Gandy Corporation
Wattum Federal #6
Site Investigation
Section 7, Township 8S, Range 31E
Chaves County, New Mexico

April 12, 2016

Prepared for:

Gandy Corporation
1623 South Main
Lovington, New Mexico 88260

By:

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I. Company Contacts

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II. Background

SESI was contracted to perform a site investigation to determine the vertical extent of contamination at the Wattam Federal #6 location. The subject area is located in Section 7, Township 8S, Range 31E in Chaves County, New Mexico.

II. Surface and Ground Water

The nearest groundwater water of record with the New Mexico State Engineer's Office is in section 32, township 08S and range 31E. The depth to water for this well is 103 feet bgs. However, there is no record of groundwater in the immediate vicinity. The average depth to water for this area is 103' bgs (Appendix A).

III. Soils

The soils in the area are predominantly sand and sandy loam.

IV. Work Performed

On April 11, 2016 SESI personnel, Gandy personnel together with a backhoe and operator, were on site to assess the spill area at this location. Heavy hydro carbon staining on the area were present (Figure 2). The location and spill area were mapped using a handheld Juno 3B (Figure 1). The spill area measured approximately 5,403 sq. ft. The backhoe operations included but were not limited to surface scraping of visual staining followed by the installation of test trench. The areas "pooled" by fluids were solidified by utilizing spoils that were scraped up on the pad area. The results of representative soil samples retrieved from the test trench are recapped in the following table:

Date	ID	Depth	Cl^-	TPH
4-11-16	TT-1	1'	11860	.02
4-11-16	TT-1	2'	13056	No test
4-11-16	TT-1	4'	15984	No test
4-11-16	TT-1	8'	19056	No test

Further sampling was halted due to level of chloride constituents in the soil.
It was furthermore decided that a drilling unit should be brought in for purposes of extracting soil bores for further sampling.

