

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

June 8, 2010

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

Re: Mojave Water Transfer
30-015-26916
Section 35, T20.5S-R23E
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 May 16, 2010 (100 B/PW with 0 B/PW recovered). Samples were taken (5/25/2010), and sent to an NMOCD approved laboratory. These results are within the RRAL's for the site ranking of zero (0), with the depth to ground water >100' (approximately 268', per the New Mexico Office of the State Engineer). Chloride results are for reference. Based on analytical reports and a zero (0) site ranking, Yates Petroleum Corporation requests closure.

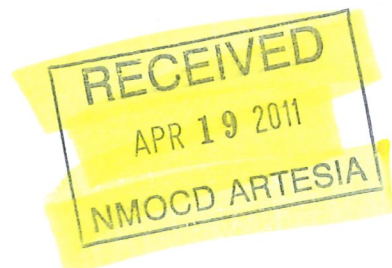
If you have any questions, please call me at 575-748-4217.

Thank you.

YATES PETROLEUM CORPORATION

Robert Asher
Environmental Regulatory Agent

/rca
Enclosure(s)



MAILED
6/8/2010

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

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 Mojave Water Transfer | API Number 30-015-26916 | Facility Type Water Transfer |
| Surface Owner Fee | Mineral Owner | Lease No. |

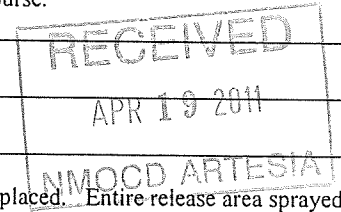
LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-------------------|--------------|---------------|------------------|---------------|----------------|----------------|
| Unit Letter A | Section 35 | Township 20.5S | Range 23E | Feet from the | North/South Line | Feet from the | East/West Line | County Eddy |
|------------------|---------------|-------------------|--------------|---------------|------------------|---------------|----------------|----------------|

Latitude 32.51966 Longitude 104.56573

NATURE OF RELEASE

| | | |
|--|---|---|
| Type of Release Produced Water | Volume of Release 100 B/PW | Volume Recovered 0 B/PW |
| Source of Release Water line | Date and Hour of Occurrence 5/16/2010, AM | Date and Hour of Discovery 5/16/2010, 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 5/16/10 AM (telephone), 5/17/2010 (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.* Steel water line deteriorated due to corrosion. Vacuum trucks called. | | |
| Describe Area Affected and Cleanup Action Taken.* An approximate area of 300' X 75'. No produced water to recover. Isolated leak and shut in lines, lines repaired/replaced. Entire release area sprayed with Microblaze. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX. If initial analytical results for TPH & BTEX are under RRAL's a Final Report, C-141 will be submitted to the OCD requesting closure. If the analytical results are above the RRAL a work plan will be submitted to the OCD. Depth to Ground Water: >100' (approx. 268' 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, depth to ground water/site ranking, 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: | Expiration Date: |
| E-mail Address: boba@yatespetrpoleun.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: Tuesday, June 08, 2010 | Phone: 575-748-4217 | 2RP- |

* Attach Additional Sheets If Necessary

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

June 8, 2010

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

Re: Mojave Water Transfer
30-015-26916
Section 35, T20.5S-R23E
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 May 16, 2010 (100 B/PW with 0 B/PW recovered). Samples were taken (5/25/2010), and sent to an NMOCD approved laboratory. These results are within the RRAL's for the site ranking of zero (0), with the depth to ground water >100' (approximately 268', per the New Mexico Office of the State Engineer). Chloride results are for reference. Based on analytical reports and a zero (0) site ranking, Yates Petroleum Corporation requests closure.

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)

MAILED
6/8/2010

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

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 Mojave Water Transfer | API Number 30-015-26916 | Facility Type Water Transfer |

| | | |
|----------------------|---------------|-----------|
| Surface Owner Fee | Mineral Owner | Lease No. |
|----------------------|---------------|-----------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-------------------|--------------|---------------|------------------|---------------|----------------|----------------|
| Unit Letter A | Section 35 | Township 20.5S | Range 23E | Feet from the | North/South Line | Feet from the | East/West Line | County Eddy |
|------------------|---------------|-------------------|--------------|---------------|------------------|---------------|----------------|----------------|

Latitude 32.51966 Longitude 104.56573

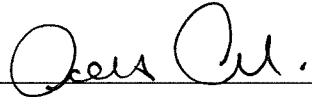
NATURE OF RELEASE

| | | |
|--|---|---|
| Type of Release Produced Water | Volume of Release 100 B/PW | Volume Recovered 0 B/PW |
| Source of Release Water line | Date and Hour of Occurrence 5/16/2010, AM | Date and Hour of Discovery 5/16/2010, 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 5/16/10 AM (telephone), 5/17/2010 (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 | | |

