Analytical Report 295702

for

Yates Petroleum Corporation

Project Manager: Robert Asher

State B # 4

30-015-02182

15-JAN-08

ENVIRONMENTAL LAB OF

12600 West I-20 East Odessa, Texas 79765

Texas certification numbers:
Houston, TX T104704215

Florida certification numbers:
Houston, TX E871002 - Miami, FL E86678 - Tampa, FL E86675
Norcross(Atlanta), GA E87429

South Carolina certification numbers:
Norcross(Atlanta), GA 98015

North Carolina certification numbers:
Norcross(Atlanta), GA 483

Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America
Midland - Corpus Christi - Atlanta

15-JAN-08

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

Reference: XENCO Report No: **295702**
State B # 4
Project Address: Eddy 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 295702. 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. 295702 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 295702

Yates Petroleum Corporation, Artesia, NM

Statc B # 4

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
GS/Comp-001	S	Jan-09-08 10.30	12 - 16 In	295702-001

Certificate of Analysis Summary 295702

Yates Petroleum Corporation, Artesia, NM

Project Name: State B # 4

Project Id: 30-015-02182
Contact: Robert Asher
Project Location: Eddy County

Date Received in Lab: Thu Jan-10-08 09:50 am
Report Date: 15-JAN-08
Project Manager: Brent Barron, II

Analysis Requested								
	Lab Id	295702-001						
	Field Id.	GS/Comp-001						
	Depth:	12 16 In						
	Matrix:	SOIL						
	Sampled	Jan-09 08 10 30						
BTEX by EPA 8021B	*Extracted:*	Jan-11-08 15 00						
	Analyzed:	Jan-11-08 19 11						
	Units/RL.	mg/kg	RL					
Benzene		0 0011	0 0011					
Toluene		0 0034	0 0021					
Ethylbenzene		0 0039	0 0011					
m,p-Xylenes		0 0051	0 0021					
o-Xylene		0 0029	0 0011					
Xylenes, Total		0 008						
Total BTEX		0 0164						
Percent Moisture	*Extracted:*							
	Analyzed:	Jan-10-08 10 42						
	Units/RL.	%	RL					
Percent Moisture		6 76						
TPH by SW 8015B	*Extracted.*	Jan-10 08 15 38						
	Analyzed.	Jan-13 08 19 03						
	Units/RL.	mg/kg	RL					
C6-C10 Gasoline Range Hydrocarbons		16 3	16 1					
C10-C28 Diesel Range Hydrocarbons		54 1	16 1					
Total TPH		70 4						

Brent Barron
Odessa Laboratory Director

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(PQL) and above the SQL(MDL).

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.

* Outside XENCO'S scope of NELAC Accreditation

Environmental Lab of Texas

Variance/ Corrective Action Report- Sample Log-In

Client: Yates

Date/ Time: 11/30/10 9:00

Lab ID # : 293794

Initials: gmk

Sample Receipt Checklist

				Client Initials
#1 Temperature of container/ cooler?	(Yes)	No	1.5 °C	
#2 Shipping container in good condition?	(Yes)	No		
#3 Custody Seals intact on shipping container/ cooler?	(Yes)	No	Not Present	
#4 Custody Seals intact on sample bottles/ container?	(Yes)	No	Not Present	
#5 Chain of Custody present?	(Yes)	No		
#6 Sample instructions complete of Chain of Custody?	(Yes)	No		
#7 Chain of Custody signed when relinquished/ received?	(Yes)	No		
#8 Chain of Custody agrees with sample label(s)?	(Yes)	No	ID written on Cont./ Lid	
#9 Container label(s) legible and intact?	(Yes)	No	Not Applicable	
#10 Sample matrix/ properties agree with Chain of Custody?	(Yes)	No		
#11 Containers supplied by ELOT?	(Yes)	No		
#12 Samples in proper container/ bottle?	(Yes)	No	See Below	
#13 Samples properly preserved?	(Yes)	No	See Below	
#14 Sample bottles intact?	(Yes)	No		
#15 Preservations documented on Chain of Custody?	(Yes)	No		
#16 Containers documented on Chain of Custody?	(Yes)	No		
#17 Sufficient sample amount for indicated test(s)?	(Yes)	No	See Below	
#18 All samples received within sufficient hold time?	(Yes)	No	See Below	
#19 Subcontract of sample(s)?	Yes	No	(Not Applicable)	
#20 VOC samples have zero headspace?	(Yes)	No	Not Applicable	

