

Jalapeño Corporation

P.O. Box 1608

Albuquerque, NM 87103-1608

NM OIL CONSERVATION
ARTESIA DISTRICT

Phone: (505) 242-2050 Fax: (505) 242-8501

NOV 13 2015

RECEIVED

November 9, 2015
Certified Mail Receipt
#7015 0640 0001 5384 0792

Oil Conservation Division
811 S. First Street
Artesia, NM 88210

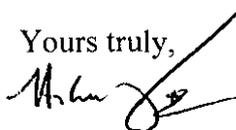
RE: Kobe 22 State #1 well
API # 30-005-64180
Section 22, T9S, R27E

As the surface owners of Kobe 22 State #1 well, we are informing you that Cardinal Laboratories conducted the five-point composite sample pit contents test to determine if the specified concentrations for in-place burial of the pit meet the OCD parameters.

Because the test results meet or were less than the OCD parameters (see attached test results), this letter is to inform you that we will start the on-site closure operations of the pit on Thursday, November 12, 2015. The on-site burial of the pit will be in compliance with the OCD's protocols and procedures based upon the appropriate requirements of 19.15.17.13 NMAC. Please note this letter, along with Cardinal Laboratories test results, were also faxed today (11/10/15) to the OCD office in Artesia.

If you have any questions or need further information, you can contact me at the numbers listed above or by e-mail at eyates@jalapenocorp.com.

Yours truly,



H. Emmons Yates III
Jalapeno Corporation
Vice President



November 04, 2015

EMMONS YATES

JALAPENO CORPORATION

PO BOX 1608

ALBUQUERQUE, NM 87103

RE: KOBE 22 ST. #1Y

Enclosed are the results of analyses for samples received by the laboratory on 10/28/15 12:10.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

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

Method EPA 552.2	Total Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Cardinal Laboratories is accredited through the State of New Mexico Environment Department for:

Method SM 9223-B	Total Coliform and E. coli (Colilert MMO-MUG)
Method EPA 524.2	Regulated VOCs and Total Trihalomethanes (TTHM)
Method EPA 552.2	Total Haloacetic Acids (HAA-5)

Accreditation applies to public drinking water matrices for State of Colorado and New Mexico.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Celey D. Keene". The signature is written in a cursive style with a large, prominent "C" at the beginning.

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

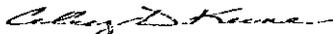
JALAPENO CORPORATION PO BOX 1608 ALBUQUERQUE NM, 87103	Project: KOBE 22 ST. #1Y Project Number: NONE GIVEN Project Manager: EMMONS YATES Fax To: (505) 242-8501	Reported: 04-Nov-15 16:52
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Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
5 PT COMPOSITE	H502815-01	Soil	28-Oct-15 09:45	28-Oct-15 12:10

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

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5 PT COMPOSITE
H502815-01 (Soil)

Analyte	Result	MDL	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
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Cardinal Laboratories
Inorganic Compounds

Chloride	<16.0		16.0	mg/kg	4	5103002	AP	30-Oct-15	4500-Cl-B	
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Organic Compounds

TPH 418.1	<20.0		20.0	mg/kg	2	5110208	CK	04-Nov-15	418.1	
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Volatile Organic Compounds by EPA Method 8021

Benzene*	<0.050		0.050	mg/kg	50	5110202	MS	02-Nov-15	8021B	
Toluene*	<0.050		0.050	mg/kg	50	5110202	MS	02-Nov-15	8021B	
Ethylbenzene*	<0.050		0.050	mg/kg	50	5110202	MS	02-Nov-15	8021B	
Total Xylenes*	<0.150		0.150	mg/kg	50	5110202	MS	02-Nov-15	8021B	
Total BTEX	<0.300		0.300	mg/kg	50	5110202	MS	02-Nov-15	8021B	
Surrogate: 4-Bromofluorobenzene (PID)			104 %	73.6-140		5110202	MS	02-Nov-15	8021B	

Petroleum Hydrocarbons by GC FID

GRO C6-C10	<10.0		10.0	mg/kg	1	5102902	MS	29-Oct-15	8015B	
DRO >C10-C28	<10.0		10.0	mg/kg	1	5102902	MS	29-Oct-15	8015B	
Surrogate: 1-Chlorooctane			99.3 %	47.2-157		5102902	MS	29-Oct-15	8015B	
Surrogate: 1-Chlorooctadecane			110 %	52.1-176		5102902	MS	29-Oct-15	8015B	

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

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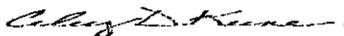
Inorganic Compounds - Quality Control
Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 5103002 - General Prep - Wet Chem										
Blank (5103002-BLK1)										
					Prepared & Analyzed: 30-Oct-15					
Chloride	ND	16.0	mg/kg							
LCS (5103002-BS1)										
					Prepared & Analyzed: 30-Oct-15					
Chloride	464	16.0	mg/kg	400		116	80-120			
LCS Dup (5103002-BSD1)										
					Prepared & Analyzed: 30-Oct-15					
Chloride	416	16.0	mg/kg	400		104	80-120	10.9	20	

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*=Accredited Analyte

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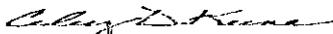
Organic Compounds - Quality Control
Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 5110208 - Solvent Extraction										
Blank (5110208-BLK1)										
Prepared & Analyzed: 04-Nov-15										
TPH 418.1	ND	20.0	mg/kg							
LCS (5110208-BS1)										
Prepared & Analyzed: 04-Nov-15										
TPH 418.1	4840	20.0	mg/kg	5000		96.7	70-130			
LCS Dup (5110208-BSD1)										
Prepared & Analyzed: 04-Nov-15										
TPH 418.1	5830	20.0	mg/kg	5000		117	70-130	18.6	20	

