

October 17, 2012

LUPE CARRASCO

Yates Energy Petroleum Corp

105 S 4th Street

Artesia, NM 88210

RE: CENTRAL DAGGER DRAW WATER TRANSFER

Enclosed are the results of analyses for samples received by the laboratory on 10/12/12 14:12.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. 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.

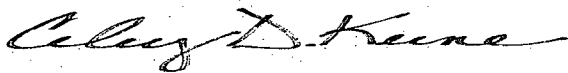
Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

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

Accreditation applies to public drinking water matrices.

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,



Caley D. Keene

Lab Director/Quality Manager

Analytical Results For:

Yates Energy Petroleum Corp
LUPE CARRASCO
105 S 4th Street
Artesia NM, 88210
Fax To: (505) 748-4635

| | | | |
|-------------------|---------------------------------|---------------------|---------------|
| Received: | 10/12/2012 | Sampling Date: | 10/12/2012 |
| Reported: | 10/17/2012 | Sampling Type: | Soil |
| Project Name: | CENTRAL DAGGER DRAW WATER TRANS | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

Sample ID: S2 - R (H202497-01)

| BTX 8021B | | mg/kg | | Analyzed By: AP | | | | S-04 | |
|----------------|--------------|-----------------|------------|-----------------|------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 10/16/2012 | ND | 2.09 | 105 | 2.00 | 6.28 | |
| Toluene* | 0.230 | 0.050 | 10/16/2012 | ND | 1.90 | 95.0 | 2.00 | 6.87 | |
| Ethylbenzene* | 0.414 | 0.050 | 10/16/2012 | ND | 1.88 | 93.9 | 2.00 | 7.09 | |
| Total Xylenes* | 1.54 | 0.150 | 10/16/2012 | ND | 5.49 | 91.4 | 6.00 | 7.03 | |

Surrogate: 4-Bromofluorobenzene (PIC) 185 % 89.4-126

| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | | |
|--------------|-------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | 99.8 | 50.0 | 10/16/2012 | ND | 180 | 90.0 | 200 | 8.27 | |
| DRO >C10-C28 | 2110 | 50.0 | 10/16/2012 | ND | 179 | 89.6 | 200 | 8.85 | |

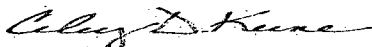
Surrogate: 1-Chlorooctane 94.2 % 65.2-140

Surrogate: 1-Chlorooctadecane 132 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

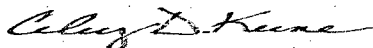
Notes and Definitions

- S-04 The surrogate recovery for this sample is outside of established control limits due to a sample matrix effect.
- 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

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

Project Manager: Lupe Carassco

Project Name: CDDWT

Comp: (505) 393-2326 Yates Petroleum Corporation

Project #: _____

Company Address: 105 South 4th Street

Project Loc: _____

City/State/Zip: Artesia, NM 88210

PO #: _____

Telephone No: 575-748-4310

Fax No:

Report Format: ☒ Standard ☐ TRRP ☐ NPDES

Sampler Signature: _____

e-mail: lcarassco@yatespetroleum.com

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