August 19, 2011

Mr. Mike Bratcher
Oil Conservation Division
Artesia, NM

Re: Allison CQ Fed. #6
30-015-23211
Section 13, T19S-R24E
Eddy County, New Mexico

Dear Mr. Bratcher:

Yates Petroleum Corp. would like to submit for your consideration the enclosed work plan for the above captioned well. The plan is being submitted in response to the C-141 report dated August 1, 2011.

If there are no objections with the scope of work described in the plan, Yates will have a contractor begin work on or after the week of August 30, 2011.

If you have any questions call me at 575-748-4311

Thank you.

Yates Petroleum Corporation

Jeremy Haass
Environmental Regulatory Agent

Enclosure(s):

Map to location
Analytical Report 425343
Analytical Report 425344

Yates Petroleum Corporation

Allison CQ Fed. #6 Work Plan

Section 13, T19S-R24E

Eddy County, New Mexico

August 19, 2011

I. Location

Go south on 285 to Rocking R Red Road, turn west go 8.7 miles . Turn north 1.1 miles just past the turn off for the Allison #8. Map included in packet.

II. Background

On July 30, 2011 a release occurred of 40 B/PW of which 28 B/PW was recovered. Yates submitted a C-141 on August 4, 2011 to the NMOCD District II office. The total affected area was 30 yards x 90 yards. Initial delineation samples were taken (8/4/11) and sent to an NMOCD approved laboratory (8/17/11 results enclosed).

III. Surface and Ground Water

Area surface geology is Cenozoic. The nearest Depth to Groundwater record listed on the New Mexico Office of the State Engineer (Section 12, T19S-R24E) shows depth of groundwater to be approximately 265 feet making the site ranking for this site a zero (0). Watercourses in the area are dry except for infrequent flows in response to major precipitation events.

The ranking for this site is zero (0) based on the as following:

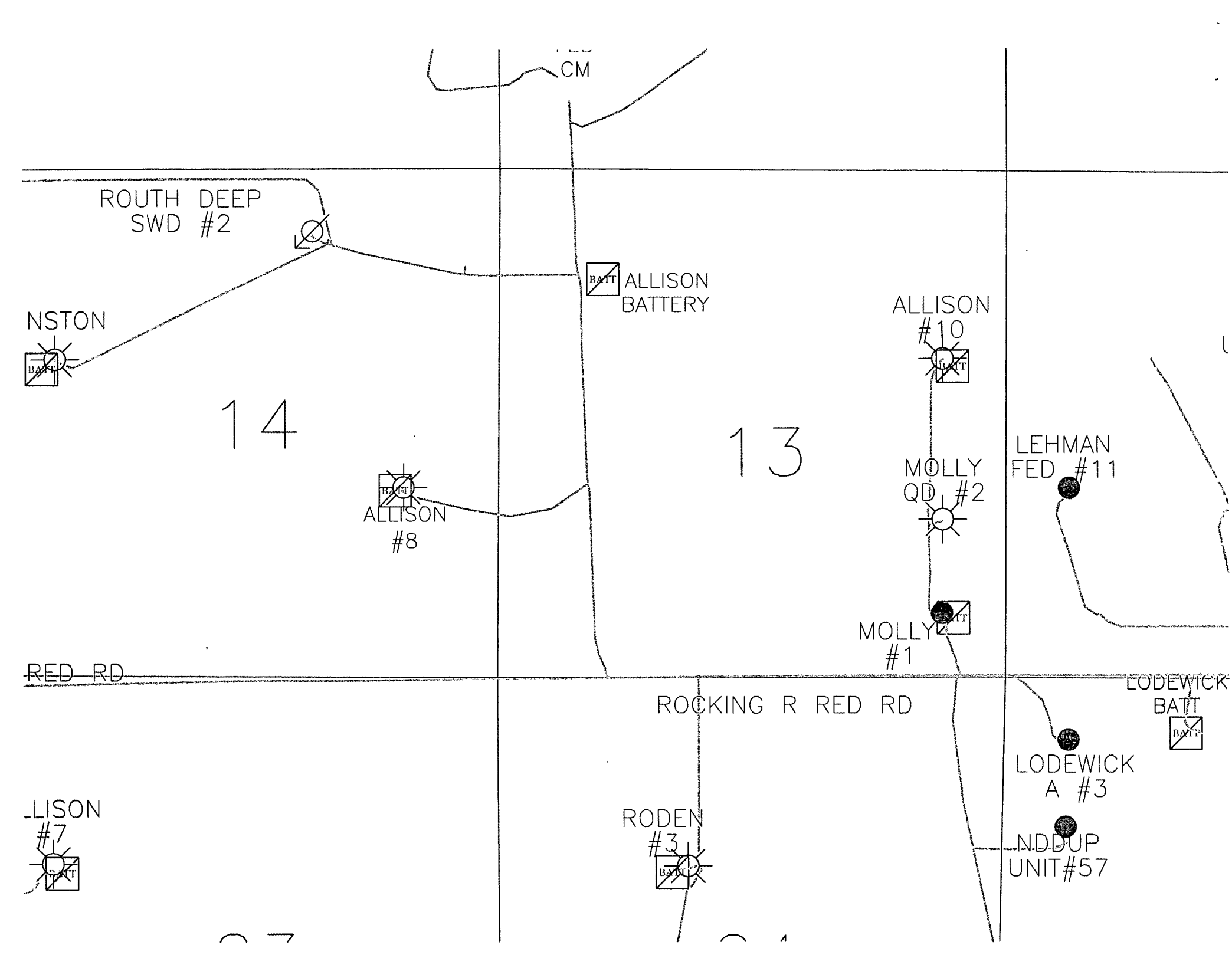
Depth to ground water	> 100'
Wellhead Protection Area	> 1000'
Distance to surface water body	> 1000'