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* = Accredited Analyte

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Volatile Organic Compounds by EPA Method 8021 - Quality Control
Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch 5110202 - Volatiles
Blank (5110202-BLK1)

Prepared & Analyzed: 02-Nov-15

Benzene	ND	0.050	mg/kg							
Toluene	ND	0.050	mg/kg							
Ethylbenzene	ND	0.050	mg/kg							
Total Xylenes	ND	0.150	mg/kg							
Total BTEX	ND	0.300	mg/kg							
Surrogate: 4-Bromofluorobenzene (PID)	0.0528		mg/kg	0.0500		106	73.6-140			

LCS (5110202-BS1)

Prepared & Analyzed: 02-Nov-15

Benzene	1.96	0.050	mg/kg	2.00		98.0	82.6-122			
Toluene	2.16	0.050	mg/kg	2.00		108	72.9-122			
Ethylbenzene	1.96	0.050	mg/kg	2.00		98.1	65.4-131			
Total Xylenes	6.23	0.150	mg/kg	6.00		104	73.8-125			
Surrogate: 4-Bromofluorobenzene (PID)	0.0507		mg/kg	0.0500		101	73.6-140			

LCS Dup (5110202-BSD1)

Prepared & Analyzed: 02-Nov-15

Benzene	1.97	0.050	mg/kg	2.00		98.3	82.6-122	0.345	8.23	
Toluene	2.17	0.050	mg/kg	2.00		108	72.9-122	0.207	8.71	
Ethylbenzene	1.99	0.050	mg/kg	2.00		99.3	65.4-131	1.19	9.46	
Total Xylenes	6.31	0.150	mg/kg	6.00		105	73.8-125	1.36	8.66	
Surrogate: 4-Bromofluorobenzene (PID)	0.0513		mg/kg	0.0500		103	73.6-140			

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Petroleum Hydrocarbons by GC FID - Quality Control
Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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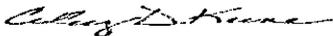
Batch 5102902 - General Prep - Organics

Blank (5102902-BLK1)		Prepared & Analyzed: 29-Oct-15								
GRO C6-C10	ND	10.0	mg/kg							
DRO >C10-C28	ND	10.0	mg/kg							
EXT DRO >C28-C35	ND	10.0	mg/kg							
Total TPH C6-C28	ND	10.0	mg/kg							
Surrogate: 1-Chlorooctane	47.2		mg/kg	50.0		94.3	47.2-157			
Surrogate: 1-Chlorooctadecane	50.8		mg/kg	50.0		102	52.1-176			
LCS (5102902-BS1)		Prepared & Analyzed: 29-Oct-15								
GRO C6-C10	212	10.0	mg/kg	200		106	72.5-115			
DRO >C10-C28	219	10.0	mg/kg	200		110	81.3-118			
Total TPH C6-C28	431	10.0	mg/kg	400		108	80-113			
Surrogate: 1-Chlorooctane	49.7		mg/kg	50.0		99.4	47.2-157			
Surrogate: 1-Chlorooctadecane	53.6		mg/kg	50.0		107	52.1-176			
LCS Dup (5102902-BSD1)		Prepared & Analyzed: 29-Oct-15								
GRO C6-C10	211	10.0	mg/kg	200		105	72.5-115	0.534	10.1	
DRO >C10-C28	220	10.0	mg/kg	200		110	81.3-118	0.285	15.3	
Total TPH C6-C28	431	10.0	mg/kg	400		108	80-113	0.116	12.1	
Surrogate: 1-Chlorooctane	49.3		mg/kg	50.0		98.6	47.2-157			
Surrogate: 1-Chlorooctadecane	54.5		mg/kg	50.0		109	52.1-176			

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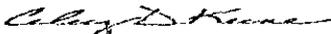
Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

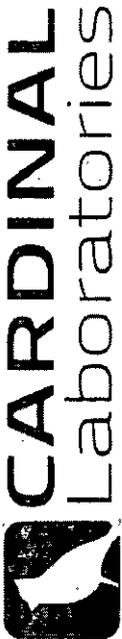
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Celey D. Keene, Lab Director/Quality Manager



101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: Japene Corp. Project Manager: Emmons Yates Address: City: State: Zip: Phone #: Fax #: Project #: Project Owner: Project Name: Hope N2 State 1 Y Project Location: Graves Co. NM Sampler Name: Gene Shull		Company: Attn: Address: City: Zip: State: Phone #: Fax #:		Matrix (G) RAB OR (C)OMP. # CONTAINERS GROUNDWATER WASTEWATER SOIL OIL SLUDGE OTHER: ACIDBASE: ICE/COOL OTHER:		Preserv DATE TIME 10/26/15 9:45		Analysis Request TH 418 TH 8015 BTEX	
Lab I.D. H500815 1A NE 1B NW 1C SE 1D SW 1E Center		Sample I.D.							

FOR LAB USE ONLY

Relinquished By: *Gene Shull* Date: 10/26/15 Received By: *Debi Jensen*

Relinquished By: _____ Date: _____

Delivered By: (Circle One) UPS Bus Other: _____

Sample Condition: Cool Intact Yes No

Checked By: *[Signature]*

REMARKS: Comp into 1 sample.

Phone Result: Yes No Add'l Phone #: _____
 Fax Result: Yes No Add'l Fax #: _____

† Cardinal cannot accept verbal changes. Please fax written changes to (575) 393-2026 #511