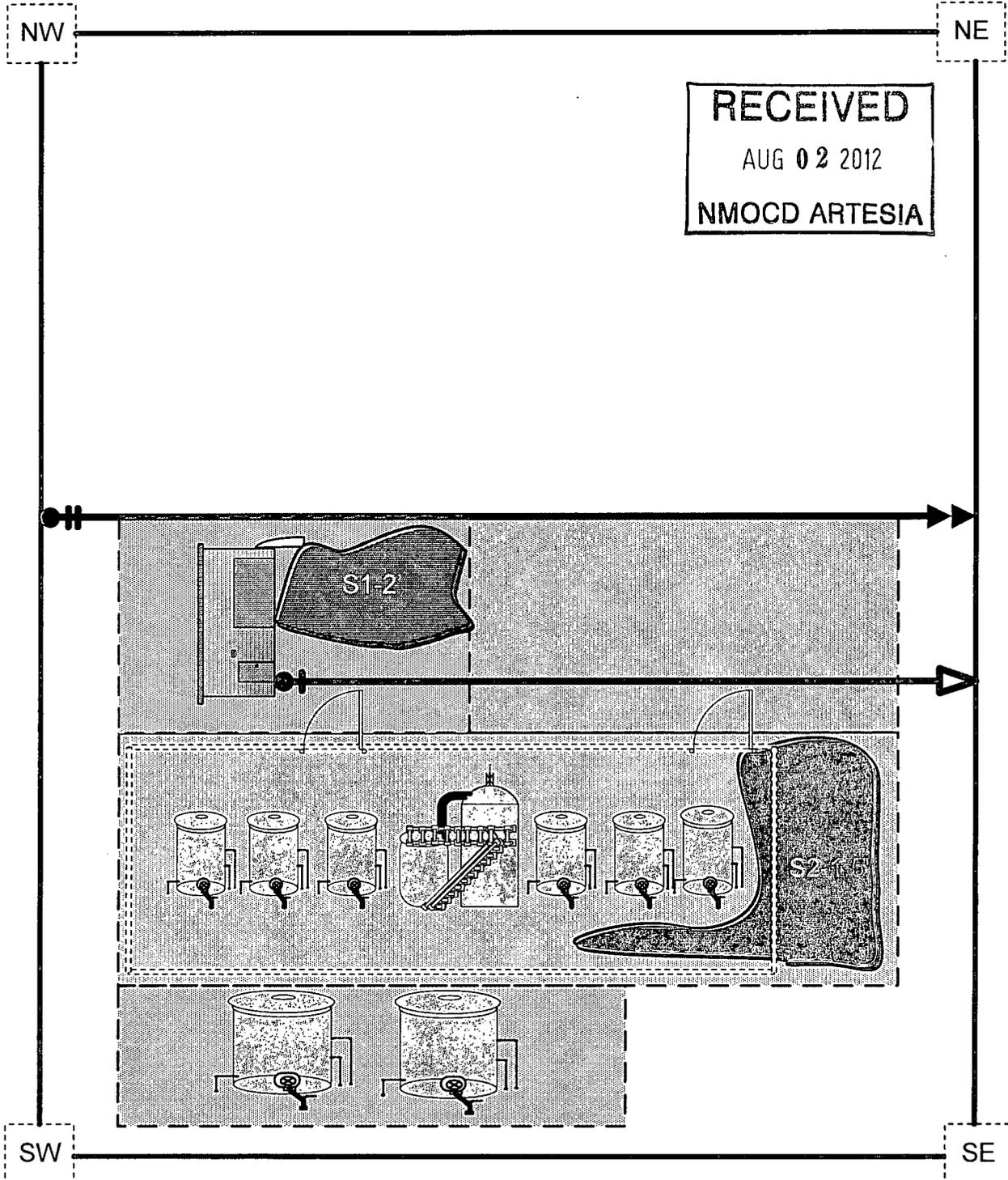


# YATES PETROLEUM CORPORATION

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](http://www.tceq.texas.gov/field/qa/lab_accred_certif.html).

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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,

A handwritten signature in black ink that reads "Celey D. Keene". The signature is written in a cursive style with a large, prominent "C" at the beginning.

