

MARTIN YATES, III  
1912-1965

FRANK W. YATES  
1936-1986



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ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (575) 748-1471

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DIRECTOR

May 16, 2008

MAY 16 2008  
OCD-ARTESIA

Mr. Mike Bratcher  
NMOCD District II  
1301 West Grand  
Artesia, NM 88210

Re: Medano VA State #1  
2RP-160  
30-015-20423  
Section 16, T23S-R31E  
Eddy County, New Mexico

Dear Mr. Bratcher:

Yates Petroleum Corporation 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 reports dated April 8, 2008 and April 9, 2008. Scope of work described in the plan will be conducted as soon as the work plan is approved.

If you have any questions call me at (505) 748-4217

Thank you.

YATES PETROLEUM CORPORATION

Robert Asher  
Environmental Regulatory Agent

Enclosure(s)

**Yates Petroleum Corporation**

**Medano VA State #1 Work Plan**

**Section 16, T23S-R31E**

**Eddy County, New Mexico**

**May 16, 2008**

2RP-160

**I. Location**

The well is located approximately 33 miles east of Carlsbad, NM, northeast of State Highway 128 (Jal Highway), as represented by the attached Los Medanos, NM, USGS Quadrangle Map.

**II. Background**

On April 18, 2008, Yates submitted to the NMOCD District II office a Form C-141 for releases of 180 barrels of produced water and 3 barrels of oil (4/8/2008) and 500 barrels of produced water and 2 barrels of oil (4/9/2008) from a produced water line rupture. Produce water recovered was 120 barrels (4/8/2008 release) and 410 barrels (4/9/2008 release); no oil was recovered from either release. The total affected area is approximately 142 feet by 12 feet, outside the bermed area (south side of the battery). Contaminated soils were scraped up and hauled to an OCD approved facility; vertical/horizontal delineation was conducted on May 7, 2008 (enclosed diagram and results).

**III. Surface and Ground Water**

Area surface geology is Cenozoic. The nearest groundwater of record is listed on the ChevronTexaco, Eddy County Depth to Groundwater Water Well Facilities Trend Map dated 2/9/2005 shows the depth to groundwater is approximately 125 feet (Unit Letter K, Section 16, T23S-R31E) making the site ranking for this site a zero (0). Any 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'

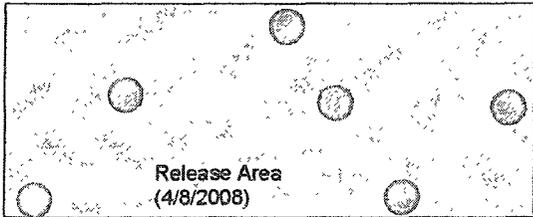
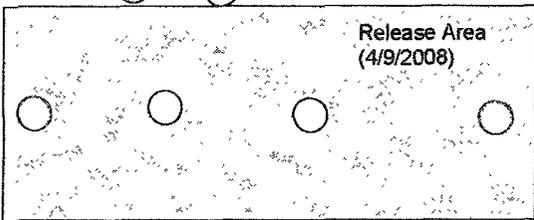
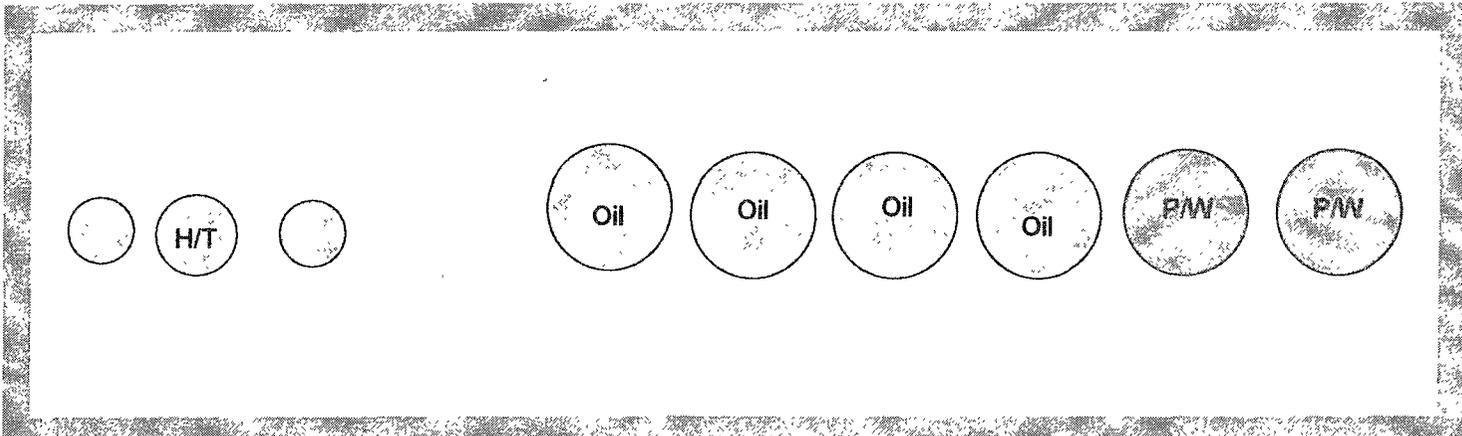
**IV. Soils**

