

2R - 36

# REPORTS

DATE:

Dec. 11, 2006



# Transwestern Pipeline

6381 North Main Street  
Roswell, NM 88201

505.625.8022 Fax: 505.627.8172

Larry Campbell  
Division Environmental Specialist

December 11, 2006

UPS Confirmation No. 1Z 875 525 02 4377 0088

Mr. Mike Bracher  
Oil Conservation Division  
1301 West Grand St.  
Artesia, NM 88210

Re: Pipeline Liquids Release, Transwestern Pipeline Company, Atoka No. 3  
Compressor Station, Proposed Closure Report

Dear Mr. Bracher:

On October 18, 2006 a release of pipeline condensate/produced water occurred at the above referenced facility from a secondary containment owned and operated by Agave Energy. The release occurred as a result of a pigging operation by Agave, in which their tanks overflowed and condensate/produced water was released into the secondary containment. Due to the permeable nature of the cinderblock containment, approximately 17 bbls of the liquids which collected in the containment were released to the adjacent soils surrounding the containment area (see photos in **Attachment A**). A C-141 form was completed and submitted to your office by Agave.

Excavation activities were completed of the contaminated soils surrounding the containment to a depth where the moistened hydrocarbon contamination was no longer visible. Transwestern then employed the Oil Conservation Division closure guidelines identified in the document entitled, "Unlined Surface Impoundment Closure Guidelines" as a tool to follow to assess the cleanup and closure of the site. Based upon the criteria in the Closure Guideline, the site was then assigned a value of 20 which was based upon the following ranking criteria:

<u>Ranking Criteria</u>		<u>Ranking Score</u>
Depth to Groundwater	<50 feet	20
Wellhead Protection Area	No	0
Distance to Surface Water Body	>1000 horizontal feet	0

Soil samples were collected on all sides of the containment and in the bottom of each excavation area. Each sample was analyzed for the following parameters: benzene,

BTEX and total petroleum hydrocarbons which were speciated in the gasoline and diesel range. The site diagram presented in **Attachment B** presents the location where sampling was completed of the areas where excavation occurred. The analytical report is presented in **Attachment C**.

A review of this report shows that all BTEX and benzene residuals in the soils have been removed to levels below the required concentrations ( $< 10$  and  $< 50$ , respectively). There are only two locations where the TPH concentrations exceed the 100 ppm guideline threshold, at locations GS5, 176 ppm and GS8 109 ppm, respectively. Because each TPH value is only slightly above the guideline criteria of 100 ppm TPH, Transwestern proposes to discontinue further excavation and lay plastic sheeting in the excavation area overlying the soils represented by GS5 and GS8. This action will act as an impermeable barrier to prohibit further vertical migration of the residual TPH constituents in the soil. Pending placement of the plastic barrier, all excavation areas will then be backfilled with clean soil to the approximate original contour.

As an additional mitigation measure, Agave has agreed to line the interior of the secondary containment with an impermeable liner as a further action to prohibit condensate/produced water being released from the containment to the environment.

Should you wish to discuss this proposed closure recommendation or require further clarification, contact the undersigned at our Roswell Technical Operations office at (505) 625-8022. Your favorable approval of this closure proposal will be greatly appreciated.

Sincerely,

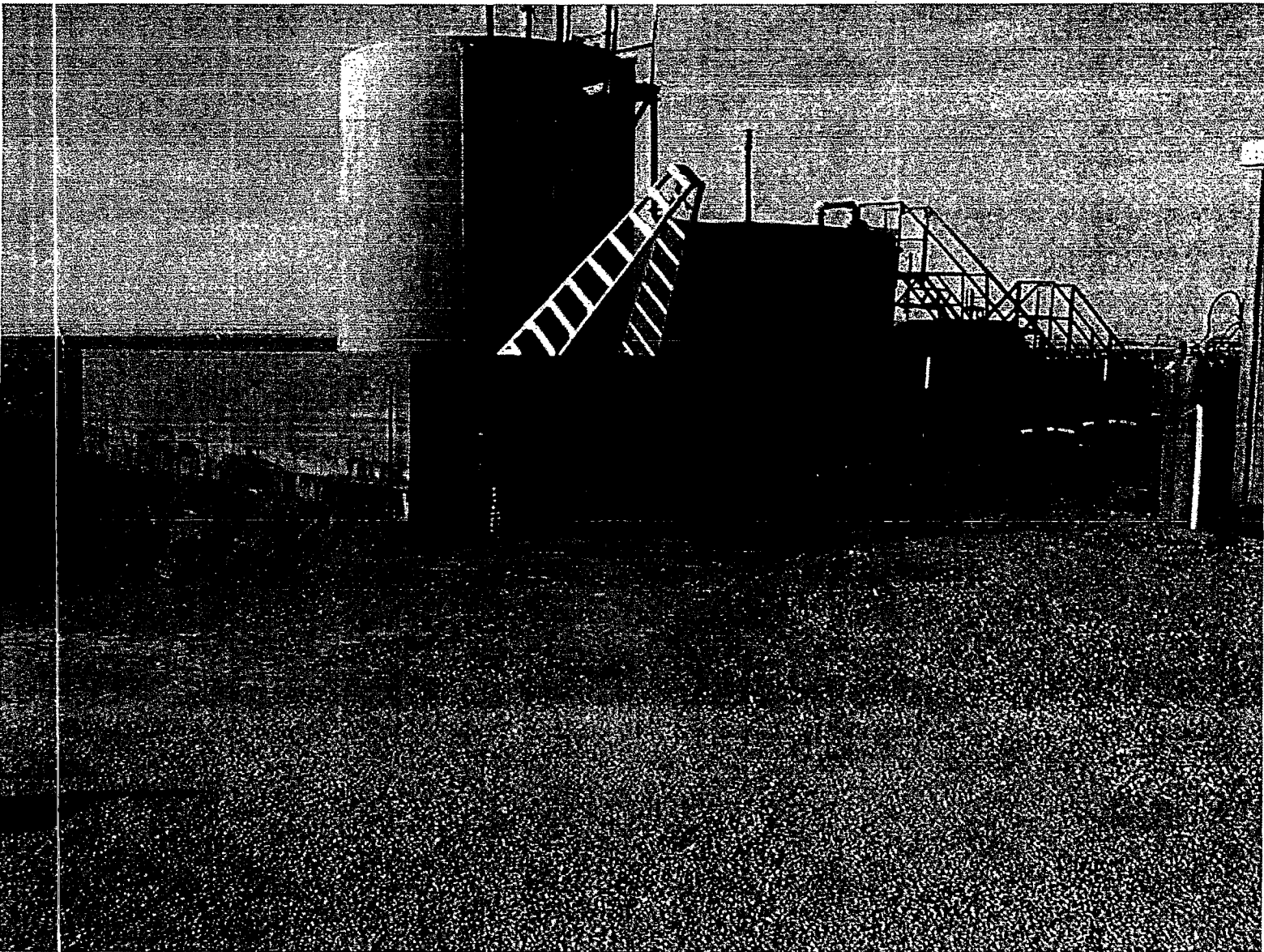
A handwritten signature in cursive script that reads "Larry Campbell".

