

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



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

S.P. YATES
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JOHN A. YATES
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DIRECTOR

July 30, 2008

JUL 31 2008
OCD-ARTESIA

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

Re: Saguaro Water Transfer
2RP-152
30-015-20396
Section 23, T20S-R24E
Eddy County, New Mexico

Dear Mr. Bratcher,

Enclosed please find a Form C-141, Final Report for the above captioned site regarding the release on July 2, 2007, (30 B/PW with 20 B/PW recovered). Soils were remediated per October 17, 2007 Work Plan on location (soils excavated and placed on plastic and bermed, nitrogen fertilizer and water applied, the soils then mixed). Samples were taken on July 15, 2008 and sent to an OCD approved laboratory (analytical reports and sample diagram enclosed). Site ranking is zero (0), with the depth to ground water >100' (approximately 250'). RRAL's based on the site ranking of 0, BTEX (ppm) @ 50 and TPH (ppm) @ 5000, sample results are within these limits. Based on produced water recovered, soils remediated to below RRAL's and sample results, Yates Petroleum Corporation requests closure and no further remediation for this release. Upon approval remediated soils will be used as backfill, additional clean soils will be used to complete backfilling process.

If you have any questions, please call me at 505-748-4217.

Thank you.

YATES PETROLEUM CORPORATION

Robert Asher
Environmental Regulatory Agent

/rca
Enclosure(s)

District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

JUL 31 2008

OCD-ARTESIA

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 TH Street	Telephone No. 575-748-1471	
Facility Name Saguaro Water Transfer	API Number 30-015-20396	Facility Type Battery
		Order Number 2RP-152

Surface Owner Federal	Mineral Owner Federal	Lease No. NM-84608
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LOCATION OF RELEASE

Unit Letter F	Section 23	Township 20S	Range 24E	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy
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Latitude 32.57531 Longitude 104.57860

NATURE OF RELEASE

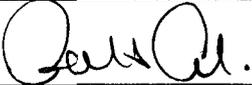
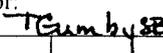
Type of Release Produced Water	Volume of Release 30 B/PW	Volume Recovered 20 B/PW
Source of Release Water tank	Date and Hour of Occurrence 6/27/2007- AM	Date and Hour of Discovery 6/27/2007 - AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher, OCD, District II	
By Whom? Bob Asher, Yates Petroleum Corporation	Date and Hour 6/27/2007; (V/M and E-mail)	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.*
N/A

