



April 4, 2016

VIA EMAIL: MCrosswell@sianoil.com

Mr. Mark Crosswell
Siana Operating LLC
12012 Wickchester Lane, Ste 410
Houston, Texas 77079

Re: Scope of Work and Cost Estimate for Spill Remediation, Curry State #5, Lea County, New Mexico

Dear Mr. Crosswell:

Charger Services (Charger) appreciates the opportunity to provide this scope of work and cost estimate to Siana for remediation of the Curry State #5 spill in Lea County, New Mexico.

INVESTIGATION

On March 24, 2016, Charger field personnel investigated an oil and produced water spill at the Siana Curry State #5 (Site) located at 32°17'30.68"N, 103°27'47.91"W in Lea County, New Mexico. Siana reported an unknown quantity of oil and produced water were lost at the Site and covering approximately 7,200 sq. ft. of the facility. This was confirmed during the investigation and photo documentation was used to record the condition during the investigation.

REMEDATION SCOPE OF WORK

Charger proposes to excavate the stained soil to approximately 1.0 feet below ground surface (bgs), sample soil for cleanup confirmation, hauling impacted soil to disposal, and back fill excavation with clean soil. Charger will submit a final report to Siana and the New Mexico Oil Conservation Division (NMOCD) once the work is complete. It is expected to take two (2) days to excavate, sample, haul impacted soil, and back fill excavation. The sample results will take approximately two weeks on normal turnaround time and will dictate the soil disposal. This is expected to take one (1) day to complete with a final report to follow after all data is collected.

Equipment decontamination, sample collection, field documentation, sample custody, and laboratory analyses will be in general accordance with industry standards of practice and in conformance with applicable Federal and State regulations. All work will be performed under the supervision of a qualified environmental professional. All laboratory work will be performed under standard turn-around times and costs, unless otherwise directed.

FEES

Charger estimates that this scope of work will take approximately 3 days. Performance of the outlined scope of services will be on a time and materials basis. The estimated cost is **\$ 14,321.25**. A detailed cost estimate is enclosed.

This proposal does not include the handling, storage, transportation, or disposal of hazardous substances or wastes.

Additional work required beyond this scope of services presented in this proposal, or as caused by factors beyond Charger's control, will be invoiced on a time and materials expense basis in accordance with Charger's Fee Schedule. Additional work will not be performed without prior authorization from the State and client.

AUTHORIZATION

If this proposal is acceptable to you, please sign below as notice to proceed and return one copy of this proposal intact to our office. We will proceed with the work upon receipt of proposal authorization. You may contact me at (325) 669-5735 (cell) to discuss any questions you may have.

Respectfully submitted,

Charger Services, LLC



Coty Woolf
Environmental Manager
Charger Services, LLC
325.669.5735

Coty.woolf@chargerservices.com

Cost Estimate

Siana Oil and Gas Curry State #5

Remediation Cost Estimate

4-Apr-16

Site Marking and One-Call Notification

Assumes: Marking Excavation Area, Driving Instructions and One-Call (811) Utility Notification

Item	Quantity	Rate	Unit	Total
Project Manager	1	\$ 95.00	/ Hour	\$ 95.00
Environmental Technician	8	\$ 45.00	/Hour	\$ 360.00
Truck	8	\$ 12.00	/Day	\$ 96.00
Mileage - Truck	230	\$ 0.57	/Each	\$ 129.95
Subtotal:				\$ 680.95