IV. Soils

The area consists of soils that are caliche and interspersed with clay seams providing a low permeability barrier to retard vertical percolation of contaminants into the subsurface.

V. Scope of Work

Upon approval of this work plan and based on the enclosed analytical results, Yates Petroleum Corp. will have a contractor excavate 8" of impacted soil (total excavation will be 300' x 90' x 8" deep), impacted soils will be taken to an NMOCD approved facility for disposal, and a four foot cap will be placed over the excavation site and contoured to flow with the surrounding area. With the analytical results being within RRAL's for BTEX (50 ppm) and TPH (5000 ppm) for the Total Ranking Score of zero (0) Yates Petroleum Corporation will submit a C-141 Final Report, analytical results and request closure of the site.


CM
ROUTH DEEP
SWD #2
ALLISON
BATTERY
NSTON
ALLISON
#10
14
13
LEHMAN
FED #11
MOLLY
QD #2
ALLISON
#8
MOLLY
#1
RED RD
ROCKING R RED RD
LODEWICK
BATT
LODEWICK
A #3
LISON
#7
RODEN
#3
N.D.DUP
UNIT#57

Analytical Report 425343

for

Yates Petroleum Corporation

Project Manager: Jeremy Haass

Allison CQ Federal

30-015-23211

17-AUG-11

Collected By: Client

Celebrating 20 Years of commitment to excellence in Environmental Testing Services

12600 West I-20 East Odessa, Texas 79765

Xenco-Houston (EPA Lab code: TX00122):
Texas (T104704215-10-6-TX), Arizona (AZ0765), Arkansas (08-039-0), Connecticut (PH-0102), Florida (E871002)
Illinois (002082), Indiana (C-TX-02), Iowa (392), Kansas (E-10380), Kentucky (45), Louisiana (03054)
New Hampshire (297408), New Jersey (TX007), New York (11763), Oklahoma (9218), Pennsylvania (68-03610)
Rhode Island (LAO00312), USDA (S-44102)

Xenco-Atlanta (EPA Lab Code: GA00046):
Florida (E87429), North Carolina (483), South Carolina (98015), Utah (AALI1), West Virginia (362), Kentucky (85)
Louisiana (04176), USDA (P330-07-00105)

Xenco-Miami (EPA Lab code: FL01152): Florida (E86678), Maryland (330)
Xenco-Tampa Mobile (EPA Lab code: FL01212): Florida (E84900)
Xenco-Odessa (EPA Lab code: TX00158): Texas (T104704400-TX)
Xenco-Dallas (EPA Lab code: TX01468): Texas (T104704295-TX)
Xenco Phoenix (EPA Lab Code: AZ00901): Arizona(AZ0757)
Xenco-Phoenix Mobile (EPA Lab code: AZ00901): Arizona (AZM757)
Xenco Tucson (EPA Lab code:AZ000989): Arizona (AZ0758)

Certificate of Analysis Summary 425343

Yates Petroleum Corporation, Artesia, NM

Project Name: Allison CQ Federal

Project Id: 30-015-23211
Contact: Jeremy Haass
Project Location: Eddy

Date Received in Lab: Tue Aug-09-11 10:15 am
Report Date: 17-AUG-11
Project Manager: Brent Barron II