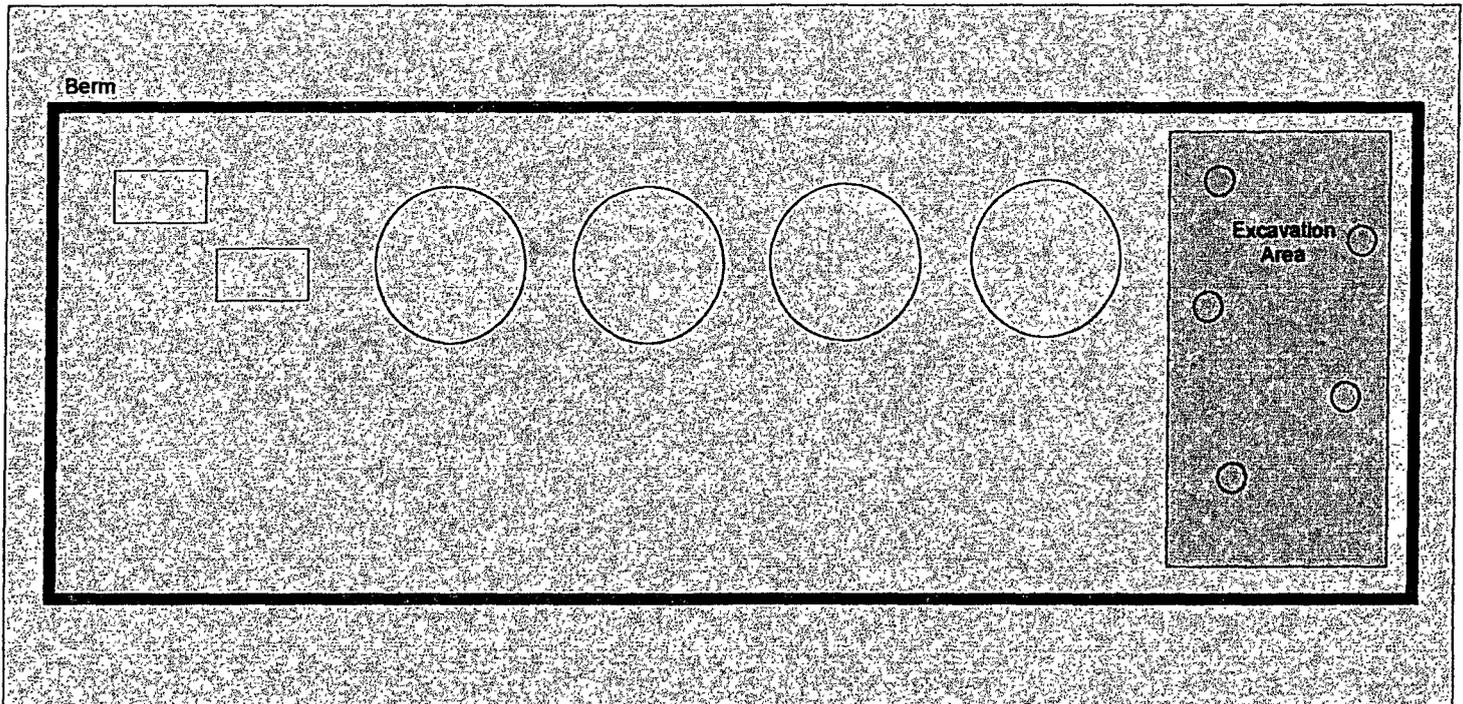
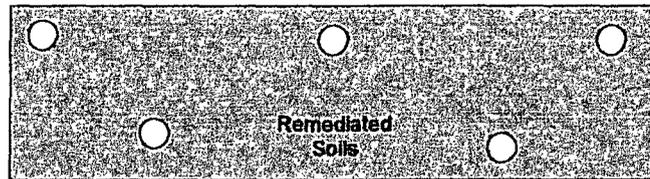
Describe Cause of Problem and Remedial Action Taken.*
Power failure from lightning/wind storm causing motor valve to fail that controls flow of water into gun barrel did not close causing water to enter gun barrel and overflow from water legs. Vacuum truck called, release contained within berm.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 100' X 25'. Vacuum truck picked up standing fluids. Vertical and horizontal delineation will be made and corrective actions taken. **Depth to Ground Water: >100' (approx. 250'), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on enclosed information (soils remediated and analytical results), Yates Petroleum Corporation requests closure.**

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: 	<u>OIL CONSERVATION DIVISION</u>	
Printed Name: Robert Asher	Approved by District Supervisor: 	
Title: Environmental Regulatory Agent	Approval Date: <u>12-9-08</u>	Expiration Date: <u>N/A</u>
E-mail Address: boba@ypennm.com	Conditions of Approval: <u>N/A</u>	Attached <input type="checkbox"/> <u>N/A</u>
Date: Wednesday, July 30, 2008	Phone: 575-748-4217	<u>2RP-152</u>

* Attach Additional Sheets If Necessary



Sample ID	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TPH TOTAL	Chlorides
GS/Comp-001	7/15/2008	Grab/Composite	6" - 1'	<0.04	57.8	309	366.8	426
GS/Comp-002	7/15/2008	Grab/Composite	5'	<0.04	13.4	<50.00	63.4	580

Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 250'). All results are ppm.