VI. Figures & Appendices

Figure 1 – Site Plan
Figure 2 – Photo Documentation
Appendix A - Groundwater

Figure 1
Site Plan

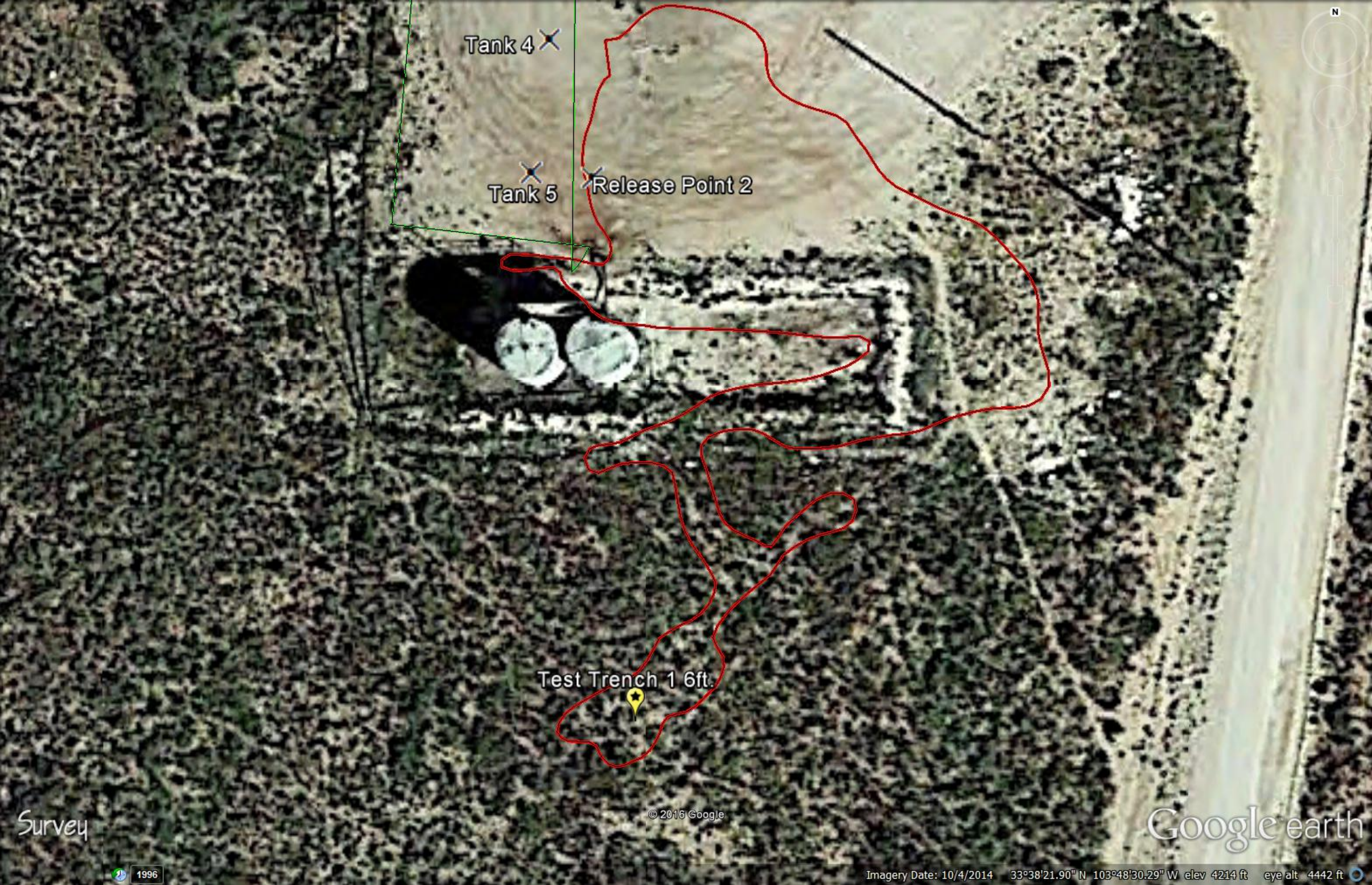
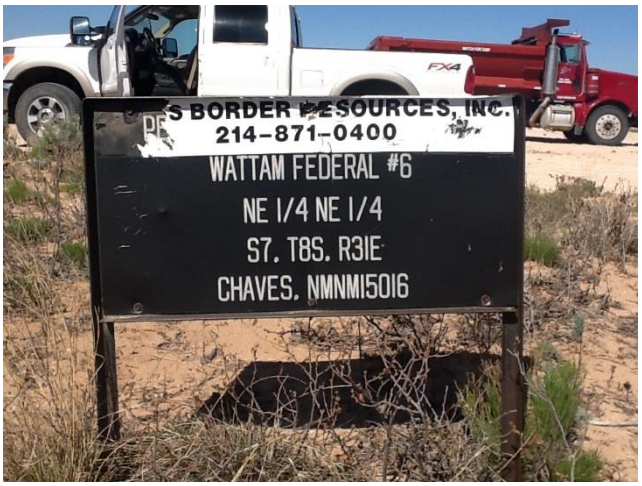
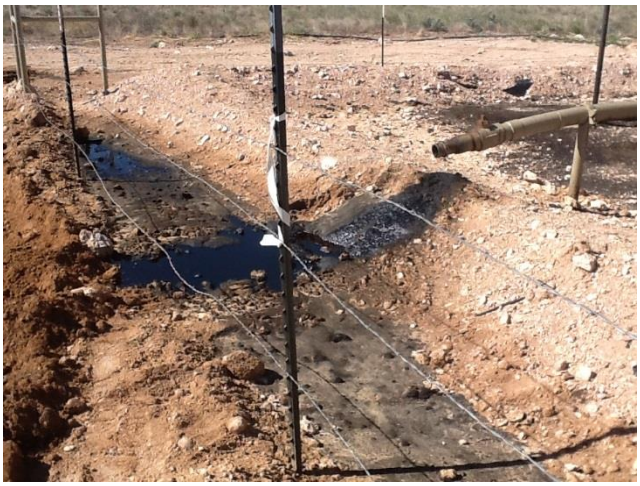

Tank 4
Tank 5
Release Point 2
Test Trench 1 6ft.
© 2016 Google
Survey
Google earth
1996
Imagery Date: 10/4/2014 33°38'21.90" N 103°48'30.29" W elev 4214 ft eye alt 4442 ft