Spill Remediation

Item	Quantity	Rate	Unit	Total
Site Safety Plan	1	\$ 250.00	/Lump Sum	\$ 250.00
Mob and De-Mob	6	\$ 115.00	/Hour	\$ 690.00
Backhoe with operator	16	\$ 90.00	/Hour	\$ 1,440.00
Crew men and truck with tools	16	\$ 90.00	/Hour	\$ 1,440.00
Project Manager	4	\$ 95.00	/ Hour	\$ 380.00
Environmental Technician	8	\$ 45.00	/Hour	\$ 360.00
Estimated cost of soil disposal	60	\$ 35.00	/Cubic Yard	\$ 2,100.00
Estimated cost of clean soil	60	\$ 8.00	/Cubic Yard	\$ 480.00
Transport of impacted soil to disposal	14	\$ 115.00	/Hour	\$ 1,610.00
Transport of clean soil for backfill	14	\$ 115.00	/Hour	\$ 1,610.00
Truck (project manager)	4	\$ 12.00	/Day	\$ 48.00
Mileage - Truck (crew)	460	\$ 0.40	/Mile	\$ 184.00
Mileage - Truck (project manager)	230	\$ 0.40	/Mile	\$ 92.00
Equipment (Digital Camera, Sample Trowels, etc.)	1	\$ 250.00	/Lump Sum	\$ 250.00
Reproduction (Professional Services)	\$ 740.00	4.00%	Percentage	\$ 29.60
Subtotal:				\$ 10,963.60

Laboratory Analysis

Item	Quantity	Rate	Unit	Total
Excavation Samples (TPH & CI)	10	\$ 90.00	/Each	\$ 900.00
Stockpiled Soil Sample (TPH & CI)	1	\$ 90.00	/Each	\$ 90.00
Service Fee	\$ 990.00	17.00%	Percentage	\$ 168.30
Subtotal:				\$ 1,158.30
Report and Project Management				
Item	Quantity	Rate	Unit	Total
Sr. Project Manager	12	\$ 95.00	/ Hour	\$ 1,140.00
Drafting	4	\$ 65.00	/ Hour	\$ 260.00
Clerical	2	\$ 30.00	/ Hour	\$ 60.00
Reproduction (Professional Services)	\$ 1,460.00	4.00%	Percentage	\$ 58.40
Subtotal:				\$ 1,518.40
Total:				<u>\$ 14,321.25</u>

AUTHORIZATION

If this proposal is acceptable to you, please sign below as notice to proceed and return one copy of this proposal intact to our office. We will proceed with the work upon receipt of proposal authorization and executed consulting services agreement.

AGREED TO, THIS _____ DAY OF _____, 2016

BY (please print): _____

TITLE: _____

COMPANY: _____

SIGNATURE: _____

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

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

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	<i>Siana Oil and Gas LLC</i>	Contact	<i>Mark Crosswell</i>
Address	<i>12012 Wichester Lane</i>	Telephone No.	<i>713-568-1082</i>
Facility Name	<i>Larry State #5</i>	Facility Type	<i>Well</i>
Surface Owner		Mineral Owner	API No. <i>30-025-39908</i>

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<i>0</i>	<i>22</i>	<i>23-S</i>	<i>34E</i>					<i>Leq</i>

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	<i>Oil & Produced water</i>	Volume of Release	<i>unknown</i>	Volume Recovered	<i>unknown</i>
Source of Release	<i>unknown</i>	Date and Hour of Occurrence	<i>unknown</i>	Date and Hour of Discovery	<i>unknown</i>
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	<i>unknown</i>		
By Whom?	<i>unknown</i>	Date and Hour	<i>unknown</i>		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	<i>N/A</i>		