The area consists of soils that are sand and interspersed with caliche and 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, Yates Petroleum Corporation will have a contractor remove contaminated soils from the April 9, 2008 release to a depth of three (3) feet below the surface. Based on the enclosed analytical report, Yates will submit a C-141, Final Report to the Oil Conservation Division upon completion of work. Upon final OCD approval, a contractor will use clean, native soils to backfill excavation area.

Pump Jack



Sample ID	Sample Date	Sample Type	Depth	BTEX	Chlorides	TPH (GRO)	TPH (DRO)	TPH (TOTAL)
GS/Comp-001	4/29/2008	Grab/Auger	1'	ND	1530	ND	398	398
GS/Comp-002	4/29/2008	Grab/Auger	2'	ND	1820	23.0	477.0	500.0
GS/Comp-003	4/29/2008	Grab/Auger	3'	ND	2060	18.2	945.0	963.2
GS/Comp-004	4/29/2008	Grab/Auger	1'	ND	7390	19.6	102.0	121.6
GS/Comp-005	4/29/2008	Grab/Auger	2'	ND	6900	16.8	135.0	151.8
GS/Comp-006	4/29/2008	Grab/Auger	3'	0.0012	11200	ND	113.0	113.0
GS/Comp-001	5/7/2008	Grab/Auger	4'		1701.7			
GS/Comp-002	5/7/2008	Grab/Auger	5'		1677.4			
GS/Comp-003	5/7/2008	Grab/Auger	3'		978.5			

Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 125'). All results are ppm.



Medona VA State #1  
 Section 16, T23S-R31E  
 Eddy County, NM

EXHIBIT  
 Sample Diagram (Not to Scale)  
 Prepared by Robert Asher  
 Environmental Regulatory Agent  
 May 16, 2008

# **Analytical Report 302755**

**for**

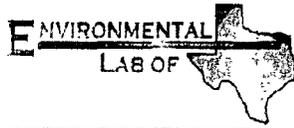
## **Yates Petroleum Corporation**

**Project Manager: Robert Asher**

**Medona VA State # 1**

**30-015-20423**

**06-MAY-08**



**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

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Midland - Corpus Christi - Atlanta



06-MAY-08

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

Reference: XENCO Report No: **302755**  
**Medona VA State # 1**  
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 302755. 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. 302755 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

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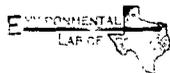


**Sample Cross Reference 302755**



**Yates Petroleum Corporation, Artesia, NM**  
Medona VA State # 1

<b>Sample Id</b>	<b>Matrix</b>	<b>Date Collected</b>	<b>Sample Depth</b>	<b>Lab Sample Id</b>
GS/Comp-001	S	Apr-29-08 10:28	1 - 1 ft	302755-001
GS/Comp-002	S	Apr-29-08 10:48	2 - 2 ft	302755-002
GS/Comp-003	S	Apr-29-08 11:03	3 - 3 ft	302755-003
GS/Comp-004	S	Apr-29-08 11:24	1 - 1 ft	302755-004
GS/Comp-005	S	Apr-29-08 11:42	2 - 2 ft	302755-005
GS/Comp-006	S	Apr-29-08 11:59	3 - 3 ft	302755-006