Variance Documentation

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

Regarding: _____

Corrective Action Taken: _____

Check all that Apply:

- ☐ See attached e-mail/ fax
- ☒ Client understands and would like to proceed with analysis
- ☐ Cooling process had begun shortly after sampling event

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: John A. Yates Jr. Oil Producer
Company Address: 105 South 4th Street
City/State/Zip: Artesia, NM 88210
Telephone No: 505-748-1217
Fax No: 505-748-4662
Sampler Signature:
e-mail: boba@ypcnm.com

Project Name: State B #4
Project #: 30-015-02182
Project Loc: Eddy County
PO #: 105632
Report Format: [X] Standard [ ] TRRP [ ] NPDES

(lab use only) ORDER #: 293794

Analyze For:

LAB # (lab use only)	FIELD CODE	Beginning Depth	Ending Depth	Date Sampled	Time Sampled	Field Filtered	Total # of Containers	Preservation & # of Containers: Ice	HNO3	HCl	H2SO4	NaOH	Na2S2O3	None	Other (Specify)	Matrix: Dw=Drinking Water Ss=Sludge; GW=Groundwater S=Soil/Solid; NP=Non-Potable Specify Other	TCLP: TPH: 418.1 8015M	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	TOTAL: BTEX 8260/5030 or BTEX 8260	RCI	N.O.R.M.	Chlorides			RUSH TAT (Pre-Scheduled) 24, 48, 72 hrs	Standard TAT
001	GS/Comp-001	6"	12"	11/29/2007	9:20 AM		1	X								S	X								X			X				X

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

Relinquished by:	Date	Time	Received by:	Date	Time
Robert Asher	11/28/07	2:05 PM			
Relinquished by:	Date	Time	Received by:	Date	Time
Relinquished by:	Date	Time	Received by ELOT:	Date	Time
				11/30/07	9:05

Laboratory Comments: 1.4 @ 2°C

Sample Containers Intact?	Y	N
VOCs Free of Headspace?		N
Labels on container(s)	Y	N
Custody seals on container(s)		N
Custody seals on cooler(s)		N
Sample Hand Delivered by Sampler/Client Rep.?	Y	N
by Courier? UPS DHL FedEx Lone Star		

Temperature Upon Receipt: 1.5 °C

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
Project Name: State B #4

Company Name: John A. Yates Jr. Oil Producer
Project #: 30-015-02182

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

City/State/Zip: Artesia, NM 88210
PO #: 105632

Telephone No: 505-748-4217
Fax No: 505-748-4662
Report Format: [x] Standard [ ] TRRP [ ] NPDES

Sampler Signature: [signature]
e-mail: boba@ypcnm.com

(lab use only)
ORDER #: 295102

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	GS/Comp-001	12"	16"	1/9/2008	10:30 AM		1	X								S	X								X							X

Analyze For: TCLP / TOTAL

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

Relinquished by	Date	Time	Received by	Date	Time
Robert Asher [signature]	01/09/08	2:13 PM			
Relinquished by	Date	Time	Received by	Date	Time
Relinquished by [illegible]	1-9-08		Received by ELOT: Andrea Lam [signature]	1-10-08	9:50

