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Via E-mail

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RE: Sampling and Laboratory Analysis – Maralex Resources, Inc. Cameo Federal C-1: Pit – Soil Characterization

Dear Carlos and Julia,

Environmental Services, Inc. (ESI) is pleased to present the reported laboratory results representing a soil sample from a small pit associated with a Maralex Resources, Inc. (Maralex) facility identified as Cameo Federal C-1 (Site). The purpose of the evaluation was to characterize the pit's soil and compare the reported laboratory results to the Colorado Oil and Gas Conservation Commission (COGCC) Concentration Levels included in Table 910-1 and dated April, 2009.

SAMPLING

Sampling was performed by ESI on April 9, 2014. During the field activities we were accompanied by Mr. Leland Clifton with Maralex. The Site's location was recorded with a Global Positioning System using the North American Datum 83. The latitude was recorded at 39.22852 degrees and longitude at 103.41035 degrees. The Site's elevation was measured at 6,434 feet above mean sea level. Digital photographs are summarized in an attached Power Point presentation. The pit was square shaped and measured approximately 20 feet by 20 feet. The pit included earthen berms and was approximately three feet deep. Based on our observations the pit did not appear to have been used. At the time of our Site visit, the pit contained dry weeds. Evidence of surface water or waste water was not observed inside the pit

at the time of our Site visit. The pit's soil can be visually classified as clayey silty sand, light tan, and dry. Evidence of petroleum hydrocarbons or potentially hazardous materials were also not observed in pit's soil.

We obtained aliquots at three locates and from the bottom of the pit to approximately 1-foot below the surface. The aliquots were obtained using a decontaminated shovel. The aliquots were placed into stainless steel pail and mixed.

SAMPLING AND COOLER PREPARATION

Surgical gloves were donned during sampling and sample preparation. The samples were immediately transferred into appropriate containers provided by the laboratory. The individual sample containers included completed labels that were secured with film tape. The samples were then placed into individual baggies, and immediately placed into a cooler with ice. The sample was logged and recorded under a Chain of Custody.

Additional ice was placed into doubled two-gallon baggies and placed on each side and on top of the sample sufficient to maintain an internal cooler temperature of less than four degrees Celsius. The Chain of Custody form was placed into an individual baggie and affixed to the underside of the cooler lid. Copies of the Chain of Custody forms have been retained in the ESI project file. The cooler included a signed and dated security label. The cooler lids were secured with reinforced packing tape and film tape. The cooler was delivered to FedEx in Basalt, Colorado for Standard Overnight Delivery to the Analytica Environmental Laboratory in Thornton, Colorado (Analytica). Copies of the FedEx Air Bills have been retained in the ESI project file and secured to a copy of the completed Chain of Custody.

LABORATORY ANALYSIS

The sample was received by Analytica on April 11, 2014. The sample was analyzed for Total Resource Conservation Recovery Act (RCRA) metals Method SW6010B, Arsenic Method SW6020, Mercury Method SW7471A, Sodium Absorption Ratio Method SSW6010B, Diesel Range Organics, (DRO) Method 8015B, Semi-Volatile Organics (SVOCs) Polyaromatic Hydrocarbons (PAHs) Method SW8270C, Gasoline Range Organics, (GRO) Method 8015B, Trivalent Chromium Method SM3500-CrB, Hexavalent Chromium Method SW7196A, Specific Conductance Method Specific Conductance, Soluble Sulfide –Total Method 376.1, pH Method Ph, and Benzene Ethylbenzene, Toluene, and Xylene (BETX) Method Aromatic VOCs by GC/PID method 8021B.

The reported laboratory results are summarized on the attached table (Table 1). A hard copy of the reported laboratory results, including the Chain of Custody forms, under the Analytica Work Order B1404059 and dated April 30, 2014 are also attached.

FINDINGS

DRO and GRO were reported at 82 mg/Kg and < .210 mg/Kg, respectively. BETX were not reported at concentrations above the respective reporting limits. PAHs were not reported at concentrations above their respective reporting limit with the following exceptions. Acenaphthene, Anthracene, Chrysene, Fluorene, Naphthalene, and Pyrene were reported at 0.0037, 0.037, 0.0060, 0.0050, 0.0047 and 0.023 mg/Kg respectfully.

An Arsenic concentration was reported at 13.6 mg/Kg. Two additional soil samples were obtained on a hill side adjacent to the Site and were also analyzed for Arsenic by Method EPA SW6020. There concentrations were reported at 7.9 and 6.6 mg/Kg. Based on our experience, these reported Arsenic concentrations represent background. Soils in Colorado commonly exceed the State's standard for Arsenic of 0.39 mg/Kg. Conductance was reported at 0.38 mmhos/cm. pH was reported at 8.88. Sodium Adsorption Ratio was reported at 2.63. Hexavalent Chromium and Trivalent Chromium were reported at <0.001 and 16 mg/Kg, respectively. Barium, Boron, Chromium, Copper, Lead, Nickel, and Zinc were reported at 1750, 13, 16, 19, 52, 10, and 65 mg/Kg, respectively. Other Total RCRA Metals were not reported at concentrations greater than their respective reporting limits.

The reported laboratory analyses have been compared to the COGCC Concentration Levels included in Table 910-1 and dated April, 2009. Based on our observations and the reported laboratory data, the soils from the Site's pit do not exceed the COGCC Concentration Levels included in Table 910-1, dated April 2009. Remediation of the Site's pit soils is not anticipated to be required. A COGCC Form 27 has been completed and is attached.

LIMITATIONS

This report has been prepared in accordance with generally acceptable environmental engineering practices in the area to evaluate and analyze surface soils for potential contaminants. The information submitted in this report is based on data obtained from laboratory testing and field observations. The laboratory data representative of a soil sample, obtained from a Maralex Resources, Inc. facility identified as Cameo Federal C-1, is indicative of conditions only at that those locations. The nature and extent of possible variations between the sample locations has not been defined by the data obtained. It is possible that additional testing could alter the conclusions of this report.

This assessment is based on information made available to ESI at the time of our investigation and provides an indication of the status at that time. A complete definition of Site soil conditions would require substantial testing and a more detailed investigation. Because of the uncertainties related to subsurface conditions and the changing nature of soil conditions, it is not possible for ESI to provide guarantees with this assessment.

Should you have any questions or require additional information, please do not hesitate to contact us.

Very truly yours,

ENVIRONMENTAL SERVICES, INC.

By _____
D. Craig Heydenberk
Environmental Consultant

Enclosures – Digital Photograph Log, Table I, and Laboratory Report- Work Order # B1404059

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