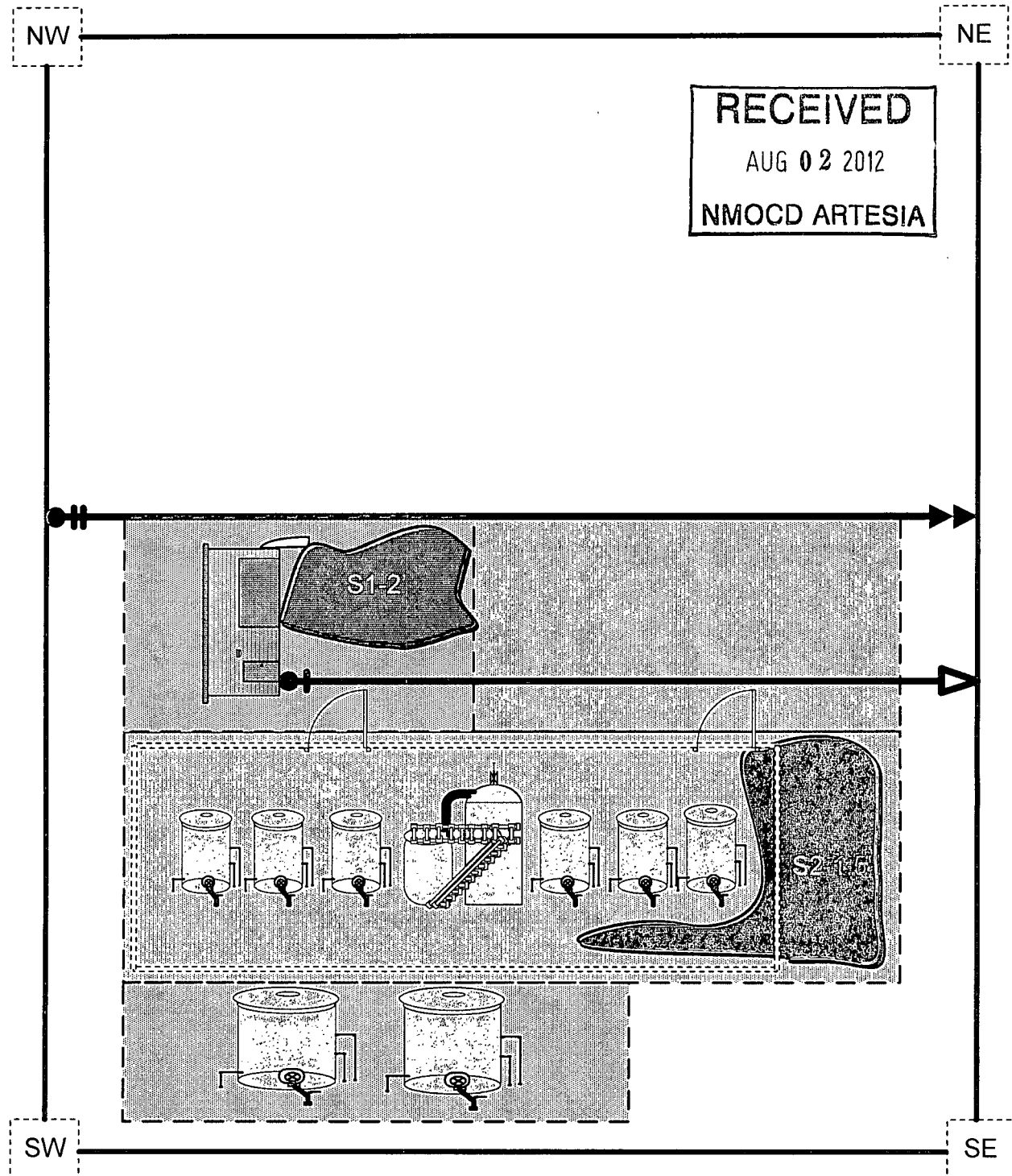


YATES PETROLEUM CORPORATION

Wednesday, August 01, 2012

Central Dagger Draw Water Transfer



Central Dagger Draw Water Transfer (Bates Water Transfer)

Analytical Report- H201014	Sample Date	Depth	BTEX	GRO	DRO	TOTAL	Chlorides
S1-2'	7/20/2012	2'	ND	ND	91.3	91.3	1310
S2-1.5'	7/20/2012	1.5'	283.77	3790	1410	5200	576

Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 260', per NMOSE).

All results are ppm. Chlorides for documentation.

