YATES PETROLEUM CORPORATION
105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

July 7, 2010

RECEIVED
JUL 08 2010
HOBBSOCD

Mr. Larry Johnson
NMOCD District I
1625 French Drive
Hobbs, NM 88240

WTR 400' +

RE: 1RP-1548
Livingston Ridge Water System
30-025-31947
Section 2, T23S-R32E
Lea County, New Mexico

Dear Mr. Johnson,

Enclosed please find additional analytical results and diagram for samples taken on June 4, 2010. The samples were taken in the current non-vegetated surface of the release area. Based on the analytical results Yates is ready to re-seed the area with a BLM #2 seed mixture before the summer monsoonal rains begin. The release area is currently fenced, (fencing was installed when the release occurred to keep livestock out), and being fenced this should allow for germination and re-vegetation without livestock disturbing the area. The area will be monitored and when re-vegetated, the fencing will be removed.

If you have any questions, please call me at 575-748-4217.

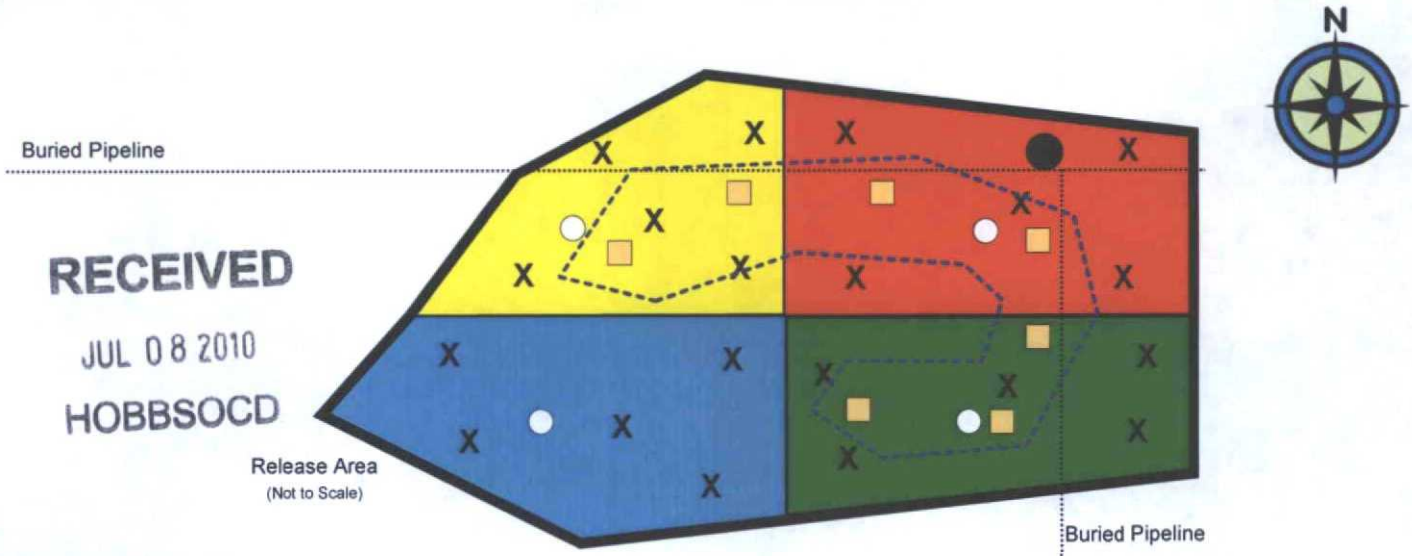
Thank you.