# Certificate of Analysis Summary 302755

Yates Petroleum Corporation, Artesia, NM

Project Name: Medona VA State # 1

Project Id: 30-015-20423

Contact: Robert Asher

Project Location: Eddy County

Date Received in Lab: Wed Apr-30-08 10 10 am

Report Date: 06-MAY-08

Project Manager: Brent Barron, II

Analysis Requested	Lab Id:	302755-001	302755-002	302755-003	302755-004	302755-005	302755-006
	Field Id:	GS/Comp-001	GS/Comp-002	GS/Comp-003	GS/Comp-004	GS/Comp-005	GS/Comp-006
	Depth:	1-1 ft	2-2 ft	3-3 ft	1-1 ft	2-2 ft	3-3 ft
	Matrix:	SOIL	SOIL	SOIL	SOIL	SOIL	SOIL
	Sampled:	Apr-29-08 10 28	Apr-29-08 10 48	Apr-29-08 11 03	Apr-29-08 11 24	Apr-29-08 11 42	Apr-29-08 11 59
<b>BTEX by EPA 8021B</b>	Extracted:	Apr-30-08 11 08					
	Analyzed:	Apr-30-08 14 29	Apr-30-08 14 53	Apr-30-08 15 17	Apr-30-08 15 41	Apr-30-08 16 05	Apr-30-08 16 28
	Units/RL:	mg/kg    RL					
Benzene		ND 0 0010	0 0012 0 0011				
Toluene		ND 0 0020	ND 0 0021				
Ethylbenzene		ND 0 0010	ND 0 0011				
m,p-Xylenes		ND 0 0020	ND 0 0021				
o-Xylene		ND 0 0010	ND 0 0011				
Xylenes, Total		ND	ND	ND	ND	ND	ND
Total BTEX		ND	ND	ND	ND	ND	0 0012
<b>Inorganic Anions by EPA 300</b>	Extracted:						
	Analyzed:	Apr-30-08 18 13					
	Units/RL:	mg/kg    RL					
Chloride		1530 50 0	1820 50 0	2060 50 0	7390 500	6900 500	11200 500
<b>Percent Moisture</b>	Extracted:						
	Analyzed:	Apr-30-08 17 00					
	Units/RL:	%    RL					
Percent Moisture		2	2 8	2 76	4 38	4 56	6 88
<b>TPH by SW 8015B</b>	Extracted:	Apr-30-08 16 43					
	Analyzed:	May-06-08 11 42	May-03-08 03 06	May-03-08 03 31	May-03-08 03 57	May-03-08 04 23	May-03-08 04 48
	Units/RL:	mg/kg    RL					
C6-C10 Gasoline Range Hydrocarbons		ND 15 3	23 0 15 4	18 2 15 4	19 6 15 7	16 8 15 7	ND 16 1
C10-C28 Diesel Range Hydrocarbons		398 15 3	477 15 4	945 15 4	102 15 7	135 15 7	113 16 1
Total TPH		398	500	963 2	121 6	151 8	113

This analytical report and the entire data package it represents has been made for your exclusive and confidential use. The interpretations and results expressed throughout this analytical report represent the best judgment of XENCO Laboratories. XENCO Laboratories assumes no responsibility and makes no warranty to the end use of the data hereby presented. Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

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 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

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(214) 902 0300	(214) 351-9139
(210) 509-3334	(210) 509-3335
(813) 620-2000	(813) 620-2033
(305) 823-8500	(305) 823-8555
(770) 449-8800	(770) 449-5477



**Environmental Lab of Texas**

Variance/ Corrective Action Report- Sample Log-In

Client Yates Pet.  
 Date/ Time 4 30 08 1010  
 Lab ID # 302755  
 Initials DL

**Sample Receipt Checklist**

	Yes	No	Client Initials
#1 Temperature of container/ cooler?	Yes	No	2.0 °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