Figure 2
Photo Documentation

Gandy
Wattum Fed #6 Location

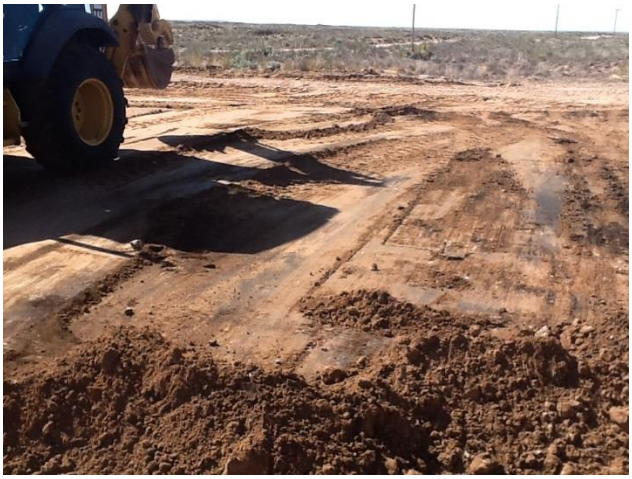


Sign marking location



Release Point Area

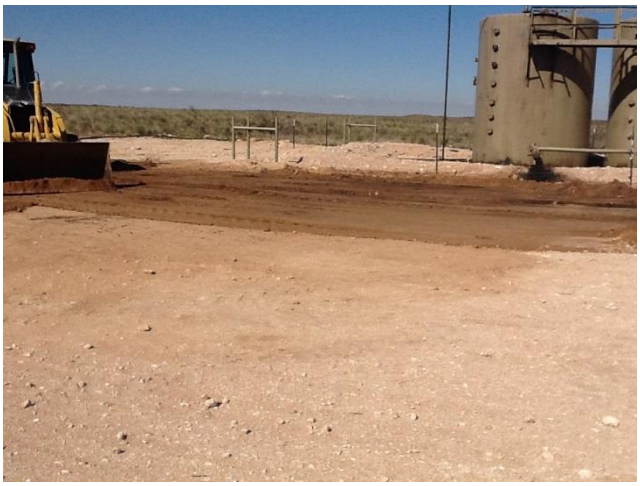
Impacted area



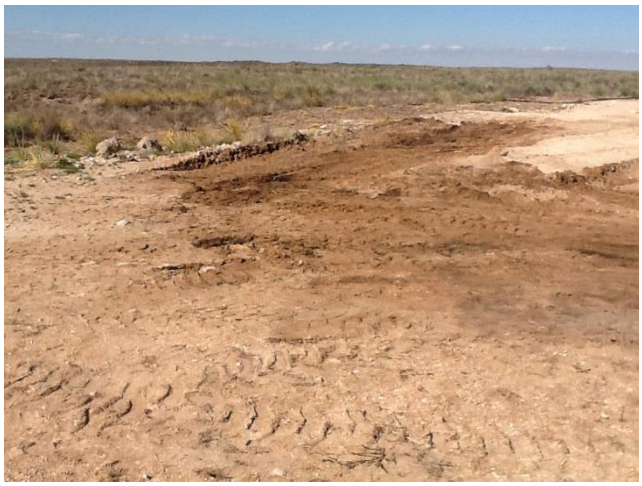
Surface removal

View of impacted area looking south