YATES PETROLEUM CORPORATION

Robert Asher
Environmental Regulatory Agent

/rca
Enclosure(s)

pPAC 0725448533



Sample Key	
X	10/23/2007 Samples
○	12/4/2007 Samples
□	6/10/2010 Samples
-----	Outline of non-vegitated surface
●	Valve Box (Release Point)

Amanda AMN Federal #1 Battery

Not to Scale

Sample ID	Sample Date	Sample Type	Depth	BTEX	TPH (GRO)	TPH (DRO)	TPH (TOTAL)	Chlorides
GS/Comp-001	10/23/2007	Grab/Auger	1'	0.2195	ND	183	183	2820
GS/Comp-002	10/23/2007	Grab/Auger	3'	0.0467	ND	32.5	32.5	12300
GS/4.0-001	12/4/2007	Grab/Drill	4'					6810
GS/5.0-002	12/4/2007	Grab/Drill	5'					8510
GS/Comp-003	10/23/2007	Grab/Auger	1'	0.0046	ND	ND	ND	323
GS/Comp-004	10/23/2007	Grab/Auger	3'	0.0043	ND	31.7	31.7	9000
GS/4.0-003	12/4/2007	Grab/Drill	4'					20800
GS/5.0-004	12/4/2007	Grab/Drill	5'					21300
GS/Comp-005	10/23/2007	Grab/Auger	1'	0.0028	ND	30.7	30.7	2230
GS/Comp-006	10/23/2007	Grab/Auger	3'	0.0016	ND	25.5	25.5	16100
GS/4.0-005	12/4/2007	Grab/Drill	4'					7230
GS/5.0-006	12/4/2007	Grab/Drill	5'					7230
GS/Comp-007	10/23/2007	Grab/Auger	1'	0.0011	ND	18.4	18.4	706
GS/Comp-008	10/23/2007	Grab/Auger	3'	ND	ND	22.1	22.1	13300
GS/4.0-007	12/4/2007	Grab/Drill	4'					11100
GS/5.0-008	12/4/2007	Grab/Drill	5'					12800
Sample ID	Sample Date	Sample Type	Depth	BTEX	TPH (GRO)	TPH (DRO)	TPH (TOTAL)	Chlorides
Comp-Surface	6/4/2010	Comp/Auger	4"					7.54
Comp-01.0	6/4/2010	Comp/Auger	12"					78.2

Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 510'). All results are ppm.

YATES PETROLEUM CORPORATION

Livingston Ridge Water System

1RP-1548

Section 2, T23S-R32E

Lea County, NM

EXHIBIT 1
Sample Diagram
(Not to Scale)

Prepared by Robert Asher
Environmental Regulatory Agent

Analytical Report 376006

for

Yates Petroleum Corporation

Project Manager: Robert Asher

Livingston Ridge Water System

1RP-1548

10-JUN-10

12600 West I-20 East Odessa, Texas 79765

Xenco-Houston (EPA Lab code: TX00122):
Texas (T104704215-TX), Arizona (AZ0738), 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-Corpus Christi (EPA Lab code: TX02613): Texas (T104704370)
Xenco-Boca Raton (EPA Lab Code: FL00449):
Florida(E86240),South Carolina(96031001), Louisiana(04154), Georgia(917)
North Carolina(444), Texas(T104704468-TX), Illinois(002295)

10-JUN-10

Project Manager: **Robert Asher**
Yates Petroleum Corporation
105 South Fourth St.
Artesia, NM 88210

Reference: XENCO Report No: **376006**
Livingston Ridge Water System
Project Address: Lea County

Robert Asher:

We are reporting to you the results of the analyses performed on the samples received under the project name referenced above and identified with the XENCO Report Number 376006. All results being reported under this Report Number apply to the samples analyzed and properly identified with a Laboratory ID number. Subcontracted analyses are identified in this report with either the NELAC certification number of the subcontract lab in the analyst ID field, or the complete subcontracted report attached to this report.

Unless otherwise noted in a Case Narrative, all data reported in this Analytical Report are in compliance with NELAC standards. Estimation of data uncertainty for this report is found in the quality control section of this report unless otherwise noted. Should insufficient sample be provided to the laboratory to meet the method and NELAC Matrix Duplicate and Matrix Spike requirements, then the data will be analyzed, evaluated and reported using all other available quality control measures.

The validity and integrity of this report will remain intact as long as it is accompanied by this letter and reproduced in full, unless written approval is granted by XENCO Laboratories. This report will be filed for at least 5 years in our archives after which time it will be destroyed without further notice, unless otherwise arranged with you. The samples received, and described as recorded in Report No. 376006 will be filed for 60 days, and after that time they will be properly disposed without further notice, unless otherwise arranged with you. We reserve the right to return to you any unused samples, extracts or solutions related to them if we consider so necessary (e.g., samples identified as hazardous waste, sample sizes exceeding analytical standard practices, controlled substances under regulated protocols, etc).

