results are based on MDL and Validated for QC Purposes



Form 3 - MS / MSD Recoveries

Project Name: McKay Oil, Snakeweed Fed B # 1



Work Order #: 331311

Project ID: 0409-017R

Lab Batch ID: 757589

QC- Sample ID: 331229-005 S

Batch #: 1 Matrix: Soil

Date Analyzed: 05/01/2009

Date Prepared: 04/30/2009

Analyst: ASA

Reporting Units: mg/kg

MATRIX SPIKE / MATRIX SPIKE DUPLICATE RECOVERY STUDY

BTEX by EPA 8021B Analytes	Parent Sample Result [A]	Spike Added [B]	Spiked Sample Result [C]	Spiked Sample %R [D]	Spike Added [E]	Duplicate Spiked Sample Result [F]	Spiked Dup. %R [G]	RPD %	Control Limits %R	Control Limits %RPD	Flag
Benzene	ND	0.1023	0.0798	78	0.1025	0.0768	75	4	70-130	35	
Toluene	ND	0.1023	0.0764	75	0.1025	0.0732	71	4	70-130	35	
Ethylbenzene	0.0010	0.1023	0.0678	65	0.1025	0.0639	61	6	71-129	35	X
m,p-Xylenes	ND	0.2046	0.1417	69	0.2050	0.1340	65	6	70-135	35	X
o-Xylene	0.0011	0.1023	0.0689	66	0.1025	0.0655	63	5	71-133	35	X

Matrix Spike Percent Recovery $[D] = 100 * (C - A) / B$
Relative Percent Difference $RPD = 200 * |(C - F) / (C + F)|$

Matrix Spike Duplicate Percent Recovery $[G] = 100 * (F - A) / E$

ND = Not Detected, J = Present Below Reporting Limit, B = Present in Blank, NR = Not Requested, I = Interference, NA = Not
ApplicableN = See Narrative, EQL = Estimated Quantitation Limit



Sample Duplicate Recovery



Project Name: McKay Oil, Snakeweed Fed B # 1

Work Order #: 331311

Lab Batch #: 757422

Date Analyzed: 04/29/2009

QC- Sample ID: 331268-001 D

Reporting Units: mg/kg

Project ID: 0409-017R

Date Prepared: 04/29/2009

Analyst: LATCOR

Batch #: 1

Matrix: Soil

SAMPLE / SAMPLE DUPLICATE RECOVERY					
Anions by EPA 300	Parent Sample Result [A]	Sample Duplicate Result [B]	RPD	Control Limits %RPD	Flag
Analyte					
Chloride	35.4	32.7	8	20	

Lab Batch #: 757431

Date Analyzed: 04/29/2009

QC- Sample ID: 331238-001 D

Reporting Units: %

Date Prepared: 04/29/2009

Analyst: LATCOR

Batch #: 1

Matrix: Soil

SAMPLE / SAMPLE DUPLICATE RECOVERY					
Percent Moisture	Parent Sample Result [A]	Sample Duplicate Result [B]	RPD	Control Limits %RPD	Flag
Analyte					
Percent Moisture	10.5	10.4	1	20	

Lab Batch #: 757801

Date Analyzed: 05/04/2009

QC- Sample ID: 331311-001 D

Reporting Units: mg/kg

Date Prepared: 05/04/2009

Analyst: BHW

Batch #: 1

Matrix: Soil

SAMPLE / SAMPLE DUPLICATE RECOVERY					
TPH By SW8015 Mod	Parent Sample Result [A]	Sample Duplicate Result [B]	RPD	Control Limits %RPD	Flag
Analyte					
C6-C12 Gasoline Range Hydrocarbons	ND	ND	NC	35	
C12-C28 Diesel Range Hydrocarbons	64.9	66.9	3	35	
C28-C35 Oil Range Hydrocarbons	ND	ND	NC	35	

Spike Relative Difference RPD $200 * |(B-A)/(B+A)|$

All Results are based on MDL and validated for QC purposes.