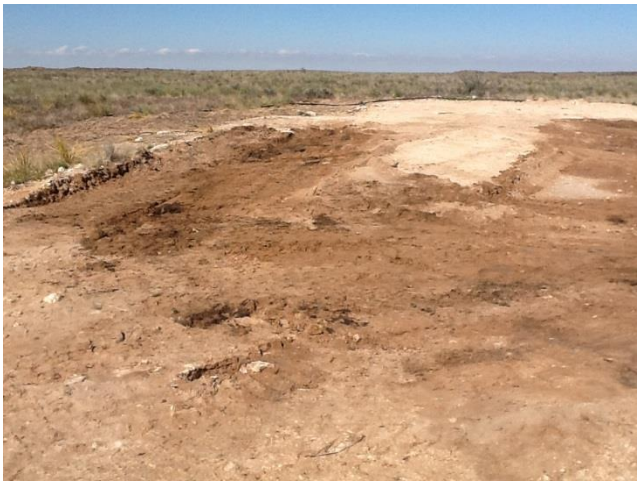
Gandy
Wattum Fed #6 Location



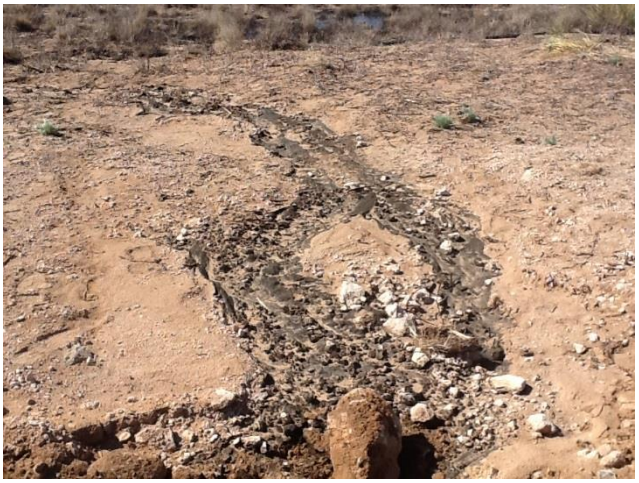
Surface removal



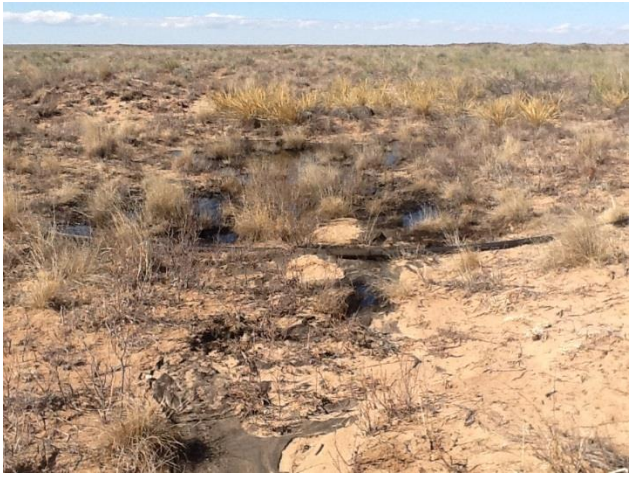
Impacted area west of location



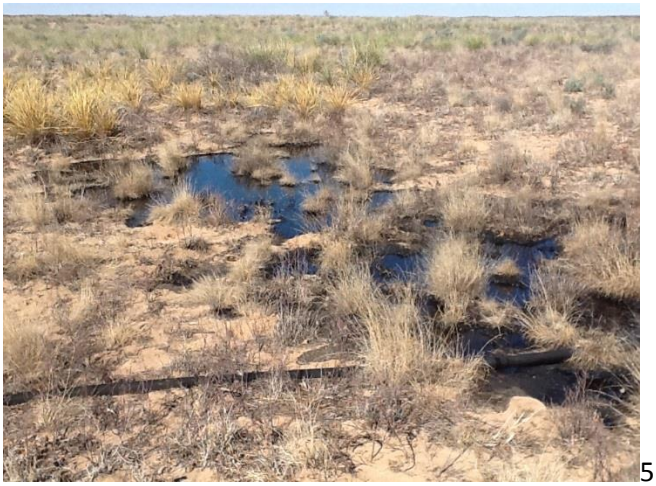
Surface after removal



Spill traverse