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 3.0 °C

Environmental Lab of Texas

Variance/ Corrective Action Report- Sample Log-In

Client: Yates

Date/ Time: 1 10 08 9:30

Lab ID #: 295702

Initials: GL

Sample Receipt Checklist

					Client Initials
#1	Temperature of container/ cooler?	(Yes)	No	3.0 °C	
#2	Shipping container in good condition?	(Yes)	No		
#3	Custody Seals intact on shipping container/ cooler?	(Yes)	No	Not Present	
#4	Custody Seals intact on sample bottles/ container?	(Yes)	No	Not Present	
#5	Chain of Custody present?	(Yes)	No		
#6	Sample Instructions complete of Chain of Custody?	(Yes)	No		
#7	Chain of Custody signed when relinquished/ received?	(Yes)	No		
#8	Chain of Custody agrees with sample label(s)?	(Yes)	No	ID written on Cont./ Lid	
#9	Container label(s) legible and intact?	(Yes)	No	Not Applicable	
#10	Sample matrix/ properties agree with Chain of Custody?	(Yes)	No		
#11	Containers supplied by ELOT?	(Yes)	No		
#12	Samples in proper container/ bottle?	(Yes)	No	See Below	
#13	Samples properly preserved?	(Yes)	No	See Below	
#14	Sample bottles intact?	(Yes)	No		
#15	Preservations documented on Chain of Custody?	(Yes)	No		
#16	Containers documented on Chain of Custody?	(Yes)	No		
#17	Sufficient sample amount for indicated test(s)?	(Yes)	No	See Below	
#18	All samples received within sufficient hold time?	(Yes)	No	See Below	
#19	Subcontract of sample(s)?	Yes	No	(Not Applicable)	
#20	VOC samples have zero headspace?	(Yes)	No	Not Applicable	

Variance Documentation

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

Regarding: _____

Corrective Action Taken: _____

Check all that Apply

- ☐ See attached e-mail/ fax
- ☐ Client understands and would like to proceed with analysis
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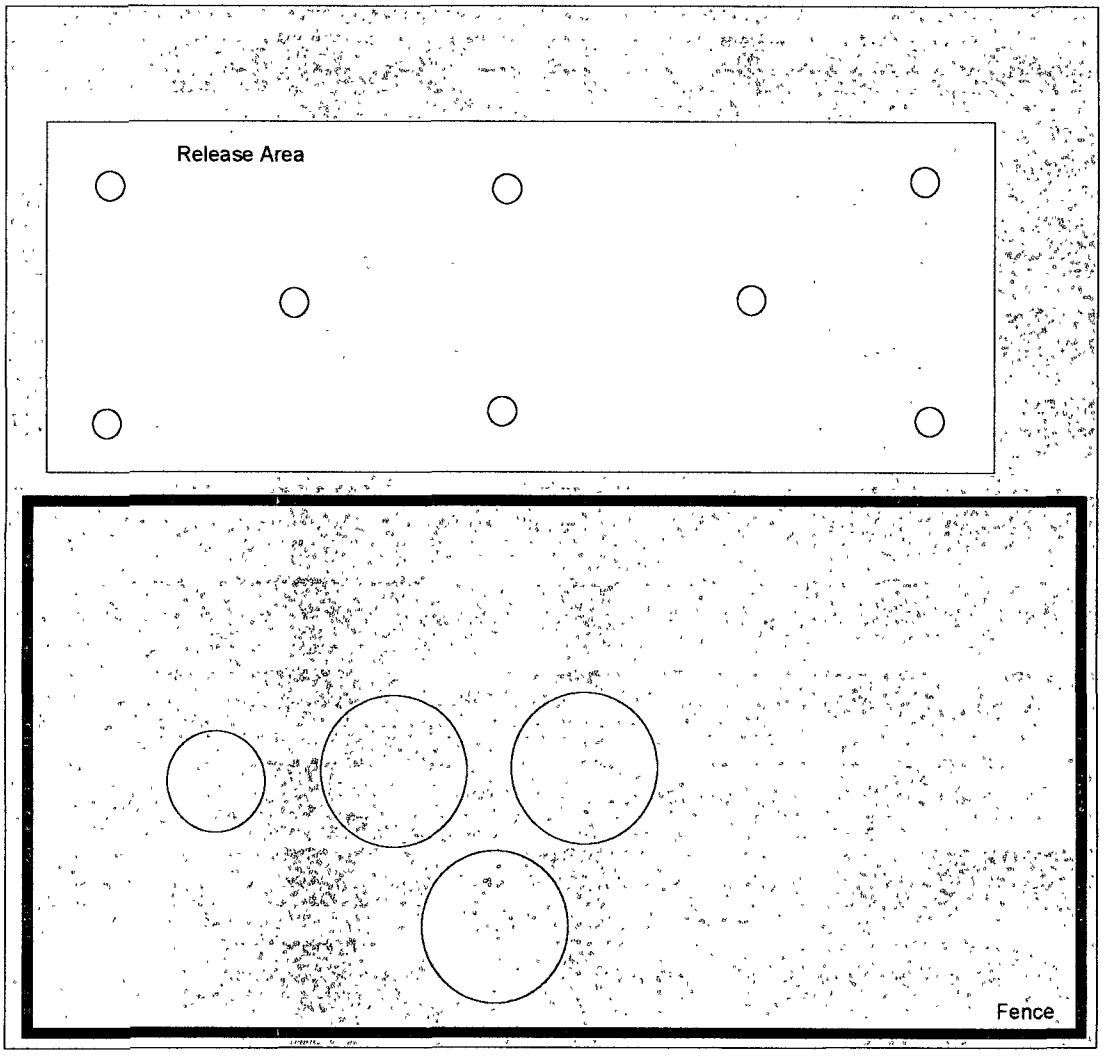

