

October 3, 2012

Mr. Mike Bratcher
Oil Conservation Division
Artesia, NM

Re: Cannon 'FW' Battery
30-015-21775
Section 21, T18S-R26E
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 29, 2012.

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 October 17, 2012.

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

Thank you.

Yates Petroleum Corporation

Jeremy Haass
Environmental Regulatory Agent

Enclosure(s):

Map of location
Analytical Report H202140
Analytical Report H202246

Yates Petroleum Corporation
Cannon 'FW' Battery Work Plan
Section 21, T18S-R26E
Eddy County, New Mexico
October 3, 2012

I. Location

Go south from Artesia on Hwy. 285 to Dayton road. Turn Left on Dayton. Travel down Dayton approximately ½ mile, turn left. Follow lease road past the Dayton/Gushwa Battery to Cannon 'FW' Battery.

II. Background

On August 23, 2012 a release occurred of 8 B/O and 18 B/PW of which 2 B/O and 2 B/PW was recovered. Yates submitted a C-141 on August 29, 2012 to the NMOCD District II office. The total affected area was 30 yards x 100 yards. Initial delineation samples were taken (9/6/12) & (9/17/12) and sent to an NMOCD approved laboratory (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 21, T18S-R26E) shows depth of groundwater to be approximately 136 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 1' of impacted soil, impacted soils will be taken to an NMOCD approved facility for disposal, and reseeding will be done during the optimal time of year to insure sufficient plant growth. 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.

Analytical Report H202140, H202246	Sample Date	Depth	BTEX	GRO	DRO	TOTAL	Chlorides
S1 10"	9/6/2012	10"	ND	ND	72.1	72.1	6400
S1 2'	9/17/2012	2'	-	-	-	-	2880
S1 4'	9/17/2012	4'	-	-	-	-	2200

S2 10"	9/6/2012	10"	ND	ND	ND	ND	3600
S2 2'	9/17/2012	2'	-	-	-	-	1920
S2 4'	9/17/2012	4'	-	-	-	-	1280

S3 10"	9/6/2012	10"	ND	ND	ND	ND	4720
S3 2'	9/17/2012	2'	-	-	-	-	144
S3 4'	9/17/2012	4'	-	-	-	-	112

Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 136', per NMOSE).

All results are ppm. Chlorides for documentation.

Released: 8 B/O, 18 B/PW; Recovered: 2 B/O, 2 B/PW. Release Date: 8/23/2012

September 21, 2012

JEREMY HAASS

Yates Energy Petroleum Corp

105 S 4th Street

Artesia, NM 88210

RE: CANNON BATTERY

Enclosed are the results of analyses for samples received by the laboratory on 09/17/12 16:35.

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

Received:	09/17/2012	Sampling Date:	09/17/2012
Reported:	09/21/2012	Sampling Type:	Soil
Project Name:	CANNON BATTERY	Sampling Condition:	** (See Notes)
Project Number:	103-2636	Sample Received By:	Jodi Henson
Project Location:	EDDY COUNTY, NEW MEXICO		

Sample ID: S 1 2' (H202246-01)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	2880	16.0	09/21/2012	ND	400	100	400	0.00		

Sample ID: S 1 4' (H202246-02)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	2200	16.0	09/21/2012	ND	400	100	400	0.00		

Sample ID: S 2 2' (H202246-03)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	1920	16.0	09/21/2012	ND	400	100	400	0.00		

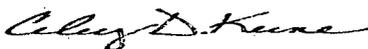
Sample ID: S 2 4' (H202246-04)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	1280	16.0	09/21/2012	ND	400	100	400	0.00		

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

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

Received:	09/17/2012	Sampling Date:	09/17/2012
Reported:	09/21/2012	Sampling Type:	Soil
Project Name:	CANNON BATTERY	Sampling Condition:	** (See Notes)
Project Number:	103-2636	Sample Received By:	Jodi Henson
Project Location:	EDDY COUNTY, NEW MEXICO		

Sample ID: S 3 2' (H202246-05)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	144	16.0	09/21/2012	ND	400	100	400	0.00		

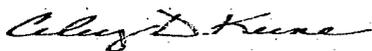
Sample ID: S 3 4' (H202246-06)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	112	16.0	09/21/2012	ND	400	100	400	0.00		

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

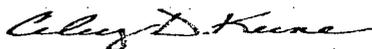
Notes and Definitions

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

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Celey D. Keene, Lab Director/Quality Manager

September 11, 2012

JEREMY HAASS

Yates Energy Petroleum Corp

105 S 4th Street

Artesia, NM 88210

RE: CANNON BATTERY

Enclosed are the results of analyses for samples received by the laboratory on 09/06/12 14:00.