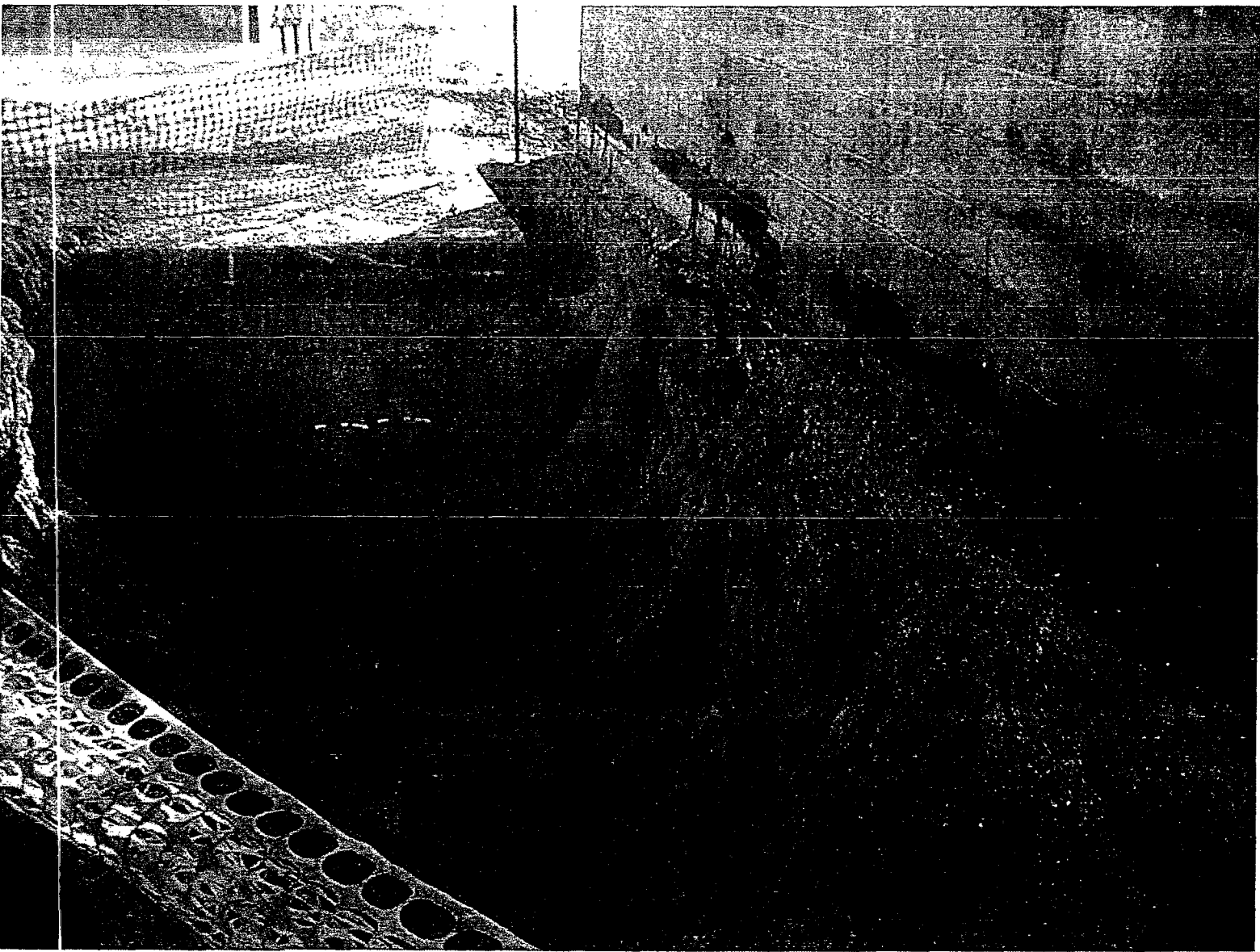
Larry Campbell  
Division Environmental Specialist

