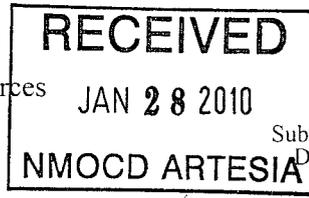


District I
1625 N French Dr , Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr , Santa Fe, NM 87505

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



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

nMLB/00434085b

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 Spearman KQ Federal #1	API Number 30-015-22861	Facility Type Battery
Surface Owner Fee	Mineral Owner Federal	Lease No. NM-9538

LOCATION OF RELEASE

Unit Letter K	Section 13	Township 18S	Range 24E	Feet from the 1980	North/South Line South	Feet from the 1980	East/West Line West	County Eddy
------------------	---------------	-----------------	--------------	-----------------------	---------------------------	-----------------------	------------------------	----------------

Latitude 32.74642 Longitude 104.54369

NATURE OF RELEASE

Type of Release Oil & Produced Water	Volume of Release 128 B/O & 35 B/PW	Volume Recovered 0 B/C & 0 B/PW
Source of Release Production tank	Date and Hour of Occurrence 12/12/2009, AM	Date and Hour of Discovery 12/12/2009, 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/NMOCD Artesia	
By Whom? Robert Asher/YPC Environmental	Date and Hour 12/14/2009, PM (voicemail & 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.* Hole in bottom of production tank.		
Describe Area Affected and Cleanup Action Taken.* An approximate area of 15' X 30'. No oil or produced water to recover. Production tank to be pulled and vertical/horizontal delineation to determine extent of impacted soils. Work plan to be submitted. Samples were taken on 1/20/2010, sent to an NMOCD approved laboratory, analytical results are below RRAL's for the site ranking of (0) zero. Depth to Ground Water: >100' (approx. 230', Section 13, T18S-R24E, per New Mexico Office of the State Engineer), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on analytical results and entire battery to be re-bermed and a 20mil. liner installed, 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:	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Approved by Supervisor	
Title: Environmental Regulatory Agent	Approval Date: FEB 16 2010	Expiration Date: <i>N/A</i>
E-mail Address: boba@yatespetrpolun.com	Conditions of Approval: <i>Liner Installation</i> Attached <input type="checkbox"/>	
Date: Thursday, January 28, 2010	Phone: 575-748-4217	2RP-

* Attach Additional Sheets If Necessary

nMLB/004341328

2RP-388

MARTIN YATES, III

1912-1985

FRANK W. YATES

1936-1986

S.P. YATES

1914-2008



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

JOHN A. YATES
CHAIRMAN OF THE BOARD
PRESIDENT

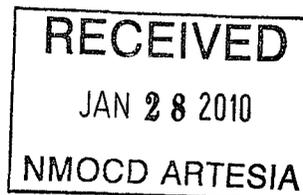
JOHN A. YATES JR.
ASSISTANT TO THE PRESIDENT

JAMES S. BROWN
CHIEF OPERATING OFFICER

JOHN D. PERINI
CHIEF FINANCIAL OFFICER

January 28, 2010

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



Re: Spearman KQ Federal Com. #1
30-015-22861
Section 13, T18S-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 December 12, 2009 (128 bbls of oil and 35 bbls of produced water with no oil or produced water being recovered). The release was from a hole in the production tank. Impacted soils were excavated to a depth of six (6) feet and taken to an NMOCD approved facility. Samples were taken on 1/20/2009 and sent to an OCD approved laboratory for analysis. Analytical results show TPH & BTEX below RRAL's for the site ranking of (0) zero, (enclosed sample diagram and results). Based on impacted soils being excavated/removed and analytical results, Yates Petroleum Corporation requests closure. Upon closure approval Yates will backfill with clean, like soils, re-berm and install a 20 mil. liner within the entire battery area before setting production tank(s).