Spill 1 - Released: 30 B/PW, Recovered: 20 B/PW. Release Date: 7/16/2012

Spill 2 - Released: 1 B/O, 40 B/PW; Recovered: 1 B/O, 30 B/ PW. Release Date: 7/17/2012

* Cells highlighted in red indicate soil removed.

July 30, 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 07/23/12 14:35.

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.

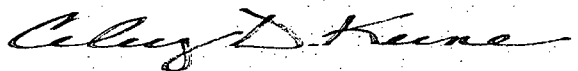
Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

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,



Celey 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:	07/23/2012	Sampling Date:	07/20/2012
Reported:	07/30/2012	Sampling Type:	Soil
Project Name:	CENTRAL DAGGER DRAW WATER TRANS	Sampling Condition:	Cool & Intact
Project Number:	103-163	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

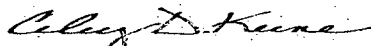
Sample ID: S2 - 1 1/2 (H201696-01)

Chloride, SM4500CI-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	576	16.0	07/27/2012	ND	400	100	400	3.92		

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

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

Cardinal Laboratories

*=Accredited Analyte

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105 S 4th Street

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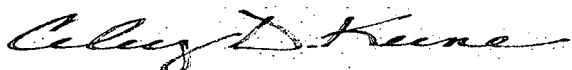
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Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
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Analytical Results For:

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 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

Received:	07/23/2012	Sampling Date:	07/20/2012
Reported:	07/30/2012	Sampling Type:	Soil
Project Name:	CENTRAL DAGGER DRAW WATER TRANS	Sampling Condition:	Cool & Intact
Project Number:	103-163	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

Sample ID: S2 - 1 1/2 (H201696-01)

BTEX 8021B		mg/kg		Analyzed By: AP				S-06	
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	7.47	1.00	07/30/2012	ND	1.82	91.2	2.00	0.352	
Toluene*	74.6	1.00	07/30/2012	ND	1.87	93.3	2.00	1.02	
Ethylbenzene*	32.7	1.00	07/30/2012	ND	1.90	95.2	2.00	1.09	
Total Xylenes*	169	3.00	07/30/2012	ND	5.82	97.1	6.00	2.32	

Surrogate: 4-Bromofluorobenzene (PIB) 140 % 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	3790	50.0	07/26/2012	ND	188	94.0	200	5.62	
DRO >C10-C28	1410	50.0	07/26/2012	ND	198	99.0	200	5.46	

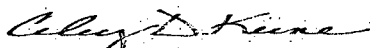
Surrogate: 1-Chlorooctane 130 % 65.2-140

Surrogate: 1-Chlorooctadecane 121 % 63.6-154

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Celey D. Keene, Lab Director/Quality Manager

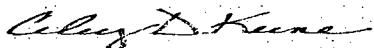
Notes and Definitions

S-06	The recovery of this surrogate is outside control limits due to sample dilution required from high analyte concentration and/or matrix interference's.
ND	Analyte NOT DETECTED at or above the reporting limit
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Celey D. Keene, Lab Director/Quality Manager

July 30, 2012

LUPE CARRASCO

Yates Energy Petroleum Corp

105 S 4th Street

Artesia, NM 88210

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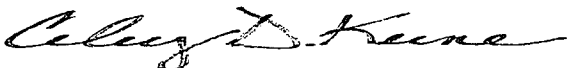
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Yates Energy Petroleum Corp
LUPE CARRASCO
105 S 4th Street
Artesia NM, 88210
Fax To: (505) 748-4635

Received:	07/23/2012	Sampling Date:	07/20/2012
Reported:	07/30/2012	Sampling Type:	Soil
Project Name:	CENTRAL DAGGER DRAW WATER TRANS	Sampling Condition:	Cool & Intact
Project Number:	103-163	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

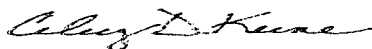
Sample ID: S1 - 2 (H201695-01)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	1310	16.0	07/27/2012	ND	400	100	400	3.92	

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Celest D. Keene, Lab Director/Quality Manager

ARDINAL LABORATORIES
101 East Marland, Hobbs, NM 88240

(505) 393-2326 FAX (505) 393-2476

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

Project Manager: Lupe Carrasco

Project Name: Central Dagger Draw Water Transfer

Comp: (505) 393-2326 Yates Petroleum Corporation

Project #: _____

Company Address: 105 South 4th Street

Project Loc: _____

City/State/Zip: Artesia, NM 88210

PO #: 103-163

Telephone No: 575-748-4350 Fax No:

Report Format: ☒ Standard ☐ TRRP ☐ NPDES

Sampler Signature:  e-mail: lcarrasco@hotmail.com

e-mail: lcarrasco@hotmail.com

LAB # (lab use only)		FIELD CODE		Beginning Depth	Ending Depth	Date Sampled	Time Sampled	Field Filtered	Total #. of Containers	Preservation & # of Containers				Matrix		TCLP:		TOTAL:		Analytes:												
										Ice	HNO ₃	HCl	H ₂ SO ₄	NaOH	Na ₂ S ₂ O ₃	None	Other (Specify)	DW=Drinking Water SL=Sludge	GW=Groundwater S=Soil/Solid	NP=Non-Portable Specify Other	TPH: 416.1	6015M	9162	TPH: TX 1005	TX 1006	Cations (Ca, Mg, Na, K)	Anions (Cl, SO ₄ , Alkalinity)	SAR / ESP / CEC	Metals: As Ag Ba Cd Cr Pb Hg Se	Volatiles	Semivolatiles	PCBs: 1513 1514 1515 1516 1517 1518 1519 1520 1521 1522 1523 1524 1525 1526 1527 1528 1529 1530 1531 1532 1533 1534 1535 1536 1537 1538 1539 1540 1541 1542 1543 1544 1545 1546 1547 1548 1549 1550 1551 1552 1553 1554 1555 1556 1557 1558 1559 1560 1561 1562 1563 1564 1565 1566 1567 1568 1569 1570 1571 1572 1573 1574 1575 1576 1577 1578 1579 1580 1581 1582 1583 1584 1585 1586 1587 1588 1589 1590 1591 1592 1593 1594 1595 1596 1597 1598 1599 1600 1601 1602 1603 1604 1605 1606 1607 1608 1609 1610 1611 1612 1613 1614 1615 1616 1617 1618 1619 1620 1621 1622 1623 1624 1625 1626 1627 1628 1629 1630 1631 1632 1633 1634 1635 1636 1637 1638 1639 1640 1641 1642 1643 1644 1645 1646 1647 1648 1649 1650 1651 1652 1653 1654 1655 1656 1657 1658 1659 1660 1661 1662 1663 1664 1665 1666 1667 1668 1669 1670 1671 1672 1673 1674 1675 1676 1677 1678 1679 1680 1681 1682 1683 1684 1685 1686 1687 1688 1689 1690 1691 1692 1693 1694 1695 1696 1697 1698 1699 1700 1701 1702 1703 1704 1705 1706 1707 1708 1709 1710 1711 1712 1713 1714 1715 1716 1717 1718 1719 1720 1721 1722 1723 1724 1725 1726 1727 1728 1729 1730 1731 1732 1733 1734 1735 1736 1737 1738 1739 1740 1741 1742 1743 1744 1745 1746 1747 1748 1749 1750 1751 1752 1753 1754 1755 1756 1757 1758 1759 1760 1761 1762 1763 1764 1765 1766 1767 1768 1769 1770 1771 1772 1773 1774 1775 1776 1777 1778 1779 1780 1781 1782 1783 1784 1785 1786 1787 1788 1789 1790 1791 1792 1793 1794 1795 1796 1797 1798 1799 1800 1801 1802 1803 1804 1805 1806 1807 1808 1809 1810 1811 1812 1813 1814 1815 1816 1817 1818 1819 1820 1821 1822 1823 1824 1825 1826 1827 1828 1829 1830 1831 1832 1833 1834 1835 1836 1837 1838 1839 1840 1841 1842 1843 1844 1845 1846 1847 1848 1849 1850 1851 1852 1853 1854 1855 1856 1857 1858 1859 1860 1861 1862 1863 1864 1865 1866 1867 1868 1869 1870 1871 1872 1873 1874 1875 1876 1877 1878 1879 1880 1881 1882 1883 1884 1885 1886 1887 1888 1889 1890 1891 1892 1893 1894 1895 1896 1897 1898 1899 1900 1901 1902 1903 1904 1905 1906 1907 1908 1909 1910 1911 1912 1913 1914 1915 1916 1917 1918 1919 1920 1921 1922 1923 1924 1925 1926 1927 1928 1929 1930 1931 1932 1933 1934 1935 1936 1937 1938 1939 1940 1941 1942 1943 1944 1945 1946 1947 1948 1949 1950 1951 1952 1953 1954 1955 1956 1957 1958 1959 1960 1961 1962 1963 1964 1965 1966 1967 1968 1969 1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040 2041 2042 2043 2044 2045 2046 2047 2048 2049 2050 2051 2052 2053 2054 2055 2056 2057 2058 2059 2060 2061 2062 2063 2064 2065 2066 2067 2068 2069 2070 2071 2072 2073 2074 2075 2076 2077 2078 2079 2080 2081 2082 2083 2084 2085 2086 2087 2088 2089 2090 2091 2092 2093 2094 2095 2096 2097 2098 2099 2100 2101 2102 2103 2104 2105 2106 2107 2108 2109 2110 2111 2112 2113 2114 2115 2116 2117 2118 2119 2120 2121 2122 2123 2124 2125 2126 2127 2128 2129 2130 2131 2132 2133 2134 2135 2136 2137 2138 2139 2140 2141 2142 2143 2144 2145 2146 2147 2148 2149 2150 2151 2152 2153 2154 2155 2156 2157 2158 2159 2160 2161 2162 2163 2164 2165 2166 2167 2168 2169 2170 2171 2172 2173 2174 2175 2176 2177 2178 2179 2180 2181 2182 2183 2184 2185 2186 2187 2188 2189 2190 2191 2192 2193 2194 2195 2196 2197 2198 2199 2200 2201 2202 2203 2204 2205 2206 2207 2208 2209 2210 2211 2212 2213 2214 2215 2216 2217 2218 2219 2220 2221 2222 2223 2224 2225 2226 2227 2228 2229 2230 2231 22