Saguaro Water Transfer
Section 23, T20S-R24E
Eddy County, NM

Sample Diagram
(Not to Scale)
Prepared by Robert Asher
Environmental Regulatory Agent
July 30 2008

Summary Report

Robert Asher
Yates Petroleum Corp.
105 South 4th South
Artesia, NM, 88210

Report Date: July 24, 2008

Work Order: 8071617



Project Location: Eddy County, NM
Project Name: Saguaro Water Transfer
Project Number: 30-015-20396

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
167162	GS/Comp-001	soil	2008-07-15	09:15	2008-07-16
167163	GS/Comp-002	soil	2008-07-15	09:32	2008-07-16

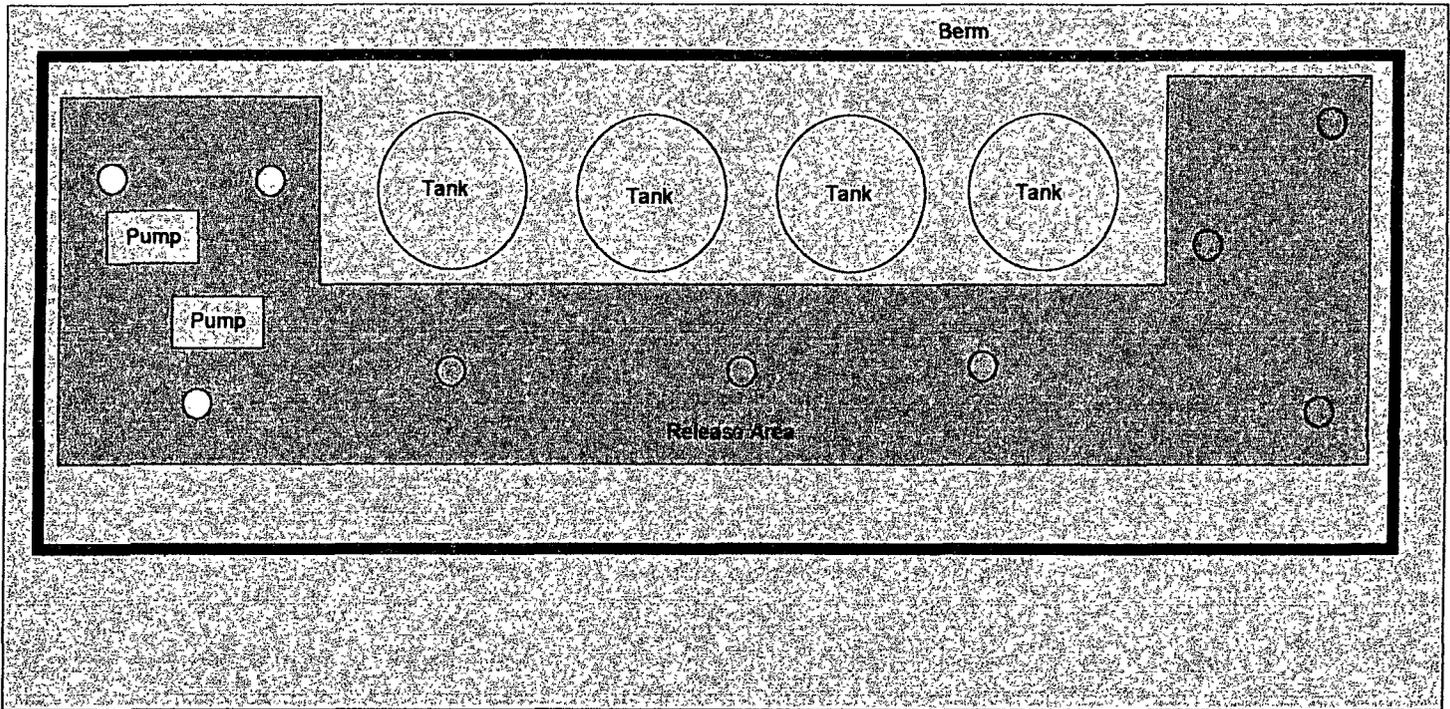
Sample - Field Code	BTEX				TPH DRO	TPH GRO
	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Xylene (mg/Kg)	DRO (mg/Kg)	GRO (mg/Kg)
167162 - GS/Comp-001	<0.0100	<0.0100	<0.0100	<0.0100	309	57.8
167163 - GS/Comp-002	<0.0100	<0.0100	<0.0100	<0.0100	<50.0	13.4