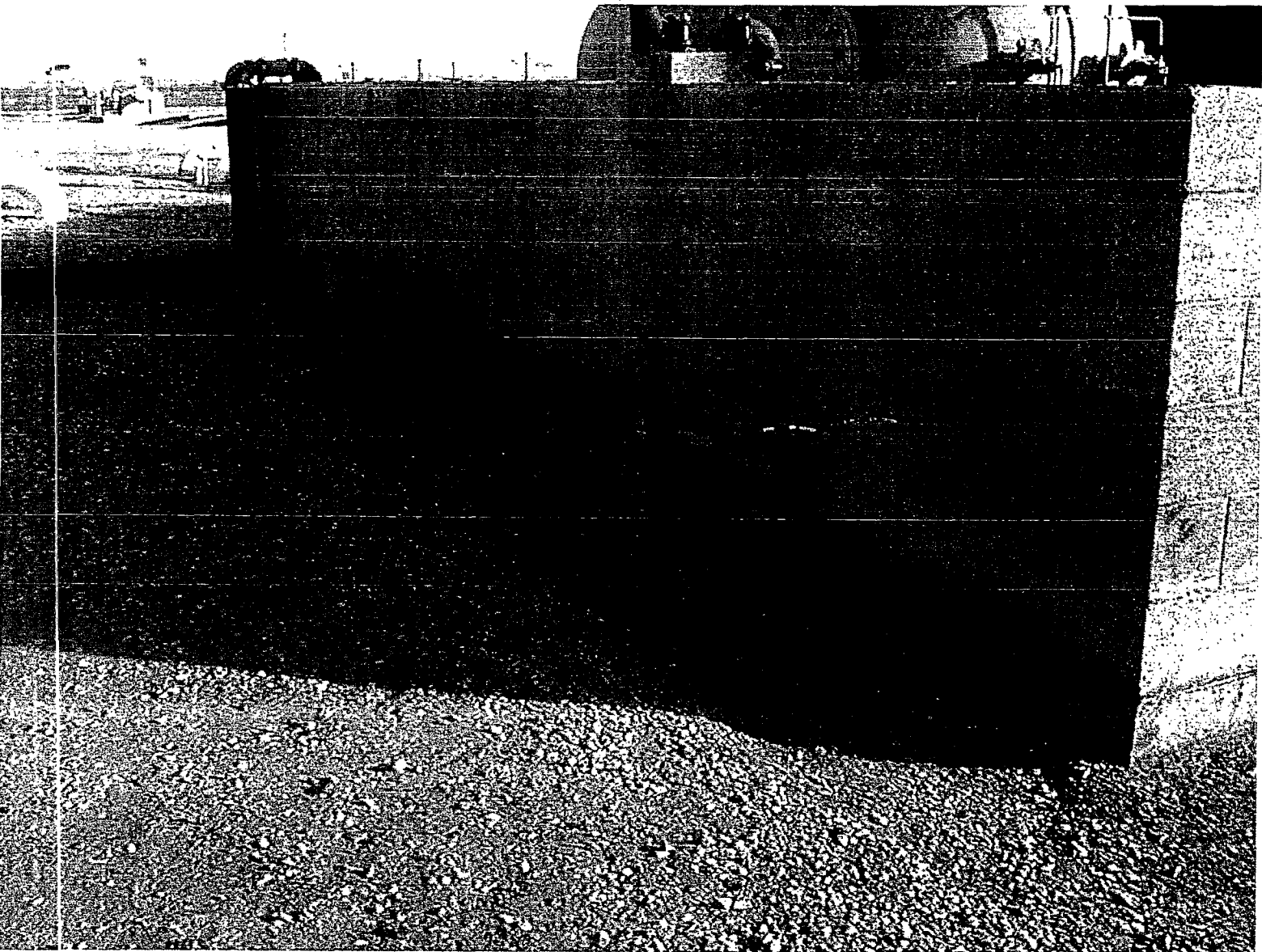
Attachments

xc: Artesia Team  
Envisions file no. 290.1.10

Attachment A













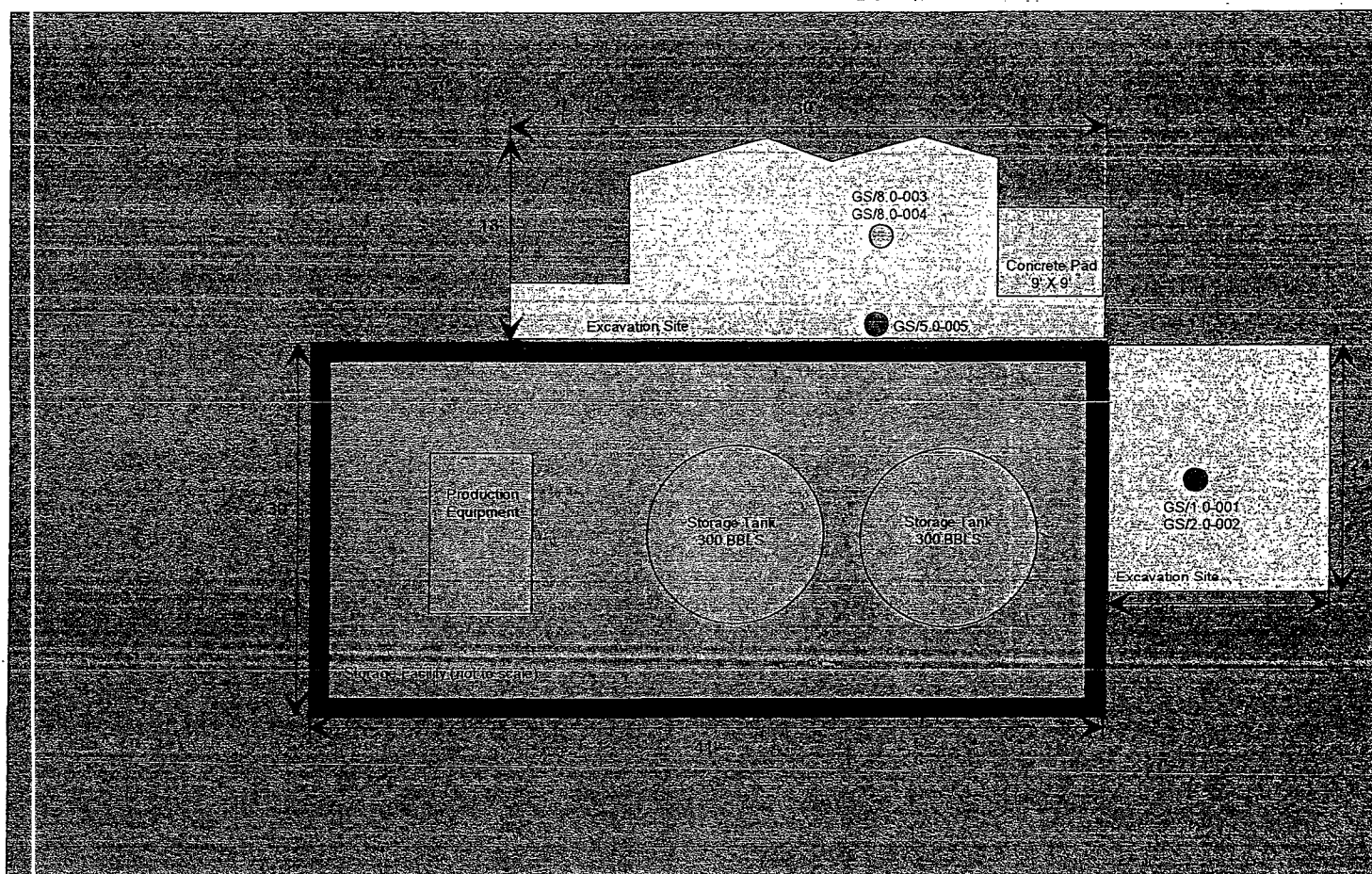


5/15

Attachment B

2007-2008

2008-2009



- - GS/1.0-001 (6' east of containment, inside excavation. Excavation is approximately 5' deep, augered to a depth of 12" for sample 001. GS/2.0-002 (6' east of containment, inside excavation. Excavation is approximately 5' deep, augered to a depth of 24" for sample 002. (N 32.75423, W 104.35007)
- - GS/8.0-003 (9' north of containment, inside excavation. Excavation is approximately 8' deep, augered to a depth of 24" for sample 004. GS/8.0-004 (9' north of containment, inside excavation. Excavation is approximately 8' deep, augered to a depth of 24" for sample 004. (N 32.75431, W 104.35013)
- - GS/5.0-005(south side wall below containment, 5' below ground surface, inside excavation, augered into south side wall, augered horizontal 12" for sample 005. (N 32.75429, W 104.35012)