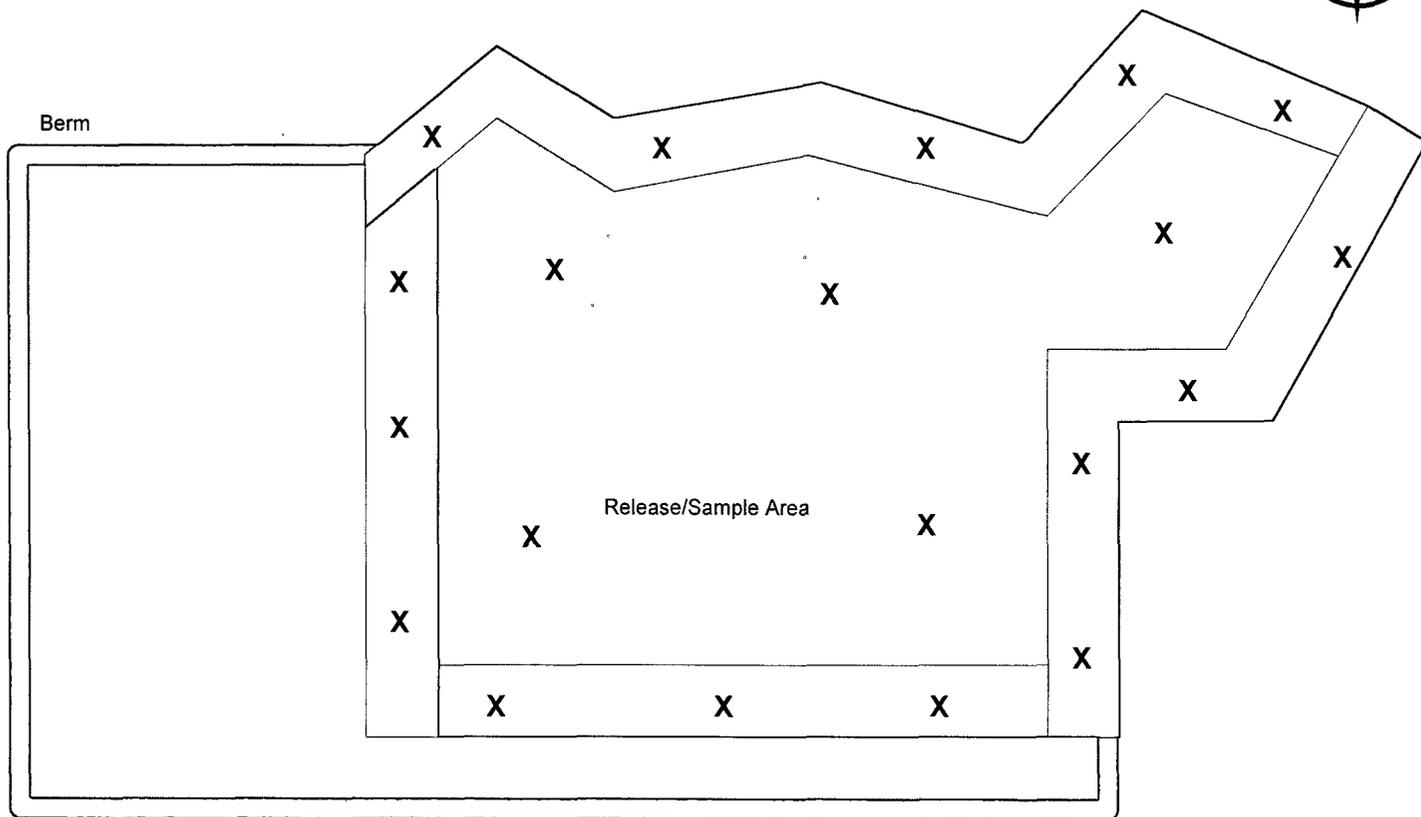
If you have any questions, please call me at 575-748-4217.

Thank you.