July 30, 2012

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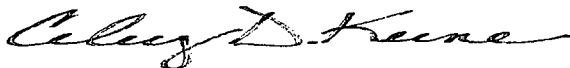
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 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

Received:	07/23/2012	Sampling Date:	07/20/2012
Reported:	07/30/2012	Sampling Type:	Soil
Project Name:	CENTRAL DAGGER DRAW WATER TRANS	Sampling Condition:	Cool & Intact
Project Number:	103-163	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

Sample ID: S1 - 2 (H201695-01)

BTX 8021B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	07/29/2012	ND	1.82	91.2	2.00	0.352	
Toluene*	<0.050	0.050	07/29/2012	ND	1.87	93.3	2.00	1.02	
Ethylbenzene*	<0.050	0.050	07/29/2012	ND	1.90	95.2	2.00	1.09	
Total Xylenes*	<0.150	0.150	07/29/2012	ND	5.82	97.1	6.00	2.32	

Surrogate: 4-Bromofluorobenzene (PIC) 107 % 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	<50.0	50.0	07/26/2012	ND	188	94.0	200	5.62	
DRO >C10-C28	91.3	50.0	07/26/2012	ND	198	99.0	200	5.46	

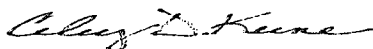
Surrogate: 1-Chlorooctane 73.2 % 65.2-140

Surrogate: 1-Chlorooctadecane 110 % 63.6-154

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*=Accredited Analyte

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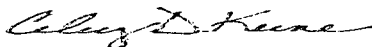
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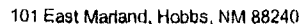
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Celey D. Keene, Lab Director/Quality Manager



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Bratcher, Mike, EMNRD

From: Lupe Carrasco <LCarrasco@yatespetroleum.com>
Sent: Thursday, August 02, 2012 3:47 PM
To: Bratcher, Mike, EMNRD
Subject: Central Dagger Draw Water Transfer (Bates Water Transfer)

Mike,

As per our conversation regarding the two spills associated with the Central Dagger Draw Water Transfer (Spill 1 & Spill 2), the following actions will be taken:

Spill 1 – Based on analytical data I will begin to backfill excavated area and submit C-141 for closure of the impacted area. Impacted area has been excavated to a depth of 2' where we hit bedrock.

Spill 2 - Based on analytical data I will leave the excavated area open for at least another week at which point I will resample and submit for TPH and BTEX analysis. TPH levels were about 200 ppm over the permissible level of 5000 ppm and BTEX was over the permissible level for closure. Impacted area has been excavated down to bedrock. Remnant soil will be sampled and submitted for analysis in hopes that BTEX will be lower than 100 ppm.

Thanks!

Lupe Carrasco
Environmental Regulatory Agent
Yates Petroleum Corporation
Office: (575) 748-4350
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8/2/12 Meet w/ Cape w/ Yates

2RP-1228

partially Foster AN Btry ^{corner}
liner failed in btry - pulled liner up &
~~tested~~ excavated 6" - 1 in spill area
& tested - Analytical OK - will
replace lined portion & backfill or vice versa

2RP —

Cont Dagger Draw X Fer 2 spills

C-141s have not been processed
on both releases - material was
excavated to bedrock

S-1 propose to backfill

S-2 " to install a liner

for "catch basin"

Asked to resample S2 due to elevated
BTEX & TPH