Pasture impact



Pasture impact standing fluid south

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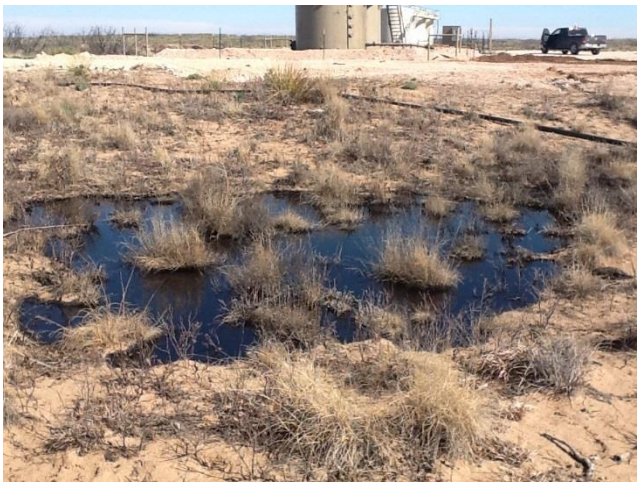
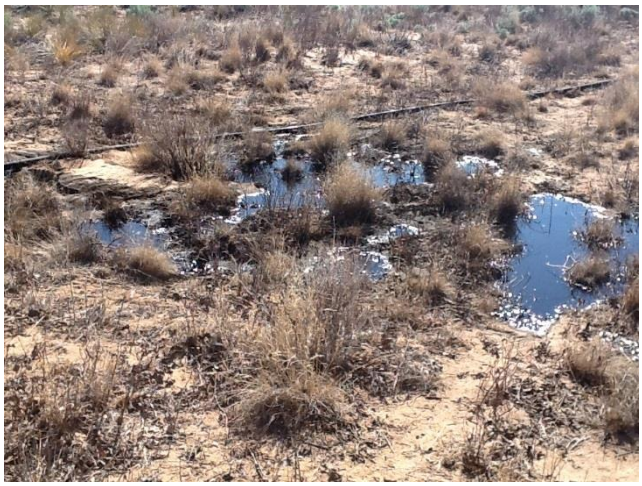
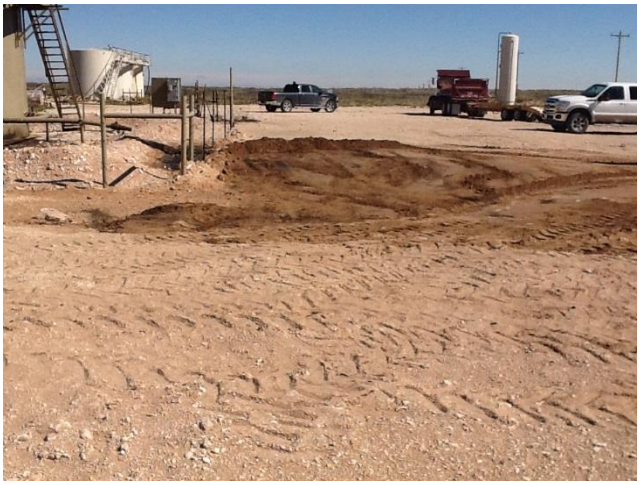
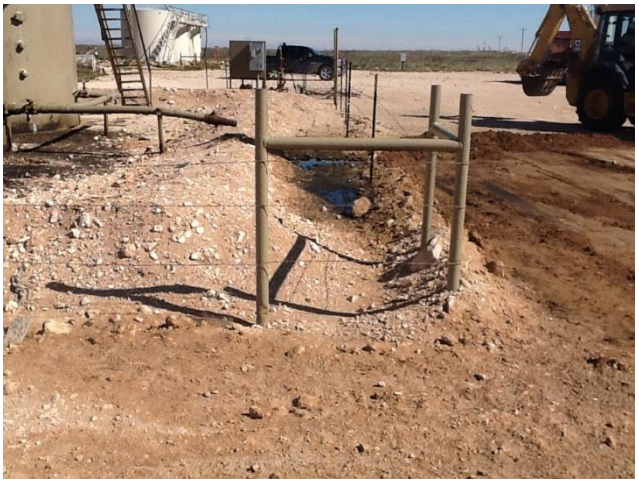
Wattum Fed #6 Location