YATES PETROLEUM CORPORATION

Robert Asher
Environmental Regulatory Agent

/rca
Enclosure(s)



Sample ID	Sample Area	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TOTAL	Chlorides
GS/Comp-001	South Sidew all	1/20/2010	Grab/Shovel	3' BSL	13.840	559	231	790	2190
GS/Comp-002	West Sidew all	1/20/2010	Grab/Shovel	3' BSL	5.002	580	131	711	1140
GS/Comp-003	North Sidew all	1/20/2010	Grab/Shovel	3' BSL	0.037	ND	23.1	23.1	676
GS/Comp-004	East Sidew all	1/20/2010	Grab/Shovel	3' BSL	1.387	288	115	403	789
GS/Comp-005	Bottom	1/20/2010	Grab/Shovel	5-6' BSL	12.730	440	122	562	816

Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 230, per New Mexico State Engineer Office).

All results are ppm. Chloride results are for documentation. BSL - Below Subsurface Level.

X - Sample Points



**Spearman KQ
Federal Com. #1**

**30-015-22861
Section 13, T18S-R24E
Eddy County, NM**

**SAMPLE DIAGRAM (Not to Scale)
Xenco Laboratories: #359529 & 359531
Report Date: 1/26/2010**

**Prepared by Robert Asher
Environmental Regulatory Agent**

Analytical Report 359529

for

Yates Petroleum Corporation

Project Manager: Robert Asher

Spearman KQ Federal Com. # 1

30-015-22861

26-JAN-10



12600 West I-20 East Odessa, Texas 79765

Xenco-Houston (EPA Lab code: TX00122):

Texas (T104704215-08-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 (LAO00308), USDA (S-44102)

Xenco-Atlanta (EPA Lab Code: GA00046):

Florida (E87429), North Carolina (483), South Carolina (98015), Utah (AAL11), 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 (T104704400-08-TX)

Xenco-Dallas (EPA Lab code: TX01468): Texas (T104704295-08-TX)

Xenco-Corpus Christi (EPA Lab code: TX02613): Texas (T104704370-08-TX)

Xenco-Boca Raton (EPA Lab Code: FL00449): Florida(E86240),

South Carolina(96031001), Louisiana(04154), Georgia(917)



26-JAN-10

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

Reference: XENCO Report No: **359529**
Spearman KQ Federal Com. # 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 359529. 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. 359529 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 359529



Yates Petroleum Corporation, Artesia, NM
Spearman KQ Federal Com. # 1

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
GS/Comp-001	S	Jan-20-10 13:40	3 - 3 ft	359529-001
GS/Comp-002	S	Jan-20-10 13:46	3 - 3 ft	359529-002
GS/Comp-003	S	Jan-20-10 13:51	3 - 3 ft	359529-003
GS/Comp-004	S	Jan-20-10 13:55	3 - 3 ft	359529-004
GS/Comp-005	S	Jan-20-10 14:02	5 - 6 ft	359529-005



CASE NARRATIVE

Client Name: Yates Petroleum Corporation

Project Name: Spearman KQ Federal Com. # 1

Project ID: 30-015-22861

Report Date: 26-JAN-10

Work Order Number: 359529

Date Received: 01/22/2010

Sample receipt non conformances and Comments:

None

Sample receipt Non Conformances and Comments per Sample:

None

Analytical Non Conformances and Comments:

Batch: LBA-790604 Percent Moisture

AD2216A

Batch 790604, Percent Moisture RPD is outside the QC limit. This is most likely due to sample non-homogeneity.

Samples affected are: 359529-005, -002, -004, -003, -001.

Batch: LBA-790751 BTEX by EPA 8021

SW8021BM

Batch 790751, 4-Bromofluorobenzene recovered above QC limits . Matrix interferences is suspected; data not confirmed by re-analysis

Samples affected are: 359529-003.

SW8021BM

Batch 790751, Ethylbenzene, Toluene, m,p-Xylenes, o-Xylene recovered below QC limits in the Matrix Spike and Matrix Spike Duplicate. Benzene recovered below QC limits in the Matrix Spike Duplicate.