If a Watercourse was Impacted, Describe Fully.*

N/A

Describe Cause of Problem and Remedial Action Taken.*

N/A

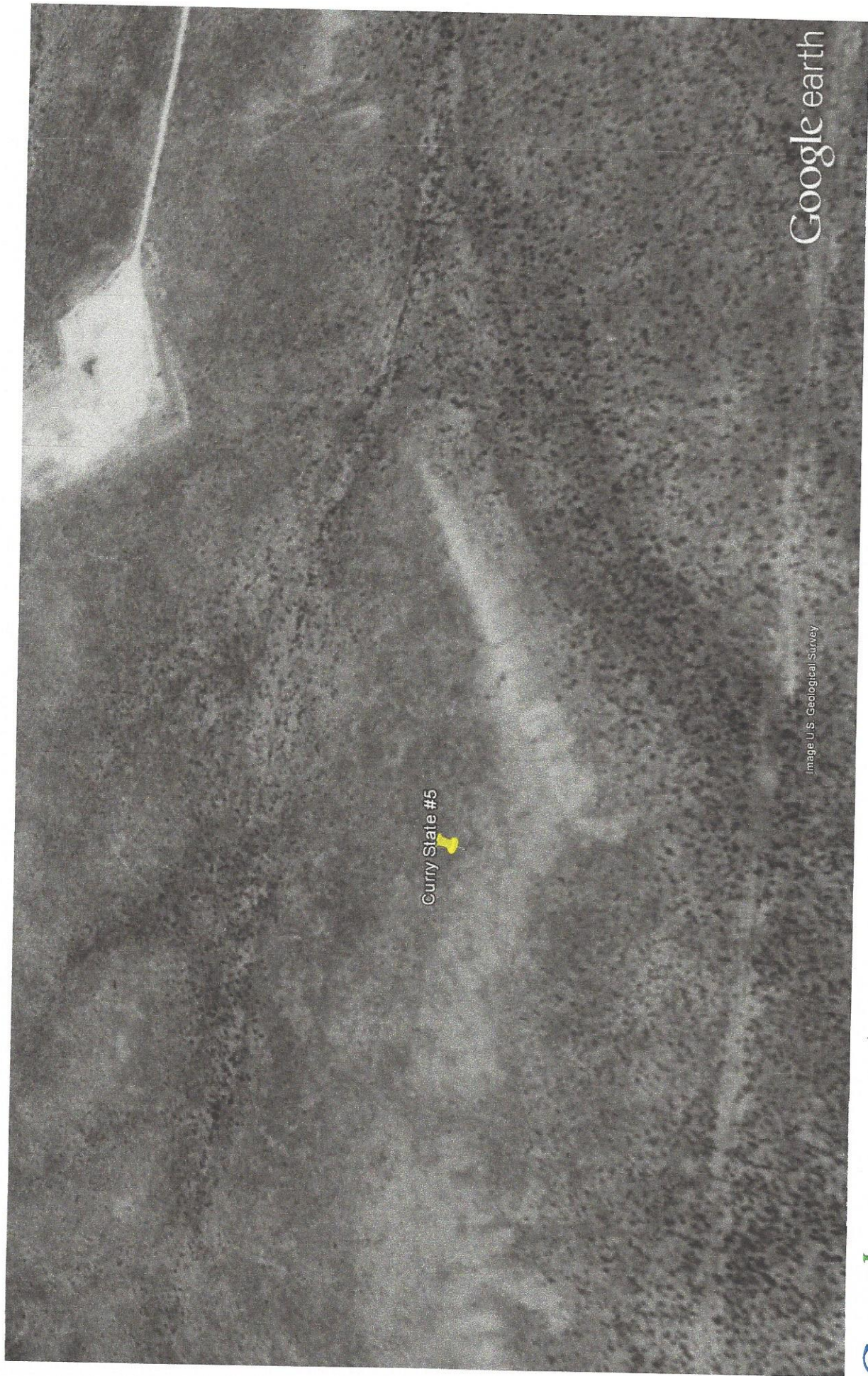
Describe Area Affected and Cleanup Action Taken.*

N/A

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>THUR</i>		OIL CONSERVATION DIVISION	
Printed Name: <i>Tom M. Ragsdale</i>		Approved by Environmental Specialist:	
Title: <i>President</i>	Approval Date:	Expiration Date:	
E-mail Address: <i>mcrosswell@sianaoil.com</i>	Conditions of Approval:		Attached <input type="checkbox"/>
Date: <i>4/4/16</i>	Phone: <i>713-568-1082</i>		