Analysis Requested											
	Lab Id:	425343-001		425343-002		425343-003					
	Field Id:	Comp-1.0		Comp-2.0		Comp-3.0					
	Depth:	1-1 ft		2-2 ft		3-3 ft					
	Matrix:	SOIL		SOIL		SOIL					
	Sampled:	Aug-04-11 12:00		Aug-04-11 12:28		Aug-04-11 13:00					
BTEX by EPA 8021B	*Extracted:*	Aug-12-11 13:45		Aug-12-11 13:45		Aug-12-11 13:45					
	Analyzed:	Aug-12-11 23:08		Aug-12-11 23:31		Aug-12-11 23:53					
	Units/RL:	mg/kg	RL	mg/kg	RL	mg/kg	RL				
Benzene		ND	0.00106	ND	0.00106	ND	0.00104				
Toluene		ND	0.00212	ND	0.00213	0.00285	0.00207				
Ethylbenzene		0.00154	0.00106	0.00337	0.00106	0.00352	0.00104				
m_p-Xylenes		0.00452	0.00212	0.0107	0.00213	0.00794	0.00207				
o-Xylene		0.00200	0.00106	0.00512	0.00106	0.00382	0.00104				
Total Xylenes		0.00652	0.00106	0.0158	0.00106	0.0118	0.00104				
Total BTEX		0.00806	0.00106	0.0192	0.00106	0.0181	0.00104				
Percent Moisture	*Extracted:*										
	Analyzed:	Aug-09-11 15:35		Aug-09-11 15:35		Aug-09-11 15:35					
	Units/RL:	%	RL	%	RL	%	RL				
Percent Moisture		6.47	1.00	5.13	1.00	4.15	1.00				
TPH By SW8015B Mod	*Extracted:*	Aug-09-11 14:45		Aug-09-11 14:45		Aug-09-11 14:45					
	Analyzed:	Aug-09-11 19:43		Aug-09-11 20:11		Aug-09-11 20:39					
	Units/RL:	mg/kg	RL	mg/kg	RL	mg/kg	RL				
C6-C10 Gasoline Range Hydrocarbons		ND	15.0	ND	15.0	ND	14.9				
C10-C28 Diesel Range Hydrocarbons		85.6	15.0	278	15.0	192	14.9				
Total TPH		85.6	15.0	278	15.0	192	14.9				

Brent Barron II
Odessa Laboratory Manager

Final 1.000

Flagging Criteria

X In our quality control review of the data a QC deficiency was observed and flagged as noted MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to affect the recovery of the spike concentration. This condition could also affect the relative percent difference in the MS/MSD.

B A target analyte or common laboratory contaminant was identified in the method blank Its presence indicates possible field or laboratory contamination.

D The sample(s) were diluted due to targets detected over the highest point of the calibration curve, or due to matrix interference. Dilution factors are included in the final results. The result is from a diluted sample.

E The data exceeds the upper calibration limit; therefore, the concentration is reported as estimated.

F RPD exceeded lab control limits.

J The target analyte was positively identified below the quantiation limit and above the detection limit.

U Analyte was not detected.

L The LCS data for this analytical batch was reported below the laboratory control limits for this analyte. The department supervisor and QA Director reviewed data. The samples were either reanalyzed or flagged as estimated concentrations.

H The LCS data for this analytical batch was reported above the laboratory control limits. Supporting QC Data were reviewed by the Department Supervisor and QA Director. Data were determined to be valid for reporting

K Sample analyzed outside of recommended hold time.

JN A combination of the "N" and the "J" qualifier. The analysis indicates that the analyte is "tentatively identified" and the associated numerical value may not be consistent with the amount actually present in the environmental sample

BRL Below Reporting Limit.

RL-Reporting Limit

MDL Method Detection Limit SDL Sample Detection Limit LOD Limit of Detection

PQL Practical Quantitation Limit MQL Method Quantitation Limit LOQ Limit of Quantitation

DL Method Detection Limit

NC Non-Calculable

+ Outside XENCO's scope of NELAC Accreditation.