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		

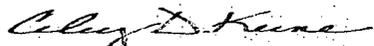
**Sample ID: S2 - 1 1/2 (H201696-01)**

Chloride, SM4500Cl-B	mg/kg	Analyzed By: AP							
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
<b>Chloride</b>	<b>576</b>	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**

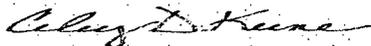
- ND Analyte NOT DETECTED at or above the reporting limit
- RPD Relative Percent Difference
- \*\* Samples not received at proper temperature of 6°C or below.
- \*\*\* Insufficient time to reach temperature.
- Chloride by SM4500Cl-B does not require samples be received at or below 6°C  
Samples reported on an as received basis (wet) unless otherwise noted on report

---

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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

RE: CENTRAL DAGGER DRAW WATER TRANSFER

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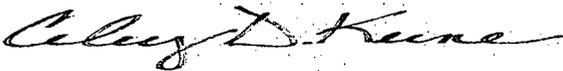
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Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

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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)**

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

Surrogate: 4-Bromofluorobenzene (PID) 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	
<b>GRO C6-C10</b>	<b>3790</b>	50.0	07/26/2012	ND	188	94.0	200	5.62		
<b>DRO &gt;C10-C28</b>	<b>1410</b>	50.0	07/26/2012	ND	198	99.0	200	5.46		

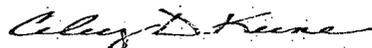
Surrogate: 1-Chlorooctane 130 % 65.2-140

Surrogate: 1-Chlorooctadecane 121 % 63.6-154

Cardinal Laboratories

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Celey D. Keene, Lab Director/Quality Manager

### Notes and Definitions

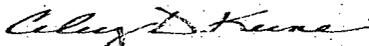
- S-06 The recovery of this surrogate is outside control limits due to sample dilution required from high analyte concentration and/or matrix interference's.
- ND Analyte NOT DETECTED at or above the reporting limit
- RPD Relative Percent Difference
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- \*\*\* Insufficient time to reach temperature.
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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

RE: CENTRAL DAGGER DRAW WATER TRANSFER

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Sincerely,



Caley 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: 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
<b>Chloride</b>	<b>1310</b>	16.0	07/27/2012	ND	400	100	400	3.92	

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---

Celest D. Keene, Lab Director/Quality Manager

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

ARDINAL LABORATORIES  
101 East Marland, Hobbs, NM 88240

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

Project Manager: Lupe Carrasco

Project Name: Central Dagger Draw Water Transfer

Company: (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: [Signature]

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												Analyze For:
								Ice	HNO <sub>3</sub>	HCl	H <sub>2</sub> SO <sub>4</sub>	NaOH	Na <sub>2</sub> S <sub>2</sub> O <sub>3</sub>	None	Other (Specify)	DW=Drinking Water SL=Sludge	GW=Groundwater S=Soil/Solid	NP=Non-Permeable	Specify Other	TPH: 416.1	8015M	GRPE	TPH: TX 1005	TX 1006	Callions (Ca, Mg, Na, K)	Anions (Cl, SO <sub>4</sub> , Alkalinity)	SAR / ESP / CEC

July 30, 2012

LUPE CARRASCO

Yates Energy Petroleum Corp

105 S 4th Street

Artesia, NM 88210

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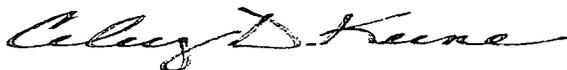
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Sincerely,



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 TRAN	Sampling Condition:	Cool & Intact
Project Number:	103-163	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

**Sample ID: S1 - 2 (H201695-01)**

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	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 (PID) 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		
<b>DRO &gt;C10-C28</b>	<b>91.3</b>	50.0	07/26/2012	ND	198	99.0	200	5.46		

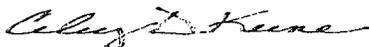
Surrogate: 1-Chlorooctane 73.2 % 65.2-140

Surrogate: 1-Chlorooctadecane 110 % 63.6-154

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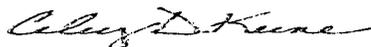
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---

Celey D. Keene, Lab Director/Quality Manager



**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  
Fax: (575) 748-4131  
Cell: (575) 513-9074

---

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---

8/2/12 Meet w/ Cape w/ Yates

2RP-1228

partly Foster AN Btry  
liner failed in btry <sup>cover</sup> - pulled liner up &  
~~tested~~ excavated 6" - 1 in spill Area  
& tested - Analytical OK - will  
replace lined portion & backfill or vice versa

2RP

Cent Dagger Brown 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