Samples affected are: 359529-003.

The Laboratory Control Sample for Toluene, m,p-Xylenes , Benzene, Ethylbenzene, o-Xylene is within laboratory Control Limits

SW8021BM

Batch 790751, Benzene, Toluene RPD was outside QC limits.

Samples affected are: 359529-003

Batch: LBA-790874 BTEX by EPA 8021

SW8021BM

Batch 790874, 4-Bromofluorobenzene recovered above QC limits . Matrix interferences is suspected; data confirmed by re-analysis

Samples affected are: 359529-005,359529-001,359529-002,359529-004.

CASE NARRATIVE



Client Name: Yates Petroleum Corporation

Project Name: Spearman KQ Federal Com. # 1

Project ID: 30-015-22861

Work Order Number: 359529

Report Date: 26-JAN-10

Date Received: 01/22/2010

*Batch: LBA-790919 TPH by SW 8015B
SW8015B_NM*

*Batch 790919, C10-C28 Diesel Range Hydrocarbons RPD was outside QC limits.
Samples affected are: 359529-005, -002, -004, -003, -001*

SW8015B_NM

*Batch 790919, o-Terphenyl recovered below QC limits . Matrix interferences is suspected; data not confirmed by re-analysis
Samples affected are: 359529-005.*

*Batch 790919, o-Terphenyl recovered above QC limits . Matrix interferences is suspected; data not confirmed by re-analysis
Samples affected are: 359529-001.*

SW8015B_NM

*Batch 790919, C10-C28 Diesel Range Hydrocarbons recovered below QC limits in the Matrix Spike.
Samples affected are: 359529-005, -002, -004, -003, -001.
The Laboratory Control Sample for C10-C28 Diesel Range Hydrocarbons is within laboratory Control Limits*



Certificate of Analysis Summary 359529

Yates Petroleum Corporation, Artesia, NM

Project Name: Spearman KQ Federal Com. # 1



Project Id: 30-015-22861

Contact: Robert Asher

Project Location: Eddy County

Date Received in Lab: Fri Jan-22-10 10.04 am

Report Date: 26-JAN-10

Project Manager: Brent Barron, II

Analysis Requested	Lab Id:	359529-001	359529-002	359529-003	359529-004	359529-005	
	Field Id:	GS/Comp-001	GS/Comp-002	GS/Comp-003	GS/Comp-004	GS/Comp-005	
	Depth:	3-3 ft	3-3 ft	3-3 ft	3-3 ft	5-6 ft	
	Matrix:	SOIL	SOIL	SOIL	SOIL	SOIL	
	Sampled:	Jan-20-10 13:40	Jan-20-10 13:46	Jan-20-10 13:51	Jan-20-10 13:55	Jan-20-10 14:02	
BTEX by EPA 8021	Extracted:	Jan-25-10 10:00	Jan-25-10 10:00	Jan-22-10 15:30	Jan-25-10 10:00	Jan-25-10 10:00	
	Analyzed:	Jan-25-10 20:16	Jan-25-10 17:58	Jan-23-10 05:31	Jan-25-10 17:35	Jan-25-10 16:49	
	Units/RL:	mg/kg RL					
Benzene		ND 0.0561	ND 0.0220	ND 0.0011	ND 0.0222	ND 0.0528	
Toluene		0.1308 0.1122	ND 0.0439	ND 0.0021	ND 0.0444	0.1299 0.1056	
Ethylbenzene		1.184 0.0561	0.3093 0.0220	0.0026 0.0011	0.8571 0.0222	1.090 0.0528	
m,p-Xylenes		10.36 0.1122	3.591 0.0439	0.0276 0.0021	0.3065 0.0444	10.11 0.1056	
o-Xylenc		2.167 0.0561	1.102 0.0220	0.0067 0.0011	0.2241 0.0222	1.405 0.0528	
Xylenes, Total		12.53 0.0561	4.693 0.0220	0.0343 0.0011	0.5306 0.0222	11.52 0.0528	
Total BTEX		13.84 0.0561	5.002 0.0220	0.0369 0.0011	1.3877 0.0222	12.73 0.0528	
Percent Moisture	Extracted:	Jan-22-10 17:00					
	Analyzed:	Jan-22-10 17:00					
	Units/RL:	% RL					
Percent Moisture		11.3 1.00	9.33 1.00	6.99 1.00	10.1 1.00	5.85 1.00	
TPH by SW 8015B	Extracted:	Jan-22-10 12:00					
	Analyzed:	Jan-26-10 10:09	Jan-26-10 10:46	Jan-26-10 12:13	Jan-26-10 12:40	Jan-26-10 14:12	
	Units/RL:	mg/kg RL					
C6-C10 Gasoline Range Hydrocarbons		559 84.3	580 16.5	ND 16.1	288 16.6	440 15.9	
C10-C28 Diesel Range Hydrocarbons		231 84.3	131 16.5	23.1 16.1	115 16.6	122 15.9	
Total TPH		790 84.3	711 16.5	23.1 16.1	403 16.6	562 15.9	