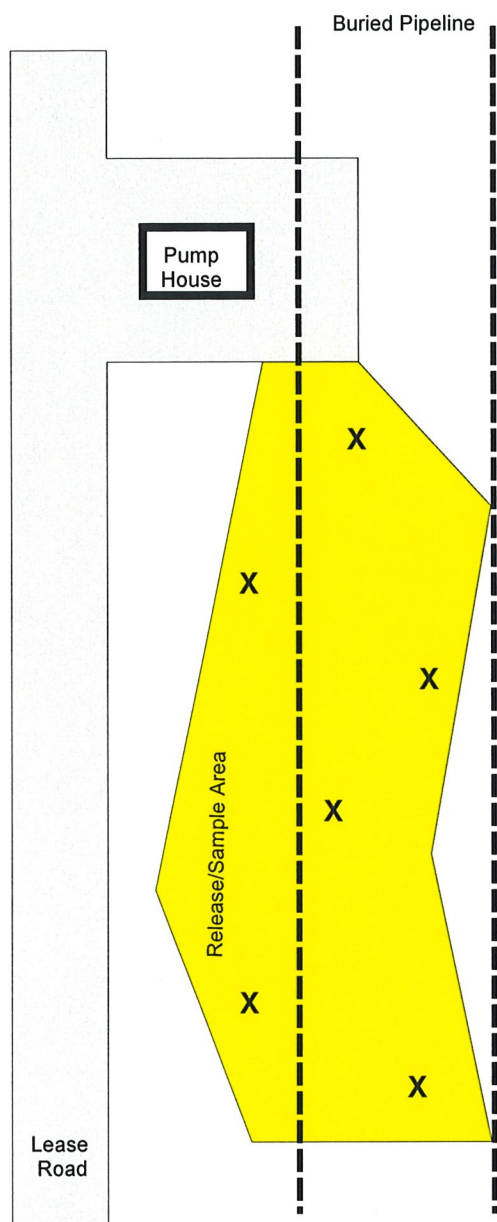
Describe Cause of Problem and Remedial Action Taken.*
Steel water line deteriorated due to corrosion. Vacuum trucks called.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 300' X 75'. No produced water to recover. Isolated leak and shut in lines, lines repaired/replaced. Entire release area sprayed with Microblaze. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX. If initial analytical results for TPH & BTEX are under RRAL's a Final Report, C-141 will be submitted to the OCD requesting closure. If the analytical results are above the RRAL a work plan will be submitted to the OCD. **Depth to Ground Water: >100' (approx. 268' 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, depth to ground water/site ranking, 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.

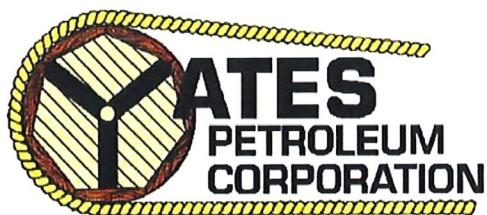
| | | | |
|--|----------------------------------|------------------|-----------------------------------|
| Signature:  | <u>OIL CONSERVATION DIVISION</u> | | |
| Printed Name: Robert Asher | Approved by District Supervisor: | | |
| Title: Environmental Regulatory Agent | Approval Date: | Expiration Date: | |
| E-mail Address: boba@yatespetrpolun.com | Conditions of Approval: | | Attached <input type="checkbox"/> |
| Date: Tuesday, June 08, 2010 | Phone: 575-748-4217 | 2RP- | |

* Attach Additional Sheets If Necessary



| Sample ID | Sample Date | Sample Type | Depth | BTEX | GRO | DRO | TPH TOTAL | Chlorides |
|--------------|-------------|-------------|-------|------|-----|-----|-----------|-----------|
| GS/Comp-00.5 | 5/27/2010 | Comp/Auger | 6" | ND | ND | ND | ND | ND |
| GS/Comp-01.0 | 5/27/2010 | Comp/Auger | 12" | ND | ND | ND | ND | 448 |
| GS/Comp-01.5 | 5/27/2010 | Comp/Auger | 18" | ND | ND | ND | ND | 460 |

Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 268', per the NMOSE). All results are ppm. Chlorides are for documentation.