**Atoka #3 (Agave Energy)**

**Section 14, T18S-R26E**

**Eddy County, NM**

**Sample Date: October 26, 2006**

**EXHIBIT 1  
Sample Diagram  
(Not to Scale)**

**Prepared by Robert Asher  
Environmental Regulatory Agent  
November 8, 2006**

## Attachment C

District I  
16.5 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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 October 10, 2003

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Agave Energy Company	OGRID Number 147831	Contact Robert Asher
Address 104 S. 4 <sup>TH</sup> Street, Artesia, NM 88210		Telephone No. 505-748-1471
Facility Name Atoka #3	API Number	Facility Type Compressor Station

Surface Owner Fee	Mineral Owner Fee	Lease No.
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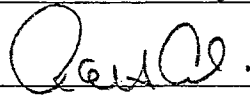
LOCATION OF RELEASE

Unit Letter B	Section 14	Township 18S	Range 26E	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy
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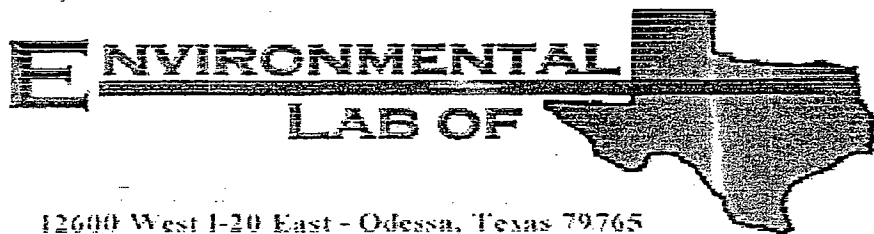
Latitude 32.75498 Longitude 104.34970

NATURE OF RELEASE

Type of Release Condensate & Produced Water	Volume of Release 5 B/C & 15 B/PW	Volume Recovered 0 B/C & 3 B/PW
Source of Release Tank	Date and Hour of Occurrence 10/18/2006 AM	Date and Hour of Discovery 10/18/2006 AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour N/A	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	
If a Watercourse was Impacted, Describe Fully.* N/A		
Describe Cause of Problem and Remedial Action Taken.* Tank ran over due to pigging on 12" lateral line. Transport truck to recover water/condensate from containment. All fluids stayed within location.		
Describe Area Affected and Cleanup Action Taken.* The release happened at Atoka #3 Compressor Station (Trans Western Pipeline Co. is the operator). Agave has a storage facility and other equipment on site. An approximate area of 40' X 20'. Standing fluids were picked up, contaminated soils being excavated, hauled to an OCD approved land facility. Vertical and horizontal delineation will be made and corrective action taken. Depth to Ground Water: <50', Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 20.		
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: 	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Approved by District Supervisor:	
Title: Environmental Regulatory Agent	Approval Date:	Expiration Date:
E-mail Address: boba@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Wednesday, October 25, 2006	Phone: 505-748-1471	

\* Attach Additional Sheets If Necessary



12600 West I-20 East - Odessa, Texas 79765

## Analytical Report

Prepared for:

Robert Asher

Yates Petroleum Corp.

105 S. Fourth St.

Artesia, NM 88210

Project: Atoka #3 (Agave Energy)

Project Number: 147831

Location: Eddy County, NM

Lab Order Number: 6J27002

Report Date: 10/30/06

Yates Petroleum Corp.  
105 S. Fourth St.  
Artesia NM, 88210

Project: Atoka #3 (Agave Energy)  
Project Number: 147831  
Project Manager: Robert Asher

Fax: (505) 748-4662

### ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
GS/ 1.0- 001	6J27002-01	Soil	10/26/06 13:25	10-27-2006 09:30
GS/ 2.0- 002	6J27002-02	Soil	10/26/06 13:30	10-27-2006 09:30
GS/ 3.0- 003	6J27002-03	Soil	10/26/06 13:50	10-27-2006 09:30
GS/ 3.0- 004	6J27002-04	Soil	10/26/06 14:00	10-27-2006 09:30
GS/ 5.0- 005	6J27002-05	Soil	10/26/06 14:10	10-27-2006 09:30



Yates Petroleum Corp.  
105 S. Fourth St.  
Artesia NM, 88210

Project: Atoka #3 (Agave Energy)  
Project Number: 147831  
Project Manager: Robert Asher

Fax: (505) 748-4662

**Organics by GC**  
**Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
<b>GS/ 1.0- 001 (6J27002-01) Soil</b>									
Benzene	ND	0.0250	mg/kg dry	25	EJ63011	10/30/06	10/30/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	0.0412	0.0250	"	"	"	"	"	"	
Xylene (p/m)	0.0607	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		101 %	80-120	"	"	"	"	"	
Surrogate: 4-Bromofluorobenzene		127 %	80-120	"	"	"	"	"	S-04
Carbon Ranges C6-C10	J [7.95]	10.0	mg/kg dry	1	EJ62717	10/27/06	10/27/06	EPA 8015B	J
Carbon Ranges >C10-C28	45.3	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	45.3	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		88.2 %	70-130	"	"	"	"	"	
Surrogate: 1-Chlorooctadecane		77.4 %	70-130	"	"	"	"	"	
<b>GS/ 2.0- 002 (6J27002-02) Soil</b>									
Benzene	ND	0.0250	mg/kg dry	25	EJ63011	10/30/06	10/30/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	0.0491	0.0250	"	"	"	"	"	"	
Xylene (p/m)	0.0601	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		103 %	80-120	"	"	"	"	"	
Surrogate: 4-Bromofluorobenzene		142 %	80-120	"	"	"	"	"	S-04
Carbon Ranges C6-C10	ND	10.0	mg/kg dry	1	EJ62717	10/27/06	10/28/06	EPA 8015B	
Carbon Ranges >C10-C28	ND	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		84.0 %	70-130	"	"	"	"	"	
Surrogate: 1-Chlorooctadecane		72.6 %	70-130	"	"	"	"	"	
<b>GS/ 8.0- 003 (6J27002-03) Soil</b>									
Benzene	0.0982	0.0250	mg/kg dry	25	EJ63011	10/30/06	10/30/06	EPA 8021B	
Toluene	0.493	0.0250	"	"	"	"	"	"	
Ethylbenzene	2.32	0.0250	"	"	"	"	"	"	
Xylene (p/m)	4.19	0.0250	"	"	"	"	"	"	
Xylene (o)	1.95	0.0250	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		122 %	80-120	"	"	"	"	"	S-04
Surrogate: 4-Bromofluorobenzene		157 %	80-120	"	"	"	"	"	S-04
Carbon Ranges C6-C10	64.4	10.0	mg/kg dry	1	EJ62717	10/27/06	10/28/06	EPA 8015B	
Carbon Ranges >C10-C28	45.0	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	109	10.0	"	"	"	"	"	"	