Sample ID	Sample Date	Sample Type	Depth	BTEX	TPH (GRO)	TPH (DRO)	TPH (TOTAL)	Chlorides
GS/Comp-001	11/29/2007	Grab/Auger	6 - 12"	5.9498	1660	19660	21320	851
GS/Comp-001	1/9/2008	Grab/Auger	16"	0.0164	16.3	54.1	70.4	

Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 150'). All results are ppm

YATES PETROLEUM CORPORATION

John A. Yates Jr. Oil Producers

State B #4

Section 5, T19S-R28E

Eddy County, NM

EXHIBIT
Sample Diagram (NOT TO SCALE)

Prepared by Robert Asher
Environmental Regulatory Agent
January 16, 2008

Analytical Report 293794

for

Yates Petroleum Corporation

Project Manager: Robert Asher

State B #4

30-015-2182

07-DEC-07

12600 West I-20 East Odessa, Texas 79765

A Xenco Laboratories Company

Texas certification numbers:
Houston, TX T104704215

Florida certification numbers:
Houston, TX E871002 - Miami, FL E86678 - Tampa, FL E86675

Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America
Midland - Corpus Christi - Atlanta

07-DEC-07

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

Reference: XENCO Report No: **293794**
State B #4
Project Address: Eddy County

Robert Asher:

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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 293794

Yates Petroleum Corporation, Artesia, NM

State B #4

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
GS/Comp-001	S	Nov-29-07 09:20	6" - 12" In	293794-001

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.

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K Sample analyzed outside of recommended hold time

* Outside XENCO'S scope of NELAC Accreditation

Certificate of Analysis Summary 293794

Yates Petroleum Corporation, Artesia, NM

Project Name: State B #4

Project Id: 30-015-2182
Contact: Robert Asher
Project Location: Eddy County

Date Received in Lab: Fri Nov-30-07 09:00 am
Report Date: 07-DEC-07
Project Manager: Brent Barron, II

Analysis Requested							
	Lab Id:	293794-001					
	Field Id:	GS/Comp-001					
	Depth:	6" 12" In					
	Matrix:	SOIL					
	Sampled:	Nov-29-07 09:20					
BTEX by EPA 8021B	*Extracted:*	Dec-05-07 11:15					
	Analyzed:	Dec-05-07 14:27					
	Units/RL:	mg/kg	RL				
Benzene		0.0111	0.0054				
Toluene		0.5327	0.0108				
Ethylbenzene		1.092	0.0054				
m,p-Xylenes		2.413	0.0108				
o-Xylene		1.901	0.0054				
Xylenes, Total		4.314					
Total BTEX		5.9498					
Percent Moisture	*Extracted:*						
	Analyzed:	Nov-30-07 14:15					
	Units/RL:	%	RL				
Percent Moisture		7.57	1.00				
TPH by SW 8015B	*Extracted:*	Dec-04-07 11:41					
	Analyzed:	Dec-05-07 22:18					
	Units/RL:	mg/kg	RL				
C6-C10 Gasoline Range Hydrocarbons		1660	81.1				
C10-C28 Diesel Range Hydrocarbons		18000	81.1				
Total TPH		19660					
Total Chloride by EPA 325.3	*Extracted:*						
	Analyzed:	Nov-30-07 17:20					
	Units/RL:	mg/kg	RL				
Chloride		851	5.00				

Brent Barron
Odessa Laboratory Director