* Attach Additional Sheets If Necessary



Google earth

feet
meters

1000

400



10/31/1997



Google earth

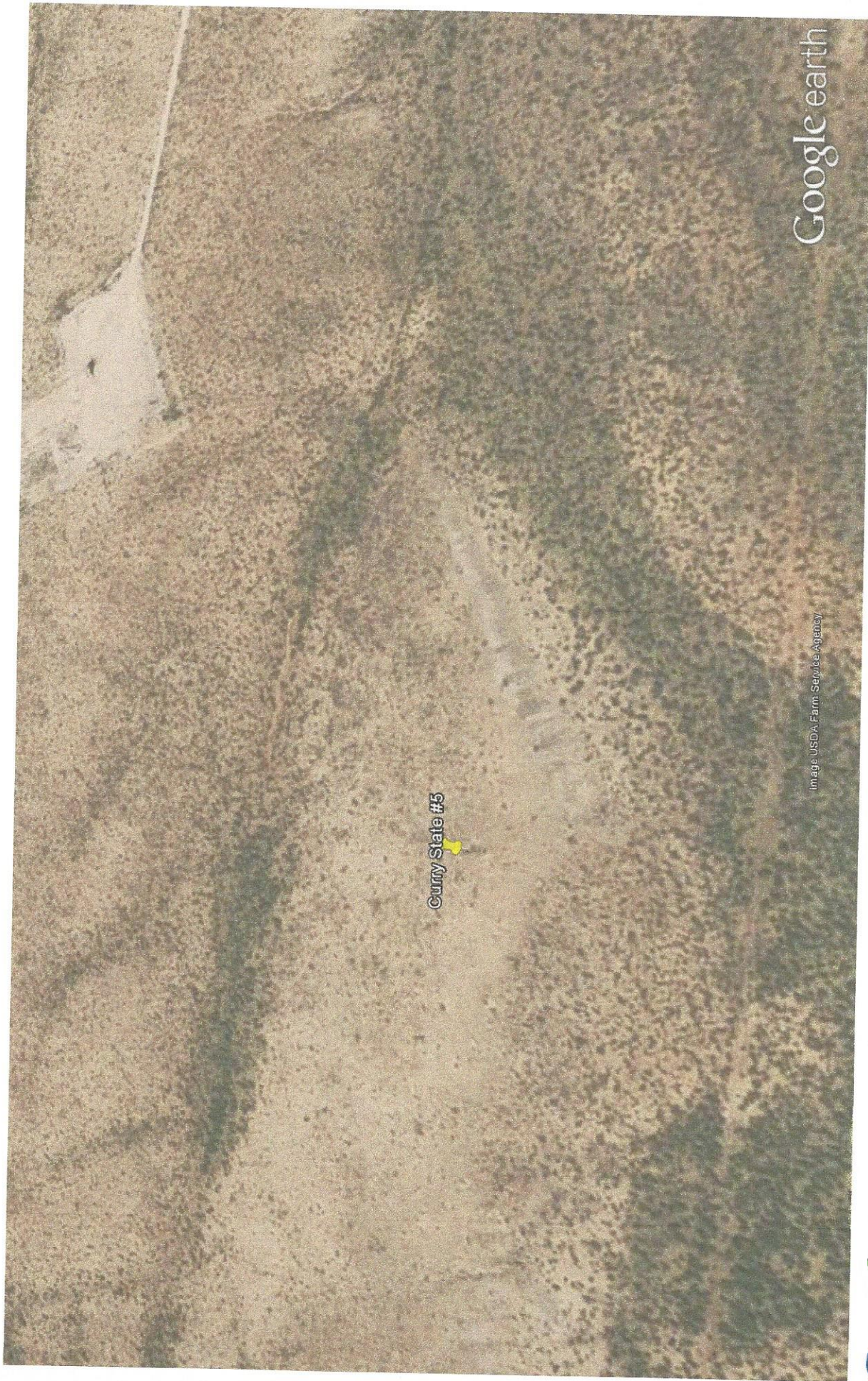
feet
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7/30/2005