Environmental Lab of Texas

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Yates Petroleum Corp.  
105 S. Fourth St.  
Artesia NM, 88210

Project: Atoka #3 (Agave Energy)  
Project Number: 147831  
Project Manager: Robert Asher

Fax: (505) 748-4662

**Organics by GC**  
**Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
<b>GS/ 8.0- 003 (6J27002-03) Soil</b>									
Surrogate: 1-Chlorooctane		87.6 %	70-130		EJ62717	10/27/06	10/28/06	EPA 8015B	
Surrogate: 1-Chlorooctadecane		71.4 %	70-130		"	"	"	"	
<b>GS/ 8.0- 004 (6J27002-04) Soil</b>									
Benzene	0.123	0.0250	mg/kg dry	25	EJ63011	10/30/06	10/30/06	EPA 8021B	
Toluene	0.975	0.0250	"	"	"	"	"	"	
Ethylbenzene	4.05	0.0250	"	"	"	"	"	"	
Xylene (p/m)	6.35	0.0250	"	"	"	"	"	"	
Xylene (o)	1.91	0.0250	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		129 %	80-120		"	"	"	"	S-04
Surrogate: 4-Bromofluorobenzene		203 %	80-120		"	"	"	"	S-04
Carbon Ranges C6-C10	58.7	10.0	mg/kg dry	1	EJ62717	10/27/06	10/28/06	EPA 8015B	
Carbon Ranges >C10-C28	37.7	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	96.4	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		89.6 %	70-130		"	"	"	"	
Surrogate: 1-Chlorooctadecane		74.2 %	70-130		"	"	"	"	
<b>GS/ 5.0- 005 (6J27002-05) Soil</b>									
Benzene	0.0644	0.0250	mg/kg dry	25	EJ63011	10/30/06	10/30/06	EPA 8021B	
Toluene	0.703	0.0250	"	"	"	"	"	"	
Ethylbenzene	2.36	0.0250	"	"	"	"	"	"	
Xylene (p/m)	5.67	0.0250	"	"	"	"	"	"	
Xylene (o)	1.55	0.0250	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		133 %	80-120		"	"	"	"	S-04
Surrogate: 4-Bromofluorobenzene		174 %	80-120		"	"	"	"	S-04
Carbon Ranges C6-C10	151	10.0	mg/kg dry	1	EJ62717	10/27/06	10/28/06	EPA 8015B	
Carbon Ranges >C10-C28	25.1	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	176	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		87.4 %	70-130		"	"	"	"	
Surrogate: 1-Chlorooctadecane		71.2 %	70-130		"	"	"	"	

Environmental Lab of Texas

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Page 3 of 10

Yates Petroleum Corp.  
105 S. Fourth St.  
Artesia NM, 88210

Project: Atoka #3 (Agave Energy)  
Project Number: 147831  
Project Manager: Robert Asher

Fax: (505) 748-4662

**General Chemistry Parameters by EPA / Standard Methods**  
**Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
GS/ 1.0- 001 (6J27002-01) Soil									
Chloride	195	20.0	mg/kg	40	EJ62703	10/27/06	10/27/06	EPA 300.0	
% Moisture	13.0	0.1	%	1	EJ63001	10/27/06	10/29/06	% calculation	
GS/ 2.0- 002 (6J27002-02) Soil									
Chloride	208	20.0	mg/kg	40	EJ62703	10/27/06	10/27/06	EPA 300.0	
% Moisture	15.5	0.1	%	1	EJ63001	10/27/06	10/29/06	% calculation	
GS/ 8.0- 003 (6J27002-03) Soil									
Chloride	J [17.9]	20.0	mg/kg	40	EJ62703	10/27/06	10/27/06	EPA 300.0	J
% Moisture	21.0	0.1	%	1	EJ63001	10/27/06	10/29/06	% calculation	
GS/ 8.0- 004 (6J27002-04) Soil									
Chloride	J [10.3]	20.0	mg/kg	40	EJ62703	10/27/06	10/27/06	EPA 300.0	J
% Moisture	17.4	0.1	%	1	EJ63001	10/27/06	10/29/06	% calculation	
GS/ 5.0- 005 (6J27002-05) Soil									
Chloride	147	20.0	mg/kg	40	EJ62703	10/27/06	10/27/06	EPA 300.0	
% Moisture	18.1	0.1	%	1	EJ63001	10/27/06	10/29/06	% calculation	

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105 S. Fourth St  
Artesia NM, 88210