XENCO-Environmental Lab of Texas

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

12600 West I-20 East
Odessa, Texas 79765

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

Project Manager: Jeremy Haass
Project Name: Allison CQ Federal

Company Name: Yates Petroleum Corporation
Project #: 30-015-23211

Company Address: 105 South 4th Street
Project Loc: Eddy

City/State/Zip: Artesia, NM 88210
PO #: 103-2636

Telephone No: 575-748-4311
Fax No:
Report Format: [X] Standard [ ] TRRP [ ] NPDES

Sampler Signature:
e-mail: jhaass@yatespetroleum.com

(lab use only)
ORDER #: 425343 / 425344

LAB # (lab use only)	FIELD CODE	Beginning Depth	Ending Depth	Date Sampled	Time Sampled	Field Filtered	Total # of Containers	Preservation & # of Containers: Ice	HNO_3	HCl	H_2SO_4	NaOH	$Na_2S_2O_3$	None	Other (Specify)	Matrix: DW=Drinking Water SL=Sludge GW=Groundwater S=Soil/Solid NP=Non-Potable Specify Other	Analyze For: TCLP: TPH: 418.1	8015M	TPH TX 1005	TX 1005	Cations (Ca, Mg, Na, K)	Anions (Cl, SO4, Alkalinity)	SAR / ESP / CEC	Metals Ag As Ba Cd Cr Pb Hg Se	Volatiles	Semivolatiles	TOTAL: BTEX 8021B/5030 or BTEX 8260	RCI	N.O.R.M.	Chlorides		RUSH TAT (Pre-Scheduled 24, 48, 72 hrs)	Standard TAT
01	Comp-1.0	1ft	1ft	8/4/2011	12:00pm			X								S	X									X			X			X
02	Comp-2.0	2ft	2ft	8/4/2011	12:28pm			X								S	X									X			X			X
03	Comp-3.0	3ft	3ft	8/4/2011	1.00pm			X								S	X									X			X			X
	PLEASE PUT CHLORIDES ON SEPARATE REPORT																															

Special Instructions: TPH: 8015B, BTEX: 8021B & Chlorides. Please show BTEX results as mg/kg. Thank you.

Relinquished by:	Date	Time	Received by	Date	Time
	08/08/11	2:25 PM			
Relinquished by:	Date	Time	Received by:	Date	Time
Relinquished by: Fedex	Date	Time	Received by ELOT: Andrea Elam	Date 8.9.11	Time 10:15

Laboratory Comments:
Sample Containers Intact? Y N
VOCs Free of Headspace? Y N
Labels on container(s) Y N
Custody seals on container(s) Y N
Custody seals on cooler(s) Y N
Sample Hand Delivered by Sampler/Client Rep. ? Y N
by Courier? UPS DHL FedEx Lone Star
4037455
Temperature Upon Receipt: 1.1 °C

Final 1.000

XENCO Laboratories	Document Title: Sample Receipt Checklist
Atlanta, Boca Raton, Corpus Christi, Dallas	Document No.: SYS-SRC
Houston, Miami, Odessa, Philadelphia	Revision/Date: No. 01, 5/27/2010
Phoenix, San Antonio, Tampa	Effective Date: 5/1/2010 Page 1 of 1

Prelogin / Nonconformance Report - Sample Log-In

Client: Yates Petroleum

Date/Time: 3 9 11 10:15

Lab ID #: 425343 / 425344

Initials: AE

Sample Receipt Checklist

1. Samples on ice?	Blue	(Water)	No	
2. Shipping container in good condition?	(Yes)	No	None	
3. Custody seals intact on shipping container (cooler) and bottles?	(Yes)	No	N/A	
4. Chain of Custody present?	(Yes)	No		
5. Sample instructions complete on chain of custody?	(Yes)	No		
6. Any missing / extra samples?	Yes	(No)		
7. Chain of custody signed when relinquished / received?	(Yes)	No		
8. Chain of custody agrees with sample label(s)?	(Yes)	No		
9. Container labels legible and intact?	(Yes)	No		
10. Sample matrix / properties agree with chain of custody?	(Yes)	No		
11. Samples in proper container / bottle?	(Yes)	No		
12. Samples properly preserved?	(Yes)	No	N/A	
13. Sample container intact?	(Yes)	No		
14. Sufficient sample amount for indicated test(s)?	(Yes)	No		
15. All samples received within sufficient hold time?	(Yes)	No		
16. Subcontract of sample(s)?	(Yes)	No	N/A	Xenco-Houston
17. VOC sample have zero head space?	(Yes)	No	N/A	

18. Cooler 1 No.	Cooler 2 No.	Cooler 3 No.	Cooler 4 No.	Cooler 5 No.
lbs 1.1 °C	lbs °C	lbs °C	lbs °C	lbs °C

Nonconformance Documentation

Contact:_____ Contacted by:_____ Date/Time:_____

Regarding: _____

Corrective Action Taken: _____

Check all that apply: ☐ Cooling process has begun shortly after sampling event and out of temperature condition acceptable by NELAC 5.5.8.3.1.a.1.