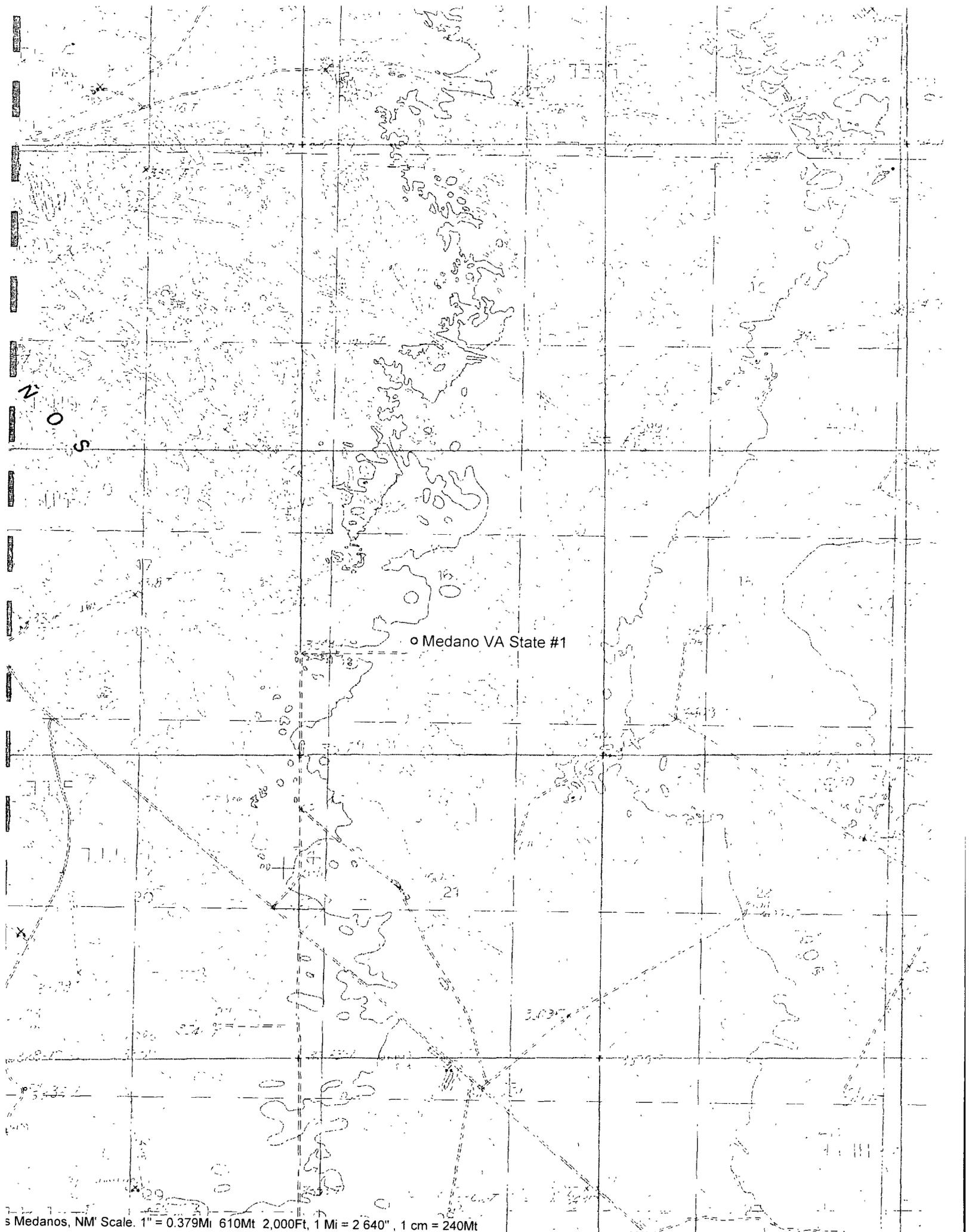
**Variance Documentation**

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
  - Cooling process had begun shortly after sampling event



o Medano VA State #1

s Medanos, NM Scale. 1" = 0.379Mi 610Mt 2,000Ft, 1 Mi = 2 640" , 1 cm = 240Mt

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
**Reese Fullerton**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



June 5, 2008

Yates Petroleum Corporation  
Attn: Robert Asher  
105 S 4<sup>th</sup> Street  
Artesia, NM 88210

Reference: Medano VA State 001 K-16-23S-31E  
30 015 20423 Eddy County, New Mexico  
2RP-160

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of a remediation work plan (plan) for two releases occurring at the above named facility on April 8, 2008 and April 9, 2008. The plan states, "...Yates Petroleum Corporation will have a contractor remove contaminated soils from the April 9, 2008 release to a depth of three(3) feet below the surface..."

The plan is approved with the following stipulations:

- Operator will perform additional delineation of the April 8, 2008 release area as per June 5, 2008 phone conversation.
- Confirmation soil analyses will be required upon completion of excavation and prior to proposed soil replacement.
- Please notify OCD 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to OCD.
- Remediation requirements may be subject to change as site conditions warrant.
- Remediation actions are to be completed on or before August 6, 2008.

Remediation requirements may be subject to other federal, state, local laws and/or regulations. Additionally, please be advised that OCD approval does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment.

Thank you for your attention to these matters. If I can be of assistance, you may reach me at the contact information listed below.

Respectfully,

A handwritten signature in black ink, appearing to read "Sherry Bonham".

Sherry Bonham  
NMOCD District 2  
1301 West Grand Ave.  
Artesia, NM 88210  
(505) 748-1283 Ext. 109  
[sherry.bonham@state.nm.us](mailto:sherry.bonham@state.nm.us)