Sample: 167162 - GS/Comp-001

Param	Flag	Result	Units	RL
Chloride		426	mg/Kg	2.00

Sample: 167163 - GS/Comp-002

Param	Flag	Result	Units	RL
Chloride		580	mg/Kg	2.00



Sample ID	Sample Date	Sample Type	Depth	Chlorides	BTEX	GRO	DRO	TPH TOTAL
GS/Comp-001	7/25/2007	Grab/Auger	1'	1200	0.3027	51.9	475	527
GS/Comp-002	7/25/2007	Grab/Auger	2'	752	55.0605	2280	7060	9,340
GS/Comp-003	9/26/2007	Grab/Auger	3'	NA	40.838	1560	3730	5,290
GS/Comp-002	9/26/2007	Grab/Auger	4'	NA	30.646	1480	5770	7,250
GS/Comp-003	7/25/2007	Grab/Auger	1'	861	ND	11.7	726	738
GS/Comp-004	7/25/2007	Grab/Auger	1'	484	ND	ND	165	165

Site Ranking is Zero (0). Depth to Ground Water: >100' (approx. 250'). All results are ppm.



Saguaro Water Transfer

Section 23, T20S-R24E

Eddy County, NM

**Sample Diagram
(Not to Scale)**

**Prepared by Robert Asher
Environmental Regulatory Agent
October 17, 2007**

Analytical Report 286666

for

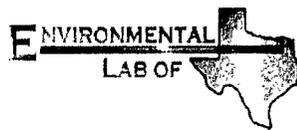
Yates Petroleum Corporation

Project Manager: Robert Asher

Saguaro Water Transfer

30-015-20396

07-AUG-07



12600 West I-20 East Odessa, Texas 79765

A Xenco Laboratories Company

NELAC certification numbers:

Houston, TX E871002 - Miami, FL E86678 - Tampa, FL E86675

Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America



07-AUG-07

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

Reference: XENCO Report No: **286666**
Saguaro Water Transfer
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 286666. 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. 286666 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

Odessa Laboratory Director

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Certificate of Analysis Summary 286666