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**Organics by GC - Quality Control**  
**Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
<b>Batch EJ62717 - Solvent Extraction (GC)</b>										
<b>Blank (EJ62717-BLK1)</b>				Prepared & Analyzed: 10/27/06						
Carbon Ranges C6-C10	ND	10.0	mg/kg wet							
Carbon Ranges >C10-C28	ND	10.0	"							
Total Carbon Range C6-C28	ND	10.0	"							
Surrogate: 1-Chlorooctane	55.2		mg/kg	50.0		110	70-130			
Surrogate: 1-Chlorooctadecane	51.0		"	50.0		102	70-130			
<b>LCS (EJ62717-BS1)</b>				Prepared & Analyzed: 10/27/06						
Carbon Ranges C6-C10	508	10.0	mg/kg wet	500		102	75-125			
Carbon Ranges >C10-C28	417	10.0	"	500		83.4	75-125			
Total Carbon Range C6-C28	925	10.0	"	1000		92.5	75-125			
Surrogate: 1-Chlorooctane	56.1		mg/kg	50.0		112	70-130			
Surrogate: 1-Chlorooctadecane	44.2		"	50.0		88.4	70-130			
<b>Calibration Check (EJ62717-CCV1)</b>				Prepared: 10/27/06 Analyzed: 10/28/06						
Carbon Ranges C6-C10	208		mg/kg	250		83.2	80-120			
Carbon Ranges >C10-C28	248		"	250		99.2	80-120			
Total Carbon Range C6-C28	456		"	500		91.2	80-120			
Surrogate: 1-Chlorooctane	54.9		"	50.0		110	70-130			
Surrogate: 1-Chlorooctadecane	39.2		"	50.0		78.4	70-130			
<b>Matrix Spike (EJ62717-MS1)</b>				Source: 6J27002-01	Prepared: 10/27/06 Analyzed: 10/30/06					
Carbon Ranges C6-C10	630	10.0	mg/kg dry	575	7.95	108	75-125			
Carbon Ranges >C10-C28	533	10.0	"	575	45.3	84.8	75-125			
Total Carbon Range C6-C28	1160	10.0	"	1150	45.3	96.9	75-125			
Surrogate: 1-Chlorooctane	58.1		mg/kg	50.0		116	70-130			
Surrogate: 1-Chlorooctadecane	40.4		"	50.0		80.8	70-130			
<b>Matrix Spike Dup (EJ62717-MSD1)</b>				Source: 6J27002-01	Prepared: 10/27/06 Analyzed: 10/30/06					
Carbon Ranges C6-C10	638	10.0	mg/kg dry	575	7.95	110	75-125	1.25	20	
Carbon Ranges >C10-C28	533	10.0	"	575	45.3	84.8	75-125	0.00	20	
Total Carbon Range C6-C28	1170	10.0	"	1150	45.3	97.8	75-125	0.858	20	
Surrogate: 1-Chlorooctane	58.8		mg/kg	50.0		118	70-130			
Surrogate: 1-Chlorooctadecane	39.8		"	50.0		79.6	70-130			

Environmental Lab of Texas

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Page 5 of 10

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105 S. Fourth St  
Artesia NM, 88210

Project: Atoka #3 (Agave Energy)  
Project Number: 147831  
Project Manager: Robert Asher

Fax: (505) 748-4662

**Organics by GC - Quality Control**  
**Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
<b>Batch EJ63011 - EPA 5030C (GC)</b>										
<b>Blank (EJ63011-BLK1)</b>										
Prepared & Analyzed: 10/30/06										
Benzene	ND	0.0250	mg/kg wet							
Toluene	ND	0.0250	"							
Ethylbenzene	ND	0.0250	"							
Xylene (p/m)	ND	0.0250	"							
Xylene (o)	ND	0.0250	"							
Surrogate: a,a,a-Trifluorotoluene	41.1		ug/kg	40.0		103	80-120			
Surrogate: 4-Bromofluorobenzene	55.1		"	40.0		87.8	80-120			
<b>LCS (EJ63011-BS1)</b>										
Prepared & Analyzed: 10/30/06										
Benzene	55.4		ug/kg	50.0		111	80-120			
Toluene	51.8		"	50.0		104	80-120			
Ethylbenzene	49.2		"	50.0		98.4	80-120			
Xylene (p/m)	108		"	100		108	80-120			
Xylene (o)	43.9		"	50.0		87.8	80-120			
Surrogate: a,a,a-Trifluorotoluene	41.3		"	40.0		103	80-120			
Surrogate: 4-Bromofluorobenzene	44.1		"	40.0		110	80-120			
<b>Calibration Check (EJ63011-CCV1)</b>										
Prepared & Analyzed: 10/30/06										
Benzene	57.3		ug/kg	50.0		115	80-120			
Toluene	54.1		"	50.0		108	80-120			
Ethylbenzene	55.8		"	50.0		112	80-120			
Xylene (p/m)	113		"	100		113	80-120			
Xylene (o)	53.2		"	50.0		106	80-120			
Surrogate: a,a,a-Trifluorotoluene	38.7		"	40.0		96.8	80-120			
Surrogate: 4-Bromofluorobenzene	42.2		"	40.0		106	80-120			
<b>Matrix Spike (EJ63011-MS1)</b>										
Source: 6J27006-04 Prepared & Analyzed: 10/30/06										
Benzene	1400		ug/kg	1250	ND	112	80-120			
Toluene	1370		"	1250	ND	110	80-120			
Ethylbenzene	1270		"	1250	ND	102	80-120			
Xylene (p/m)	2980		"	2500	ND	119	80-120			
Xylene (o)	1200		"	1250	ND	96.0	80-120			
Surrogate: a,a,a-Trifluorotoluene	39.1		"	40.0		97.8	80-120			
Surrogate: 4-Bromofluorobenzene	46.0		"	40.0		115	80-120			

Yates Petroleum Corp.  
105 S. Fourth St.  
Artesia NM, 88210

Project: Atoka #3 (Agave Energy)  
Project Number: 147831  
Project Manager: Robert Asher

Fax: (505) 748-4662

**Organics by GC - Quality Control**  
**Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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**Batch EJ63011 - EPA 5030C (GC)**

Matrix Spike Dup (EJ63011-MSD1)		Source: 6J27006-04		Prepared & Analyzed: 10/30/06						
Benzene	1280		ug/kg	1250	ND	102	80-120	9.35	20	
Toluene	1420		"	1250	ND	114	80-120	3.57	20	
Ethylbenzene	1380		"	1250	ND	110	80-120	7.55	20	
Xylene (p/m)	2960		"	2500	ND	118	80-120	0.844	20	
Xylene (o)	1250		"	1250	ND	100	80-120	4.08	20	
Surrogate: a,a,a-Trifluorotoluene	39.7		"	40.0		99.2	80-120			
Surrogate: 4-Bromofluorobenzene	42.5		"	40.0		106	80-120			

Environmental Lab of Texas

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Yates Petroleum Corp.  
105 S. Fourth St  
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Project Manager: Robert Asher