Mojave Water Transfer
30-015-26916
Section 35, T20.5S-R293E
Eddy County, NM

SAMPLE DIAGRAM (Not to Scale)

Xenco Report #: 374798 & 374799
Report Date: 6/8/2010

Prepared by Robert Asher
Environmental Regulatory Agent

Analytical Report 374798

for

Yates Petroleum Corporation

Project Manager: Robert Asher

Mojave Water Transfer

30-015-26916

08-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)



08-JUN-10

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

Reference: XENCO Report No: **374798**
Mojave 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 374798. 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. 374798 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

*Recipient of the Prestigious Small Business Administration Award of Excellence in 1994.
Certified and approved by numerous States and Agencies.*

A Small Business and Minority Status Company that delivers SERVICE and QUALITY

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



Sample Cross Reference 374798



Yates Petroleum Corporation, Artesia, NM
Mojave Water Transfer

| Sample Id | Matrix | Date Collected | Sample Depth | Lab Sample Id |
|--------------|--------|-----------------|--------------|---------------|
| GS/Comp-00.5 | S | May-27-10 09:40 | 6 - 6 In | 374798-001 |
| GS/Comp-01.0 | S | May-27-10 10:05 | 12 - 12 In | 374798-002 |
| GS/Comp-01.5 | S | May-27-10 10:30 | 18 - 18 In | 374798-003 |



CASE NARRATIVE

Client Name: Yates Petroleum Corporation
Project Name: Mojave Water Transfer



Project ID: 30-015-26916
Work Order Number: 374798

Report Date: 08-JUN-10
Date Received: 05/28/2010

Sample receipt non conformances and Comments:

None

Sample receipt Non Conformances and Comments per Sample:

None

Analytical Non Conformances and Comments:

Batch: LBA-808636 Percent Moisture

None

Batch: LBA-808708 TPH by SW 8015B

None

Batch: LBA-809601 BTEX by EPA 8021
SW8021BM

Batch 809601, 4-Bromofluorobenzene recovered above QC limits . Matrix interferences is suspected; data confirmed by re-analysis
Samples affected are: 375357-002 D.

Batch 809601, the RPD between the sample and sample duplicate for Ethylbenzene was outside the QA limits for this batch. This failure is most likely due to sample non-homogeneity.



Certificate of Analysis Summary 374798

Yates Petroleum Corporation, Artesia, NM

Project Name: Mojave Water Transfer

Project Id: 30-015-26916
Contact: Robert Asher
Project Location: Eddy County



Date Received in Lab: Fri May-28-10 09:55 am
Report Date: 08-JUN-10
Project Manager: Brent Barron, II

| Analysis Requested | Lab Id: | 374798-001 | 374798-002 | 374798-003 | |
|------------------------------------|------------------------------------|-----------------|-----------------|-----------------|--|
| | Field Id: | GS/Comp-00.5 | GS/Comp-01.0 | GS/Comp-01.5 | |
| | Depth: | 6-6 In | 12-12 In | 18-18 In | |
| | Matrix: | SOIL | SOIL | SOIL | |
| | Sampled: | May-27-10 09:40 | May-27-10 10:05 | May-27-10 10:30 | |
| BTEX by EPA 8021 | Extracted: | Jun-07-10 13:00 | Jun-07-10 13:00 | Jun-07-10 13:00 | |
| | Analyzed: | Jun-07-10 21:09 | Jun-07-10 21:31 | Jun-07-10 21:54 | |
| | Units/RL: | mg/kg RL | mg/kg RL | mg/kg RL | |
| | Benzene | ND 0.0012 | ND 0.0012 | ND 0.0012 | |
| | Toluene | ND 0.0023 | ND 0.0024 | ND 0.0024 | |
| Ethylbenzene | | ND 0.0012 | ND 0.0012 | ND 0.0012 | |
| | | ND 0.0023 | ND 0.0024 | ND 0.0024 | |
| | | ND 0.0012 | ND 0.0012 | ND 0.0012 | |
| | | ND 0.0012 | ND 0.0012 | ND 0.0012 | |
| | | ND 0.0012 | ND 0.0012 | ND 0.0012 | |
| Xylenes, Total | | ND 0.0012 | ND 0.0012 | ND 0.0012 | |
| | | ND 0.0012 | ND 0.0012 | ND 0.0012 | |
| | | ND 0.0012 | ND 0.0012 | ND 0.0012 | |
| | | ND 0.0012 | ND 0.0012 | ND 0.0012 | |
| | | ND 0.0012 | ND 0.0012 | ND 0.0012 | |
| Total BTEX | | ND 0.0012 | ND 0.0012 | ND 0.0012 | |
| | | ND 0.0012 | ND 0.0012 | ND 0.0012 | |
| | | ND 0.0012 | ND 0.0012 | ND 0.0012 | |
| | | ND 0.0012 | ND 0.0012 | ND 0.0012 | |
| | | ND 0.0012 | ND 0.0012 | ND 0.0012 | |
| Percent Moisture | Extracted: | May-29-10 09:14 | May-29-10 09:14 | May-29-10 09:14 | |
| | Analyzed: | % RL | % RL | % RL | |
| | Units/RL: | 14.0 1.00 | 16.4 1.00 | 16.9 1.00 | |
| | Percent Moisture | 14.0 1.00 | 16.4 1.00 | 16.9 1.00 | |
| | TPH by SW 8015B | 14.0 1.00 | 16.4 1.00 | 16.9 1.00 | |
| C6-C10 Gasoline Range Hydrocarbons | Extracted: | May-28-10 12:45 | May-28-10 12:45 | May-28-10 12:45 | |
| | Analyzed: | May-28-10 18:24 | May-28-10 18:51 | May-28-10 19:17 | |
| | Units/RL: | mg/kg RL | mg/kg RL | mg/kg RL | |
| | C6-C10 Gasoline Range Hydrocarbons | ND 17.4 | ND 18.0 | ND 18.0 | |
| | C10-C28 Diesel Range Hydrocarbons | ND 17.4 | ND 18.0 | ND 18.0 | |
| Total TPH | | ND 17.4 | ND 18.0 | ND 18.0 | |
| | | ND 17.4 | ND 18.0 | ND 18.0 | |
| | | ND 17.4 | ND 18.0 | ND 18.0 | |
| | | ND 17.4 | ND 18.0 | ND 18.0 | |
| | | ND 17.4 | ND 18.0 | ND 18.0 | |