Environmental Lab of Texas

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

12600 West I-20 East
Odessa, Texas 79765

Phone: 432-563-1800
Fax: 432-563-1713

Project Manager: Cindy Crain

Project Name: 14. "My City, Sakoway" Project

Company Name Ocoteo Environmental LLC

Project # 0400-0176

Company Address. P.O. Box 1618

Project Loc: Graves County, MO

City/State/Zip Hobbs, NM 88241

PO #: _____

Telephone No. (575) 441-7244 Fax No. (432) 272-0304

Report Format: ☒ Standards ☐ TRRP ☐ NPDES

Sampler Signature: Cindy Crain e-mail: cindy.crain@gmail.com

e-mail, cindy.crain@gmail.com

[illegible]

Environmental Lab of Texas
Variance/ Corrective Action Report- Sample Log-In

Client: Centillo Env.
Date/ Time: 4/27/09 12:47
Lab ID #: 331311
Initials: AL

Sample Receipt Checklist

	Yes	No	Client Initials
#1 Temperature of container/ cooler?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5:15 °C
#2 Shipping container in good condition?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
#3 Custody Seal's intact on shipping container/ cooler?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Not Present
#4 Custody Seal's intact on sample bottles/ container?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Not Present
#5 Chain of Custody present?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
#6 Sample instructions complete of Chain of Custody?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
#7 Chain of Custody signed when relinquished/ received?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
#8 Chain of Custody agrees with sample label(s)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ID written on Cont. Lid
#9 Container label(s) legible and intact?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Not Applicable
#10 Sample matrix/ properties agree with Chain of Custody?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
#11 Containers supplied by ELOT?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
#12 Samples in proper container/ bottle?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See Below
#13 Samples properly preserved?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See Below
#14 Sample bottles intact?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
#15 Preservations documented on Chain of Custody?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
#16 Containers documented on Chain of Custody?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
#17 Sufficient sample amount for indicated test(s)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See Below
#18 All samples received within sufficient hold time?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See Below
#19 Subcontract of sample(s)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Not Applicable
#20 VOC samples have zero headspace?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Not Applicable

Variance Documentation

Contact: _____ Contacted by: _____ Date/ Time: _____

Regarding: _____

Corrective Action Taken _____

- Check all that Apply
- ☐ See attached e-mail/ fax
 - ☐ Client understands and would like to proceed with analysis
 - ☒ Cooling process had begun shortly after sampling event

MCKAY OIL CORPORATION

SNAKEWEED B FEDERAL #1

CLOSURE – WASTE EXCAVATION AND REMOVAL

Protocols and Procedures, Sampling, Disposal, Soil Backfill and Site Reclamation

The reserve drilling pit at the McKay Oil Corporation, Snakeweed B Federal #1 site, was closed by waste excavation and removal methods. Depth to groundwater at the site is approximately 300 feet, and the surface is Federally owned.

The contents of the drilling pit and the pit liner were removed from the site and taken to disposal at Gandy-Marley (Permit Number: NM-711-01-0020).

A five-point composite sample (SS-1) was collected from the bottom of the pit, below the liner, and submitted to Xenco Laboratories (Xenco), of Odessa, Texas for analysis of BTEX, TPH and chlorides. The laboratory reported all BTEX constituents below the test method detection limits, a total TPH concentration of 64.9 mg/kg, and a chloride concentration of 1,040 mg/kg in the composite sample collected from the bottom of the pit. A C141 reporting the chloride concentration in excess of 1,000 mg/kg was submitted to, and approved by the NMOCD. Copies of the laboratory data, chain of custody and C141 documentation are attached.

Soil samples were also collected from the well pad location (SS-2 through SS-6) and analyzed by Xenco for chloride concentrations. This information was supplied to the NMOCD in a separate C141. Soil was excavated and removed from the well pad area until confirmation samples (SS-7 and SS-8) reported chloride concentrations below the NMOCD guidelines.

The pit was backfilled to a depth of approximately one (1) foot below ground surface with stockpiled soil removed during the initial pit construction. Following compaction of the backfilled soil, one (1) foot of topsoil was placed above the compacted soil and contoured to surface grade. The entire area will be re-seeded with a native grass seed mixture (per BLM specifications).