☐ Initial and Backup Temperature confirm out of temperature conditions

☐ Client understands and would like to proceed with analysis

Analytical Report 425344

for

Yates Petroleum Corporation

Project Manager: Jeremy Haass

Allison CQ Federal

30-015-23211

17-AUG-11

Collected By: Client

Celebrating 20 Years of commitment to excellence in Environmental Testing Services

12600 West I-20 East Odessa, Texas 79765

Xenco-Houston (EPA Lab code: TX00122):
Texas (T104704215-10-6-TX), Arizona (AZ0765), Arkansas (08-039-0), Connecticut (PH-0102), Florida (E871002)
Illinois (002082), Indiana (C-TX-02), Iowa (392), Kansas (E-10380), Kentucky (45), Louisiana (03054)
New Hampshire (297408), New Jersey (TX007), New York (11763), Oklahoma (9218), Pennsylvania (68-03610)
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Xenco-Tampa Mobile (EPA Lab code: FL01212): Florida (E84900)
Xenco-Odessa (EPA Lab code: TX00158): Texas (T104704400-TX)
Xenco-Dallas (EPA Lab code: TX01468): Texas (T104704295-TX)
Xenco Phoenix (EPA Lab Code: AZ00901): Arizona(AZ0757)
Xenco-Phoenix Mobile (EPA Lab code: AZ00901): Arizona (AZM757)
Xenco Tucson (EPA Lab code:AZ000989): Arizona (AZ0758)

Certificate of Analysis Summary 425344

Yates Petroleum Corporation, Artesia, NM

Project Name: Allison CQ Federal

Project Id: 30-015-23211
Contact: Jeremy Haass
Project Location: Eddy

Date Received in Lab: Tue Aug-09-11 10:15 am
Report Date: 17-AUG-11
Project Manager: Brent Barron II

Analysis Requested											
	Lab Id:	425344-001		425344-002		425344-003					
	Field Id:	Comp-1.0		Comp-2.0		Comp-3.0					
	Depth:	1-1 ft		2-2 ft		3-3 ft					
	Matrix:	SOIL		SOIL		SOIL					
	Sampled:	Aug-04-11 12:00		Aug-04-11 12:28		Aug-04-11 13:00					
Inorganic Anions by EPA 300/300.1	*Extracted:*	Aug-14-11 15:05		Aug-14-11 15:23		Aug-14-11 15:41					
SUB: E871002	*Analyzed:*	Aug-14-11 15:05		Aug-14-11 15:23		Aug-14-11 15:41					
	Units/RL:	mg/kg	RL	mg/kg	RL	mg/kg	RL				
Chloride		4400	5.35	4400	5.27	2640	5.22				
Percent Moisture	*Extracted:*										
	Analyzed:	Aug-09-11 15:35		Aug-09-11 15:35		Aug-09-11 15:35					
	Units/RL:	%	RL	%	RL	%	RL				
Percent Moisture		6.47	1.00	5.13	1.00	4.15	1.00				

Brent Barron II
Odessa Laboratory Manager

Final 1.000

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RL Reporting Limit

MDL Method Detection Limit SDL Sample Detection Limit LOD Limit of Detection

PQL Practical Quantitation Limit MQL Method Quantitation Limit LOQ Limit of Quantitation

DL Method Detection Limit

NC Non-Calculable

+ Outside XENCO's scope of NELAC Accreditation.

XENCO-Environmental Lab of Texas

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

12600 West I-20 East
Odessa, Texas 79765

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

Project Manager: Jeremy Haass
Company Name: Yates Petroleum Corporation
Company Address: 105 South 4th Street
City/State/Zip: Artesia, NM 88210
Telephone No: 575-748-4311
Fax No:
Sampler Signature: [signature]
e-mail: jhaass@yatespetroleum.com

Project Name: Allison CQ Federal
Project #: 30-015-23211
Project Loc: Eddy
PO #: 103-2636
Report Format: [x] Standard [ ] TRRP [ ] NPDES

