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APPROVED; Conditional

By OCD District 1 at 8:19 am, Jun 23, 2015

Remediation Action Plan

Action plan associated with State 23/26 Battery

Microbial Energy Inc. (Contractor)

Crownquest Operating: Midland Texas (Operator)

Location: Unit Letter A Section 27 Township14S Range 32E

API No. 30-025-22713

June 19,2015

1. For all soils removed, confirmation samples must be taken.

2. Ensure SLO approval/concurrence.

Remediation Plan for unsaturated contaminated soils at State 23/26 Battery

Microbial Energy of Farmington NM is submitting action plan for remediation of unsaturated potential contaminated soil to the OCD of New Mexico, Kellie Jones.

This proposal is for an onsite microbial remediation to degrade hydrocarbon. We ask that any response be not determined until soil samples that have been collected return from analysis to determine the grade of TPH as well as chloride presence.

Site History

On June 9th, Contractors were out removing clean caliche from State 23/26 Battery to lease roads in an effort to fix defective grounds for improved driving. Reason for removal of caliche to lease roads from battery was to prepare for PxA plans in the near future, as well as to mitigate roads in area for all who travel. Contractors on site may have accidentally moved unsaturated contaminated soils from the 23/26 battery to lease road. Picture documentation was collected as well as soil samples to determine the ranking of contamination, if any at all. If determined that unsaturated contaminated soils have been moved to lease roads, remediation actions will undergo.

Site Ranking

Samples have been collected and sent to Hall Environmental Analysis Laboratory, 4901 Hawkins St NE, Albuquerque NM 87109. Results anticipated week of June 22-26. All results will be forwarded to OCD rep Kellie Jones and RP at Crownquest Operating, Zach Jones for review.

Assessment and Field Work required for remediation

1. Anticipated start and end of work based determined on soil sample results collected. This will be determined on what is needed to be done to remediate or and or haul off/back to battery, but not before plan has been approved by OCD official, Kellie Jones.
2. Work required will consist of, but not be limited to, excavation, non contaminated dirt hauled, contaminated dirt hauled to approved facility and or treated on sight, clean soil brought from approved sight, intense monitoring program until appropriate levels have been met.
3. If on sight remediation is approved, sampling and intense monitoring must take place to ensure degrading is taking place and will be completed within a 12-month period. Sample results will be immediately reported to OCD official and RP to further discuss action plans course.

4. Sketches, pictures and any notes shall be a part of any report submitted by Microbial Energy as necessary to specific work taken for.