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.

Since 1990 Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America - Atlanta - Corpus Christi


Brent Barron, II
Odessa Laboratory Manager

Environmental Lab of Texas

Variance/ Corrective Action Report- Sample Log-In

Client: Yates Petroleum
 Date/ Time: 1-22-10 10:04
 Lab ID #: 3595A29 / 359531
 Initials: AL

Sample Receipt Checklist

				Client Initials
#1 Temperature of container/ cooler?	(Yes)	No	4.1 °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



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.

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	Phone	Fax
4143 Greenbriar Dr, Stafford, Tx 77477	(281) 240-4200	(281) 240-4280
9701 Harry Hines Blvd , Dallas, TX 75220	(214) 902 0300	(214) 351-9139
5332 Blackberry Drive, San Antonio TX 78238	(210) 509-3334	(210) 509-3335
2505 North Falkenburg Rd, Tampa, FL 33619	(813) 620-2000	(813) 620-2033
5757 NW 158th St, Miami Lakes, FL 33014	(305) 823-8500	(305) 823-8555
12600 West I-20 East, Odessa, TX 79765	(432) 563-1800	(432) 563-1713
842 Cantwell Lane, Corpus Christi, TX 78408	(361) 884-0371	(361) 884-9116

Analytical Report 359531

for

Yates Petroleum Corporation

Project Manager: Robert Asher

Spearman KQ Federal Com. # 1

30-015-22861

26-JAN-10



12600 West I-20 East Odessa, Texas 79765

Xenco-Houston (EPA Lab code: TX00122):

Texas (T104704215-08-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 (LAO00308), 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 (T104704400-08-TX)

Xenco-Dallas (EPA Lab code: TX01468): Texas (T104704295-08-TX)

Xenco-Corpus Christi (EPA Lab code: TX02613): Texas (T104704370-08-TX)

Xenco-Boca Raton (EPA Lab Code: FL00449): Florida(E86240),

South Carolina(96031001), Louisiana(04154), Georgia(917)



26-JAN-10

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

Reference: XENCO Report No: **359531**
Spearman KQ Federal Com. # 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 359531. 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. 359531 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 359531



Yates Petroleum Corporation, Artesia, NM
Spearman KQ Federal Com. # 1

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
GS/Comp-001	S	Jan-20-10 13:40	3 - 3 ft	359531-001
GS/Comp-002	S	Jan-20-10 13:46	3 - 3 ft	359531-002
GS/Comp-003	S	Jan-20-10 13:51	3 - 3 ft	359531-003
GS/Comp-004	S	Jan-20-10 13:55	3 - 3 ft	359531-004
GS/Comp-005	S	Jan-20-10 14:02	5 - 6 ft	359531-005

CASE NARRATIVE



Client Name: Yates Petroleum Corporation

Project Name: Spearman KQ Federal Com. # 1

Project ID: 30-015-22861

Report Date: 26-JAN-10

Work Order Number: 359531

Date Received: 01/22/2010

Sample receipt non conformances and Comments:

None

Sample receipt Non Conformances and Comments per Sample:

None

Analytical Non Conformances and Comments:

Batch: LBA-790604 Percent Moisture

AD2216A

Batch 790604, Percent Moisture RPD is outside the QC limit. This is most likely due to sample non-homogeneity.