(lab use only)
ORDER #: 425343 / 425344

LAB # (lab use only)	FIELD CODE	Beginning Depth	Ending Depth	Date Sampled	Time Sampled	Field Filtered	Total #. of Containers	Ice	HNO_3	HCl	H_2SO_4	NaOH	$Na_2S_2O_3$	None	Other (Specify)	Matrix (DW=Drinking Water SL=Sludge GW=Groundwater S=Soil/Solid NP=Non-Potable Specify Other)	TPH: 418.1 8015M 8015B	TPH: TX 1005 TX 1006	Cations (Ca, Mg, Na, K)	Anions (Cl, SO4, Alkalinity)	SAR / ESP / CEC	Metals: As Ag Ba Cd Cr Pb Hg Se	Volatiles	Semivolatiles	BTEX 8021B/5030 or BTEX 8260	RCI	N.O.R.M.	Chlorides			RUSH TAT (Pre-Schedule) 24, 48, 72 hrs	Standard TAT
01	Comp-1.0	1ft	1ft	8/4/2011	12:00pm			X								S	X								X			X				X
02	Comp-2.0	2ft	2ft	8/4/2011	12:28pm			X								S	X								X			X				X
03	Comp-3 0	3ft	3ft	8/4/2011	1 00pm			X								S	X								X			X				X
	PLEASE PUT CHLORIDES																															
	ON SEPARATE REPORT																															

Special Instructions: TPH: 8015B, BTEX: 8021B & Chlorides. Please show BTEX results as mg/kg. Thank you.

Relinquished by:	Date	Time	Received by:	Date	Time
	08/08/11	2.25 PM			
Relinquished by:	Date	Time	Received by:	Date	Time
Relinquished by: Fedex	Date	Time	Received by ELOT: Andrea Elam	8.9.11	10:15

Laboratory Comments:
Sample Containers Intact? (Y) N
VOCs Free of Headspace? (Y) N
Labels on container(s) (Y) N
Custody seals on container(s) (Y) N
Custody seals on cooler(s) Y (N)
Sample Hand Delivered (Y) N
by Sampler/Client Rep. ? Y N
by Courier? UPS DHL (FedEx) Lone Star
Temperature Upon Receipt: 1.1 °C

Page 10 of 11

Final 1 000

XENCO Laboratories	Document Title: Sample Receipt Checklist
Atlanta, Boca Raton, Corpus Christi, Dallas	Document No.: SYS-SRC
Houston, Miami, Odessa, Philadelphia	Revision/Date: No. 01, 5/27/2010
Phoenix, San Antonio, Tampa	Effective Date: 6/1/2010 Page 1 of 1

Prelogin / Nonconformance Report - Sample Log-In

Client: Yates Petroleum

Date/Time: 3-9-11 10:15

Lab ID #: 425343 / 425344

Initials: AE

Sample Receipt Checklist

1. Samples on ice?	Blue	(Water)	No	
2. Shipping container in good condition?	(Yes)	No	None	
3. Custody seals intact on shipping container (cooler) and bottles?	(Yes)	No	N/A	
4. Chain of Custody present?	(Yes)	No		
5. Sample instructions complete on chain of custody?	(Yes)	No		
6. Any missing / extra samples?	Yes	(No)		
7. Chain of custody signed when relinquished / received?	(Yes)	No		
8. Chain of custody agrees with sample label(s)?	(Yes)	No		
9. Container labels legible and intact?	(Yes)	No		
10. Sample matrix / properties agree with chain of custody?	(Yes)	No		
11. Samples in proper container / bottle?	(Yes)	No		
12. Samples properly preserved?	(Yes)	No	N/A	
13. Sample container intact?	(Yes)	No		
14. Sufficient sample amount for indicated test(s)?	(Yes)	No		
15. All samples received within sufficient hold time?	(Yes)	No		
16. Subcontract of sample(s)?	(Yes)	No	N/A	Xenco-Houston
17. VOC sample have zero head space?	(Yes)	No	N/A	

18. Cooler 1 No.	Cooler 2 No.	Cooler 3 No.	Cooler 4 No.	Cooler 5 No.
lbs / . / °C	lbs °C	lbs °C	lbs °C	lbs °C

Nonconformance Documentation

Contact:_____ Contacted by:_____ Date/Time:_____

Regarding: _____

Corrective Action Taken: _____

Check all that apply:
- ☐ Cooling process has begun shortly after sampling event and out of temperature condition acceptable by NELAC 5.5.8.3.1.a.1.
- ☐ Initial and Backup Temperature confirm out of temperature conditions
- ☐ Client understands and would like to proceed with analysis