Fax: (505) 748-4662

**General Chemistry Parameters by EPA / Standard Methods - Quality Control**  
**Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
<b>Batch EJ62703 - Water Extraction</b>										
Blank (EJ62703-BLK1)				Prepared & Analyzed: 10/27/06						
Chloride	ND	0.500	mg/kg							
LCS (EJ62703-BS1)				Prepared & Analyzed: 10/27/06						
Chloride	11.2	0.500	mg/kg	10.0		112	80-120			
Calibration Check (EJ62703-CCV1)				Prepared & Analyzed: 10/27/06						
Chloride	10.6		mg/L	10.0		106	80-120			
Duplicate (EJ62703-DUP1)		Source: 6J25015-04		Prepared & Analyzed: 10/27/06						
Chloride	33.1	12.5	mg/kg		27.6			18.1	20	
Duplicate (EJ62703-DUP2)		Source: 6J26006-03		Prepared & Analyzed: 10/27/06						
Chloride	19.0	5.00	mg/kg		18.8			1.06	20	
Matrix Spike (EJ62703-MS1)		Source: 6J25015-04		Prepared & Analyzed: 10/27/06						
Chloride	321	12.5	mg/kg	250	27.6	117	80-120			
Matrix Spike (EJ62703-MS2)		Source: 6J26006-03		Prepared & Analyzed: 10/27/06						
Chloride	133	5.00	mg/kg	100	18.8	114	80-120			
<b>Batch EJ63001 - General Preparation (Prep)</b>										
Blank (EJ63001-BLK1)				Prepared: 10/27/06 Analyzed: 10/29/06						
% Solids	100		%							
Duplicate (EJ63001-DUP1)		Source: 6J27002-01		Prepared: 10/27/06 Analyzed: 10/29/06						
% Solids	85.9		%		87.0			1.27	20	

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**General Chemistry Parameters by EPA / Standard Methods - Quality Control**  
**Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EJ63001 - General Preparation (Prep)										
Duplicate (EJ63001-DUP2)										
Source: 6J27009-10 Prepared: 10/27/06 Analyzed: 10/29/06										
% Solids	81.7		%		81.1			0.737	20	

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Project: Atoka #3 (Agave Energy)  
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#### Notes and Definitions

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

J Detected but below the Reporting Limit; therefore, result is an estimated concentration (CLP J-Flag).

DET Analyte DETECTED

ND Analyte NOT DETECTED at or above the reporting limit

NR Not Reported

dry Sample results reported on a dry weight basis

RPD Relative Percent Difference

LCS Laboratory Control Spike

MS Matrix Spike

Dup Duplicate

Report Approved By:

*Raland K. Tuttle*

Date:

10/30/2006

Raland K. Tuttle, Lab Manager  
Celey D. Keene, Lab Director, Org. Tech Director  
Peggy Allen, QA Officer

Jeanne Mc Murrey, Inorg. Tech Director  
LaTasha Cornish, Chemist  
Sandra Sanchez, Lab Tech.

This material is intended only for the use of the individual (s) or entity to whom it is addressed, and may contain information that is privileged and confidential.

If you have received this material in error, please notify us immediately at 432-563-1800.

Environmental Lab of Texas

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# Environmental Lab of Texas

12600 West I-20 East  
Odessa, Texas 79765

## CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

Phone: 432-563-1800  
Fax: 432-563-1713

Project Manager: Robert Asher

Project Name: Atoka #3 (Agave Energy)

Company Name: Yates Petroleum Corporation

Project #: 147831

Company Address: 105 South Fourth Street

Project Loc: Eddy County, NM

City/State/Zip: Artesia, NM 88210

PO #: 105532

Telephone No: 505-746-4217

Fax No: 505-746-4662

Report Format: ☒ Standard ☐ TRRP ☐ NPOES

Sampler Signature: 

E-mail: boba@ypcnm.com

Jerry F. Parnell

LAB # (lab use only)		FIELD CODE		Beginning Depth	Ending Depth	Date Sampled	Time Sampled	No. of Containers	Preservation & # of Containers								Matrix		Analyze For:												RUSH TAT (pre-Schedule) 24 hrs. 72 hrs.	Standard TAT
LAB #	LAB #								HCl	H <sub>2</sub> SO <sub>4</sub>	NaOH	Na <sub>2</sub> S <sub>2</sub> O <sub>8</sub>	None	Other (Specify)	Over-Disinfecting Water - 5L+ Surge	Cal + Concentrator - 5-10m/Solid	TPH: 4100 (8015B) 1005 1008	Calibers (Ca, Mg, Fe, Ni)	Artesia (Cl, SO <sub>4</sub> , CO <sub>3</sub> , HCO <sub>3</sub> )	SAR / ESP / OEC	Metals: As, Ag, Ba, Cd, Cr, Pb, Hg, Se	Volatiles	Semivolatiles	GTEX 8021B, 8025 or 81EX 8260	RCI	N.O.R.M.	Chlorides					
01		GS/1.0-001		1'	1'	10/26/2006	1:25 PM	1	X							S		X							X			X			X	
02		GS/2.0-002		2'	2'	10/26/2006	1:30 PM	1	X							S		X						X			X			X		
03		GS/8.0-003		8'	8'	10/26/2006	1:50 PM	1	X							S		X						X			X			X		
04		GS/8.0-004		8'	8'	10/26/2006	2:00 PM	1	X							S		X						X			X			X		
05		GS/5.0-005		5'	5'	10/26/2006	2:10 PM	1	X							S		X						X			X			X		

Special Instructions: TPH: 8015B GTEX: 8021B, 24 Hour TAT. Thank you.

Relinquished by:	Date	Time	Received by:	Date	Time
Robert Asher	10/26/06	3:10 PM			

Laboratory Comments:

Sample Containers Intact? ☒ N

VOCs Free of Headspace? ☒ N

Custody seals on container(s)? ☒ N

Custody seals on cooler(s)? ☒ N

Sample Hand Delivered by Sampler/Client Rep.? ☒ N

by Courier? ☒ UPS ☒ DHL ☒ FedEx ☒ Long Star

Temperature Upon Receipt: 3.5

**Environmental Lab of Texas**  
Variance/ Corrective Action Report- Sample Log-In

Client: Vates  
Date/ Time: 10/27/06 9:30  
Lab ID #: 6J21002  
Initials: OK

**Sample Receipt Checklist**

Client Initials

#1	Temperature of container/ cooler?	Yes	No	3.5 °C	
#2	Shipping container in good condition?	Yes	No		
#3	Custody Seals intact on shipping container/ cooler?	Yes	No	Not Present	
#4	Custody Seals intact on sample bottles/ container?	Yes	No	Not Present	
#5	Chain of Custody present?	Yes	No		
#6	Sample instructions complete of Chain of Custody?	Yes	No		
#7	Chain of Custody signed when relinquished/ received?	Yes	No		
#8	Chain of Custody agrees with sample label(s)?	Yes	No	ID written on Cont./ Lid	
#9	Container label(s) legible and intact?	Yes	No	Not Applicable	
#10	Sample matrix/ properties agree with Chain of Custody?	Yes	No		
#11	Containers supplied by ELOT?	Yes	No		
#12	Samples in proper container/ bottle?	Yes	No	See Below	
#13	Samples properly preserved?	Yes	No	See Below	
#14	Sample bottles intact?	Yes	No		
#15	Preservations documented on Chain of Custody?	Yes	No		
#16	Containers documented on Chain of Custody?	Yes	No		
#17	Sufficient sample amount for indicated test(s)?	Yes	No	See Below	
#18	All samples received within sufficient hold time?	Yes	No	See Below	
#19	VOC samples have zero headspace?	Yes	No	Not Applicable	