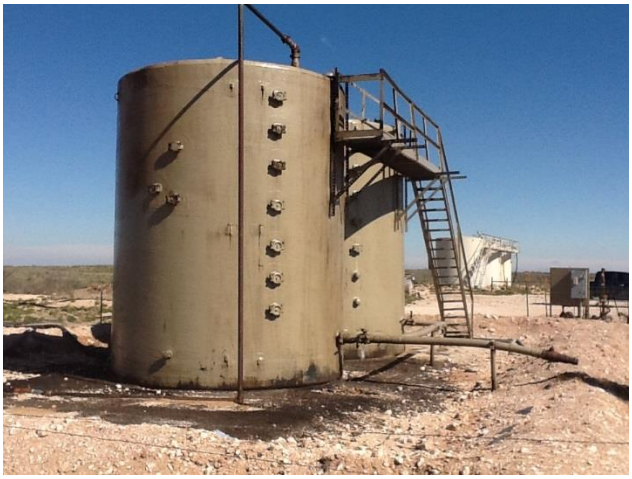
Standing fluid west of pad



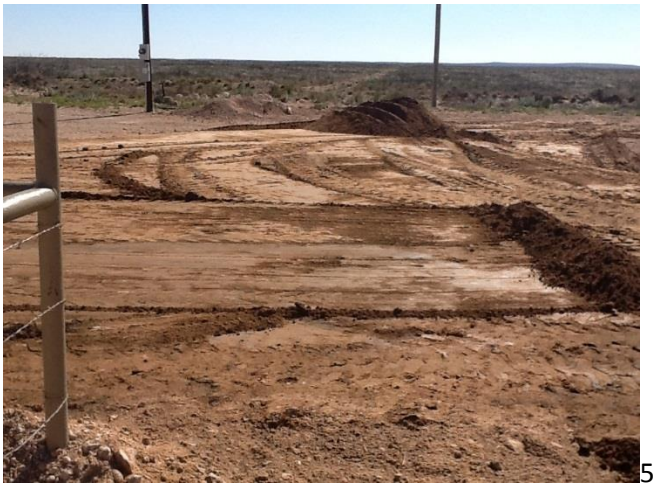




Removal of surface impact



Impact inside bermed area



Surface removal

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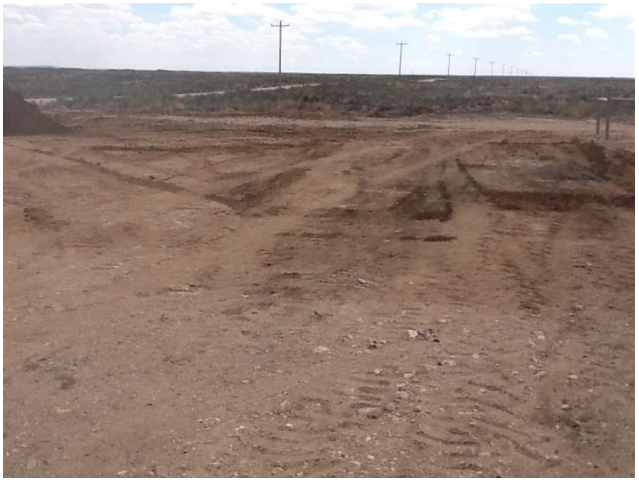
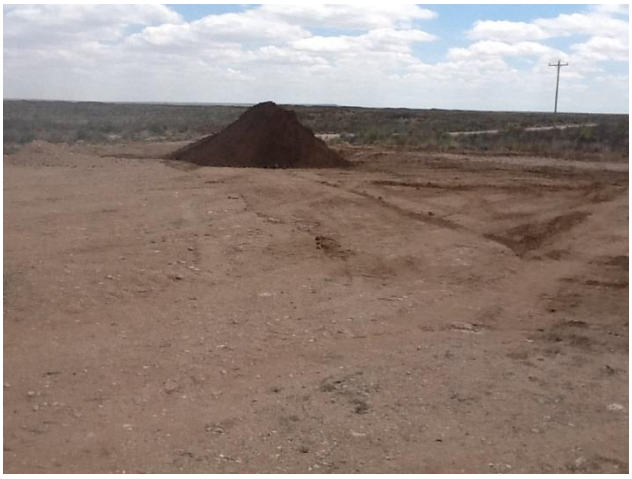
Wattum Fed #6 Location

Test Trench

Test Trench

Surface removal at release point





Stockpiled soil

Appendix A
Groundwater

New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	POD Sub-basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
RA 11992 POD1		CH	1	2	1	32	08S	31E	611267	3716440	300	103	197
RA 12161 POD1		CH	1	1	1	05	08S	31E	610809	3724479	250		
RA 12161 POD2		CH	1	1	1	05	08S	31E	610809	3724483	250		
RA 12161 POD3		CH	1	1	1	05	08S	31E	610809	3724489	250		
RA 12161 POD4		CH	1	1	1	05	08S	31E	610811	3724495	250		
RA 12161 POD5		CH	1	1	1	05	08S	31E	610811	3724501	250		

Average Depth to Water: **103 feet**

Minimum Depth: **103 feet**

Maximum Depth: **103 feet**

Record Count: 6

PLSS Search:

Township: 08S **Range:** 31E