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Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

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Sincerely,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

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

Received:	09/06/2012	Sampling Date:	09/06/2012
Reported:	09/11/2012	Sampling Type:	Soil
Project Name:	CANNON BATTERY	Sampling Condition:	Cool & Intact
Project Number:	103-2636	Sample Received By:	Jodi Henson
Project Location:	EDDY COUNTY, NEW MEXICO		

Sample ID: S1 10" (H202140-01)

BTEX 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	09/10/2012	ND	1.67	83.7	2.00	11.0		
Toluene*	<0.050	0.050	09/10/2012	ND	1.77	88.5	2.00	10.1		
Ethylbenzene*	<0.050	0.050	09/10/2012	ND	1.85	92.7	2.00	9.96		
Total Xylenes*	<0.150	0.150	09/10/2012	ND	6.09	101	6.00	9.11		

Surrogate: 4-Bromofluorobenzene (PIC) 106 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	6400	16.0	09/10/2012	ND	400	100	400	0.00		

TPH 8015M		mg/kg		Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<10.0	10.0	09/11/2012	ND	184	92.0	200	9.67		
DRO >C10-C28	72.1	10.0	09/11/2012	ND	199	99.6	200	15.3		

Surrogate: 1-Chlorooctane 83.3 % 65.2-140

Surrogate: 1-Chlorooctadecane 99.6 % 63.6-154

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

 Received: 09/06/2012
 Reported: 09/11/2012
 Project Name: CANNON BATTERY
 Project Number: 103-2636
 Project Location: EDDY COUNTY, NEW MEXICO

 Sampling Date: 09/06/2012
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: S2 10" (H202140-02)

BTEX 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	09/10/2012	ND	1.67	83.7	2.00	11.0		
Toluene*	<0.050	0.050	09/10/2012	ND	1.77	88.5	2.00	10.1		
Ethylbenzene*	<0.050	0.050	09/10/2012	ND	1.85	92.7	2.00	9.96		
Total Xylenes*	<0.150	0.150	09/10/2012	ND	6.09	101	6.00	9.11		

Surrogate: 4-Bromofluorobenzene (PID) 98.7 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	3600	16.0	09/10/2012	ND	400	100	400	0.00		

TPH 8015M		mg/kg		Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<10.0	10.0	09/11/2012	ND	184	92.0	200	9.67		
DRO >C10-C28	<10.0	10.0	09/11/2012	ND	199	99.6	200	15.3		

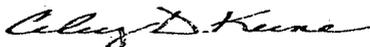
Surrogate: 1-Chlorooctane 76.3 % 65.2-140

Surrogate: 1-Chlorooctadecane 88.6 % 63.6-154

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

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

 Received: 09/06/2012
 Reported: 09/11/2012
 Project Name: CANNON BATTERY
 Project Number: 103-2636
 Project Location: EDDY COUNTY, NEW MEXICO

 Sampling Date: 09/06/2012
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: S3 10" (H202140-03)

BTEX 8021B			Analyzed By: AP							
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	09/10/2012	ND	1.67	83.7	2.00	11.0		
Toluene*	<0.050	0.050	09/10/2012	ND	1.77	88.5	2.00	10.1		
Ethylbenzene*	<0.050	0.050	09/10/2012	ND	1.85	92.7	2.00	9.96		
Total Xylenes*	<0.150	0.150	09/10/2012	ND	6.09	101	6.00	9.11		

Surrogate: 4-Bromofluorobenzene (PIC) 98.0 % 89.4-126

Chloride, SM4500Cl-B			Analyzed By: AP							
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	4720	16.0	09/10/2012	ND	400	100	400	0.00		

TPH 8015M			Analyzed By: MS							
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<10.0	10.0	09/11/2012	ND	184	92.0	200	9.67		
DRO >C10-C28	<10.0	10.0	09/11/2012	ND	199	99.6	200	15.3		

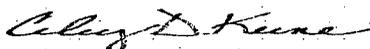
Surrogate: 1-Chlorooctane 82.2 % 65.2-140

Surrogate: 1-Chlorooctadecane 94.4 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

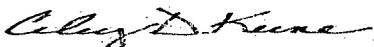
Notes and Definitions

QM-4X	The spike recovery was outside of QC acceptance limits for the MS and/or MSD due to analyte concentration at 4 times or greater the spike concentration. The QC batch was accepted based on LCS and/or LCSD recoveries within the acceptance limits.
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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* = Accredited Analyte

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