We thank you for selecting XENCO Laboratories to serve your analytical needs. If you have any questions concerning this report, please feel free to contact us at any time.

Respectfully,

Brent Barron, II
Odessa Laboratory Manager

Sample Cross Reference 376006

Yates Petroleum Corporation, Artesia, NM

Livingston Ridge Water System

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
Comp-Surface	S	Jun-04-10 10:41	4 - 4 In	376006-001
Comp-01.0	S	Jun-04-10 11:00	12 - 12 In	376006-002

CASE NARRATIVE

Client Name: Yates Petroleum Corporation
Project Name: Livingston Ridge Water System

Project ID:	*1RP-1548*	*Report Date:*	*10-JUN-10*
Work Order Number:	*376006*	*Date Received:*	*06/08/2010*

Sample receipt non conformances and Comments:

None

Sample receipt Non Conformances and Comments per Sample:

None

Analytical Non Conformances and Comments:

Batch: LBA-809824 Percent Moisture
None

Batch: LBA-809949 Inorganic Anions by EPA 300
None

Certificate of Analysis Summary 376006

Yates Petroleum Corporation, Artesia, NM

Project Name: Livingston Ridge Water System

Project Id: 1RP-1548
Contact: Robert Asher
Project Location: Lea County

Date Received in Lab: Tue Jun-08-10 09:30 am
Report Date: 10-JUN-10
Project Manager: Brent Barron, II

Analysis Requested								
	Lab Id:	376006-001		376006-002				
	Field Id:	Comp-Surface		Comp-01.0				
	Depth:	4-4 In		12-12 In				
	Matrix:	SOIL		SOIL				
	Sampled:	Jun-04-10 10:41		Jun-04-10 11:00				
Anions in Soil By EPA 300.0	*Extracted:*							
	Analyzed:	Jun-09-10 03:32		Jun-09-10 03:32				
	Units/RL:	mg/kg	RL	mg/kg	RL			
Chloride		7.54	4.26	78.2	9.16			
Percent Moisture	*Extracted:*							
	Analyzed:	Jun-09-10 08:30		Jun-09-10 08:30				
	Units/RL:	%	RL	%	RL			
Percent Moisture		1.45	1.00	8.31	1.00			

Brent Barron, II
Odessa Laboratory Manager

Final Ver. 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 effect the recovery of the spike concentration. This condition could also effect 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 MQL and above the SQL.

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

* Outside XENCO's scope of NELAC Accreditation.

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: Robert Asher

Company Name: Yates Petroleum Corporation

Company Address: 105 South 4th Street

City/State/Zip: Artesia, NM 88210

Telephone No: 5075-748-4217 Fax No: 5075-748-4662

Sampler Signature: [signature]

e-mail: boba@yatespetroleum.com

Project Name: Livingston Ridge Water System

Project #: 1RP-1584

Project Loc: Lea County

PO #: 105632

Report Format: [X] Standard [ ] TRRP [ ] NPDES

(lab use only)
ORDER #: 376006

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: TOTAL: 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-Surface	4"	4"	6/4/2010	10:41 AM		1							X		S														X				X
02	Comp-01.0	12"	12"	6/4/2010	11:00 AM		1							X		S														X				X

Special Instructions: **Chlorides Only.** Show ALL results in mg/kg. Thank you.

Relinquished by:	Date	Time	Received by:	Date	Time
Robert Asher [signature]	06/07/10	10:51 AM			
Relinquished by:	Date	Time	Received by:	Date	Time
Relinquished by: Fedex	Date	Time	Received by ELOT: Andrea Sam	6.8.10	9:30

Laboratory Comments:

Sample Containers Intact? Y N

VOCs Free of Headspace? Y N/A

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

4023955

Temperature Upon Receipt: 23.1 °C

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: 6.8.10 9:30

Lab ID # : 376006

Initials: AL

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)	
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	23.1 °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