Google earth

Image: USDA Farm Service Agency

Google earth

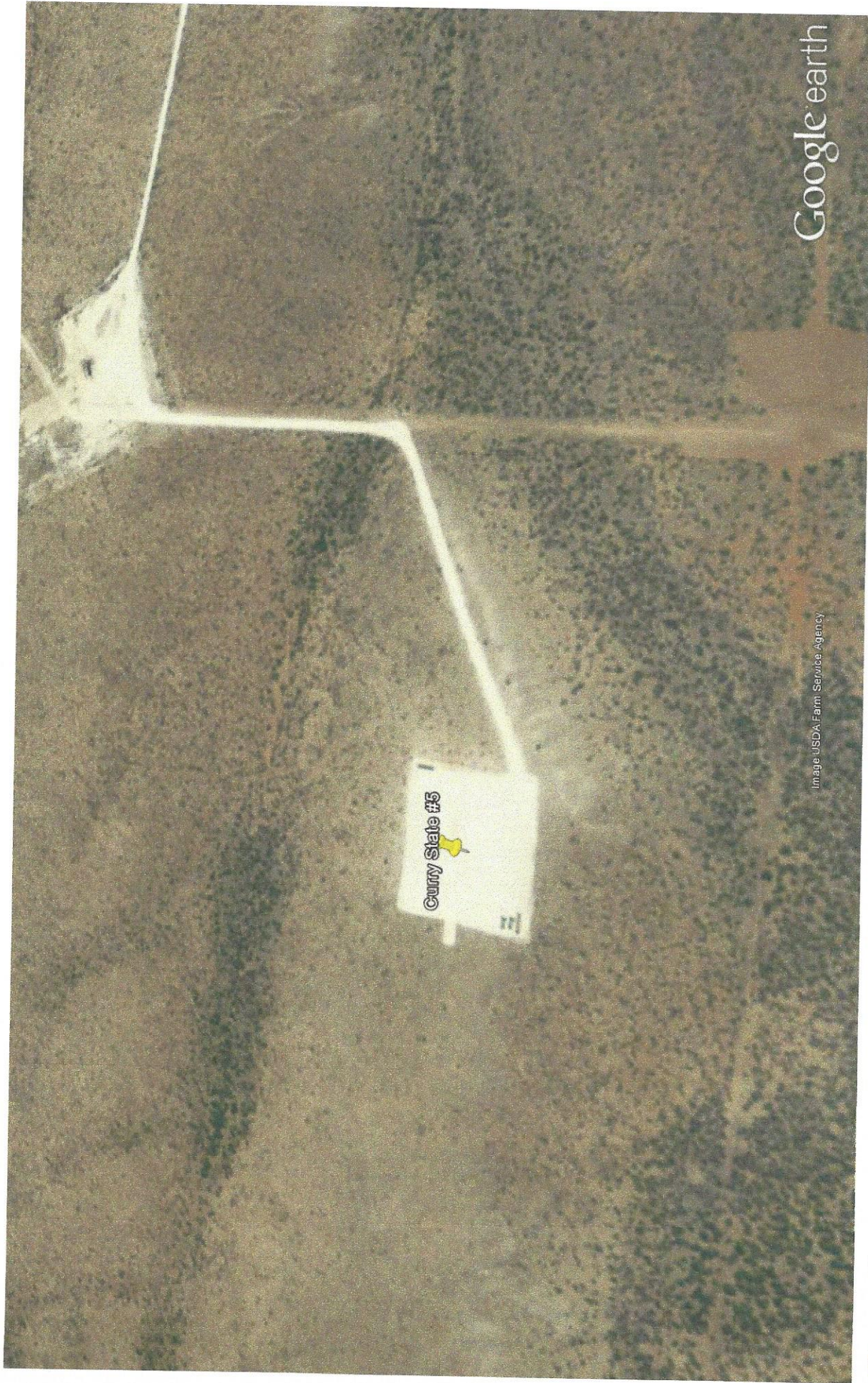
feet
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8/14/2009



Google earth

Image USDA Farm Service Agency

Google earth

feet
meters

1000

400



8/2/2011



Google earth

feet
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400



3/2/2012



Google earth

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2/13/2014