Samples affected are: 359531-004, -002, -003, -005, -001.

Batch: LBA-790635 Anions in Soil By EPA 300.0

None



Certificate of Analysis Summary 359531

Yates Petroleum Corporation, Artesia, NM

Project Name: Spearman KQ Federal Com. # 1



Project Id: 30-015-22861

Contact: Robert Asher

Project Location: Eddy County

Date Received in Lab: Fri Jan-22-10 10.04 am

Report Date: 26-JAN-10

Project Manager: Brent Barron, II

<i>Analysis Requested</i>	<i>Lab Id:</i>	359531-001	359531-002	359531-003	359531-004	359531-005	
	<i>Field Id:</i>	GS/Comp-001	GS/Comp-002	GS/Comp-003	GS/Comp-004	GS/Comp-005	
	<i>Depth:</i>	3-3 ft	3-3 ft	3-3 ft	3-3 ft	5-6 ft	
	<i>Matrix:</i>	SOIL	SOIL	SOIL	SOIL	SOIL	
	<i>Sampled:</i>	Jan-20-10 13:40	Jan-20-10 13:46	Jan-20-10 13:51	Jan-20-10 13:55	Jan-20-10 14:02	
Anions in Soil By EPA 300.0	<i>Extracted:</i>						
	<i>Analyzed:</i>	Jan-22-10 16:13					
	<i>Units/RL:</i>	mg/kg RL					
Chloride		2190 47.3	1140 46.3	676 45.2	789 46.7	816 44.6	
Percent Moisture	<i>Extracted:</i>						
	<i>Analyzed:</i>	Jan-22-10 17:00					
	<i>Units/RL:</i>	% RL					
Percent Moisture		11.3 1.00	9.33 1.00	6.99 1.00	10.1 1.00	5.85 1.00	

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, II
Odessa Laboratory Manager



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.

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842 Cantwell Lane, Corpus Christi, TX 78408	(361) 884-0371	(361) 884-9116

Environmental Lab of Texas

Variance/ Corrective Action Report- Sample Log-In

Client: Yates Petroleum
 Date/ Time: 1-22-10 10:04
 Lab ID #: 3595A29 / 359531
 Initials: AL

Sample Receipt Checklist

Client Initials

Question	Yes	No	Response	Initials
#1 Temperature of container/ cooler?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4.1 °C	
#2 Shipping container in good condition?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
#3 Custody Seals intact on shipping container/ cooler?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Not Present</u>	
#4 Custody Seals intact on sample bottles/ container?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Not Present	
#5 Chain of Custody present?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
#6 Sample instructions complete of Chain of Custody?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
#7 Chain of Custody signed when relinquished/ received?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
#8 Chain of Custody agrees with sample label(s)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ID written on Cont./ Lid	
#9 Container label(s) legible and intact?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Not Applicable	
#10 Sample matrix/ properties agree with Chain of Custody?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
#11 Containers supplied by ELOT?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
#12 Samples in proper container/ bottle?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See Below	
#13 Samples properly preserved?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See Below	
#14 Sample bottles intact?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
#15 Preservations documented on Chain of Custody?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
#16 Containers documented on Chain of Custody?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
#17 Sufficient sample amount for indicated test(s)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See Below	
#18 All samples received within sufficient hold time?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See Below	
#19 Subcontract of sample(s)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Not Applicable</u>	
#20 VOC samples have zero headspace?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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