

Bratcher, Mike, EMNRD

From: Amber Cannon [ACannon@yatespetroleum.com]
Sent: Tuesday, March 06, 2012 12:51 PM
To: Bratcher, Mike, EMNRD
Cc: Bob Asher; Jerry Fanning
Subject: 2RP-1040 Scope of Work

Mike,

Based on analytical results, Yates Petroleum Corporation is completing the following work at the Loving AIB State #1 for the release that occurred on 2/17/2012 (2RP-1040). The release occurred in a bermed/lined tank battery, an bermed/unlined wellpad, and a southeast section off the pad. The analytical results are summarized in the table below.

LOVING AIB STATE #1 Release 2/17/2012

| Analytical Report- H200474 | Sample Area | Sample Date | Sample Type | Depth | BTEX | GRO | DRO | TOTAL | Chloride |
|-------------------------------|--------------|-------------|--------------|-------|------|-----|------|-------|----------|
| Pad 1 | Release Area | 2/21/2012 | Grab/Backhoe | 1' | ND | ND | ND | ND | 64 |
| Pad 2 | Release Area | 2/21/2012 | Grab/Backhoe | 2' | ND | ND | 24.3 | 24.3 | 80 |
| Pad 3 | Release Area | 2/21/2012 | Grab/Backhoe | 3' | ND | ND | ND | ND | 80 |
| Pad 4 | Release Area | 2/21/2012 | Grab/Backhoe | 4' | ND | ND | ND | ND | 368 |
| SE 1 | Release Area | 2/21/2012 | Grab/Backhoe | 1' | ND | ND | ND | ND | 14,400 |
| SE 2 | Release Area | 2/21/2012 | Grab/Backhoe | 2' | ND | ND | ND | ND | 64 |

Site Ranking is TWENTY (20). Depth to Ground Water <50' (approx. 55', Section 16-23S-28E, per NMOSE).

All results are ppm.Chlorides for documentation.

Released: 590 B/PW, <1 B/O; Recovered: 520 B/PW, <1 B/O. Release Date: 7/17/2011

Yates Petroleum has a contractor removing 6" of impacted soils off the pad, as analytical results show the soils are at acceptable levels at 1'. The same contracting company has removed 1' of impacted soils from the SE section off the pad, analytical results show the soils are at acceptable levels at 2'.

If you should have any questions, concerns or comments about this release, please let me know.

Thank you,

Amber Cannon
Environmental Regulatory Agent
Yates Petroleum Corporation