**Variance Documentation**

Contact: \_\_\_\_\_ Contacted by: \_\_\_\_\_ Date/ Time: \_\_\_\_\_

Regarding: \_\_\_\_\_

Corrective Action Taken:

Check all that Apply:

- ☐ See attached e-mail/ fax  
☐ Client understands and would like to proceed with analysis  
☐ Cooling process had begun shortly after sampling event



10/24/2006 10:35 am





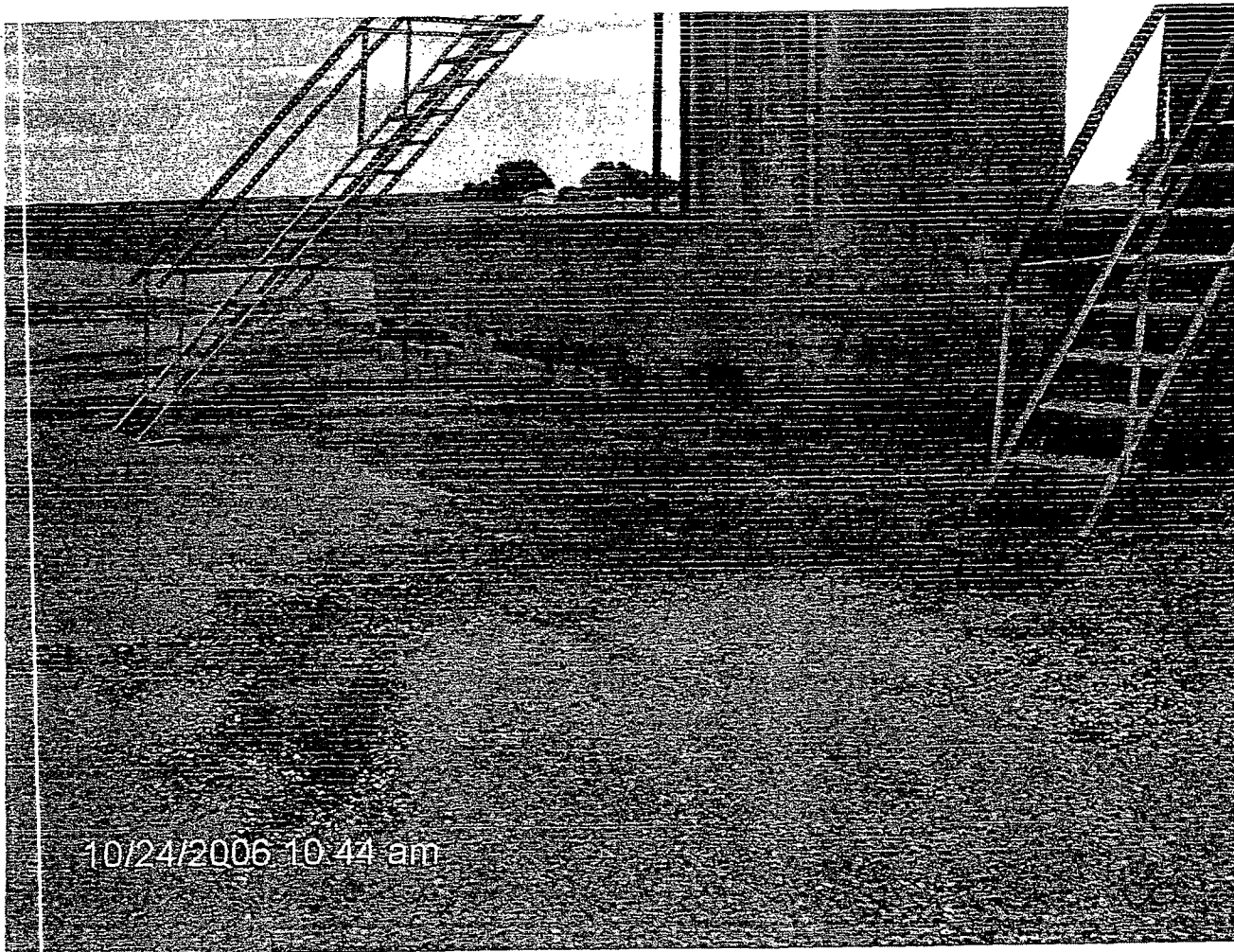




10/24/2006 10:35 am







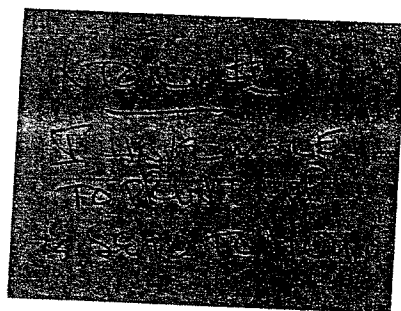
10/24/2006 10:44 am



10/24/2006 10:45 am



10/24/2006 10 45 am



Transwestern Pipeline Co.  
SHIPMENT RECEIPT  
12/08/06 03:26 PM

UPS Account No.: 875525  
Sorted By: Order of Shipment

Name/Address	Shipment Detail	Options	Reference Rate Charges
Ship To: Mike Bracher Oil Conservation Division 130 West Grand St. Artesia NM 88210	Service Type: UPS 2ND DAY AIR Total Packages: 1 Hundredweight: No Billable Wt.: LTR Billing Option: Prepaid	Shipment Service Charge:	\$ 8.80
Ship From: Larry Campbell Transwestern Pipeline Co. 6381 North Main St ROSWELL NM 88201			
	Tracking No.: 1Z8755250243770088 Package Type: UPS Letter	Shipper Amt: UPS Total Charge:	\$ 8.80 \$ 8.80

Summary Totals:

Shipment Option	Shpts	Pkgs	Ref Charges	Billing Option	Shpts	Pkgs	Ref Charges
Package Option				Prepaid	1	1	\$ 8.80
				TOTAL CHARGES			\$ 8.80
				1 Shipment(s)			
				1 Package(s)			