Yates Petroleum Corporation, Artesia, NM



Project Id: 30-015-20396

Contact: Robert Asher

Project Location: Eddy County

Project Name: Saguaro Water Transfer

Date Received in Lab: Fri Jul-27-07 10 10 am

Report Date: 07-AUG-07

Project Manager: Brent Barron, II

Analysis Requested	Lab Id:	286666-001	286666-002	286666-003	286666-004		
	Field Id:	GS/Comp-001	GS/Comp-002	GS/Comp-003	GS/Comp-004		
	Depth:	1-1 ft	2-2 ft	1-1 ft	1-1 ft		
	Matrix:	SOIL	SOIL	SOIL	SOIL		
	Sampled:	Jul-25-07 13 50	Jul-25-07 14 28	Jul-25-07 14 45	Jul-25-07 15 16		
BTEX by EPA 8021B	Extracted:	Jul-27-07 13 35	Jul-27-07 13 35	Jul-27-07 13 35	Jul-27-07 13 35		
	Analyzed:	Aug-01-07 10 07	Jul-28-07 02 40	Jul-31-07 14 26	Jul-31-07 14 46		
	Units/RL:	mg/kg RL	mg/kg RL	mg/kg RL	mg/kg RL		
Benzene		ND 0 0302	0 6605 0 2326	ND 0 0293	ND 0 0294		
Toluene		ND 0 0302	4 082 0 2326	ND 0 0293	ND 0 0294		
Ethylbenzene		0 1325 0 0302	6 138 0 2326	ND 0 0293	ND 0 0294		
m,p-Xylene		0 1702 0 0604	32 88 0 4652	ND 0 0586	ND 0 0588		
o-Xylene		ND 0 0302	11 30 0 2326	ND 0 0293	ND 0 0294		
Total Xylenes		0 1702	44 18	ND	ND		
Total BTEX		0 3027	55 0605	ND	ND		
Inorganic Anions by EPA 300	Extracted:	Jul-30-07 18 00	Jul-30-07 18 20	Jul-30-07 18 40	Jul-30-07 19 00		
	Analyzed:	Jul-30-07 18 00	Jul-30-07 18 20	Jul-30-07 18 40	Jul-30-07 19 00		
	Units/RL:	mg/kg RL	mg/kg RL	mg/kg RL	mg/kg RL		
Chloride		1200 60 4	752 29 1	861 29 3	484 11 8		
Percent Moisture	Extracted:	Jul-27-07 17 00	Jul-27-07 17 00	Jul-27-07 17 00	Jul-27-07 17 00		
	Analyzed:	Jul-27-07 17 00	Jul-27-07 17 00	Jul-27-07 17 00	Jul-27-07 17 00		
	Units/RL:	% RL	% RL	% RL	% RL		
Percent Moisture		17 2 1 00	14 0 1 00	14 7 1 00	14 9 1 00		
TPH by SW 8015B	Extracted:	Jul-30-07 14 42	Jul-30-07 14 42	Jul-30-07 14 42	Jul-30-07 14 42		
	Analyzed:	Jul-30-07 18 32	Jul-30-07 18 57	Jul-30-07 19 22	Jul-30-07 19 47		
	Units/RL:	mg/kg RL	mg/kg RL	mg/kg RL	mg/kg RL		
C6-C10 Gasoline Range Hydrocarbons		51 9 12 1	2280 116	11 7 11 7	ND 11 8		
C10-C28 Diesel Range Hydrocarbons		475 12 1	7060 116	726 11 7	165 11 8		

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 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.

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5757 NW 158th St, Miami Lakes, FL 33014

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(214) 902 0300	(214) 351-9139
(210) 509-3334	(201) 509-3335
(813) 620-2000	(813) 620-2033
(305) 823-8500	(305) 823-8555

Environmental Lab of Texas
Variance/ Corrective Action Report- Sample Log-In

Client Yates
 Date/ Time 7 27 07 10:10
 Lab ID # 286666
 Initials AL

Sample Receipt Checklist

			Client Initials		
#1	Temperature of container/ cooler?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	7.0 °C	
#2	Shipping container in good condition?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
#3	Custody Seals intact on shipping container/ cooler?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Not Present	
#4	Custody Seals intact on sample bottles/ container?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Not Present	
#5	Chain of Custody present?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
#6	Sample instructions complete of Chain of Custody?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
#7	Chain of Custody signed when relinquished/ received?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
#8	Chain of Custody agrees with sample label(s)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	ID written on Cont / Lid	
#9	Container label(s) legible and intact?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Not Applicable	
#10	Sample matrix/ properties agree with Chain of Custody?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
#11	Containers supplied by ELOT?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
#12	Samples in proper container/ bottle?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	See Below	
#13	Samples properly preserved?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	See Below	
#14	Sample bottles intact?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
#15	Preservations documented on Chain of Custody?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
#16	Containers documented on Chain of Custody?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
#17	Sufficient sample amount for indicated test(s)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	See Below	
#18	All samples received within sufficient hold time?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	See Below	
#19	Subcontract of sample(s)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Not Applicable	
#20	VOC samples have zero headspace?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> 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

Summary Report

Robert Asher
Yates Petroleum Corp.
105 South 4th South
Artesia, NM, 88210

Report Date: October 3, 2007

Work Order: 7092727



Project Location: Eddy County, NM
Project Name: Saguaro Water Transfer
Project Number: 30-015-20396

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
137634	GS/Comp-001	soil	2007-09-26	10:51	2007-09-26
137635	GS/Comp-002	soil	2007-09-26	11:09	2007-09-26

Sample - Field Code	BTEX				TPH DRO DRO (mg/Kg)
	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Xylene (mg/Kg)	
137634 - GS/Comp-001	0.378	1.04	4.62	34.8	3730
137635 - GS/Comp-002	<0.0500	0.356	4.29	26.0	5770