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.

Houston - Dallas - San Antonio - Atlanta - Tampa - Boca Raton - Latin America - Odessa - Corpus Christi

Brent Barron, II
Odessa Laboratory Manager



Flagging Criteria



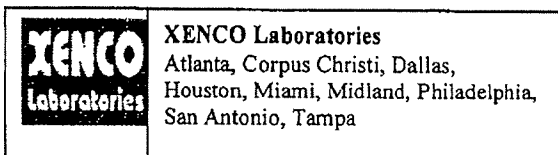
- X** In our quality control review of the data a QC deficiency was observed and flagged as noted. MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to effect the recovery of the 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.

*Recipient of the Prestigious Small Business Administration Award of Excellence in 1994.
Certified and approved by numerous States and Agencies.
A Small Business and Minority Status Company that delivers SERVICE and QUALITY*

Houston - Dallas - San Antonio - Corpus Christi - Midland/Odessa - Tampa - Miami - Latin America

4143 Greenbriar Dr, Stafford, Tx 77477
9701 Harry Hines Blvd , Dallas, TX 75220
5332 Blackberry Drive, San Antonio TX 78238
2505 North Falkenburg Rd, Tampa, FL 33619
5757 NW 158th St, Miami Lakes, FL 33014
12600 West I-20 East, Odessa, TX 79765
842 Cantwell Lane, Corpus Christi, TX 78408

| Phone | Fax |
|----------------|----------------|
| (281) 240-4200 | (281) 240-4280 |
| (214) 902 0300 | (214) 351-9139 |
| (210) 509-3334 | (210) 509-3335 |
| (813) 620-2000 | (813) 620-2033 |
| (305) 823-8500 | (305) 823-8555 |
| (432) 563-1800 | (432) 563-1713 |
| (361) 884-0371 | (361) 884-9116 |



Document Title: Sample Receipt Checklist
 Document No.: SYS - SRC
 Revision/Date : No.00 , 05/18/10
 Effective Date: 05/20/10
 Page No.: 1 of 1

Prelogin / Nonconformance Report – Sample Log-In

Client: Yates Petroleum
 Date/Time: 5.28.10 9:55
 Lab ID #: 374798 / 374799
 Initials: N

Sample Receipt Checklist

| | | | | |
|---|--------------|--------------|--------------|--------------|
| 1. Sample on ice? | Blue | <u>Water</u> | No | |
| 2. Shipping container in good condition? | <u>Yes</u> | No | None | |
| 3. Custody seals intact on shipping container (cooler) and <u>bottles</u> ? | <u>Yes</u> | No | N/A | |
| 4. Chain of Custody present? | <u>Yes</u> | No | | |
| 5. Sample instructions complete on chain of custody? | <u>Yes</u> | No | | |
| 6. Any missing / extra samples? | Yes | <u>No</u> | | |
| 7. Chain of custody signed when relinquished / received? | <u>Yes</u> | No | | |
| 8. Chain of custody agrees with sample label(s)? | <u>Yes</u> | No | | |
| 9. Container labels legible and intact? | <u>Yes</u> | No | | |
| 10. Sample matrix / properties agree with chain of custody? | <u>Yes</u> | No | | |
| 11. Samples in proper container / bottle? | <u>Yes</u> | No | | |
| 12. Samples properly preserved? | <u>Yes</u> | No | N/A | |
| 13. Sample container intact? | <u>Yes</u> | No | | |
| 14. Sufficient sample amount for indicated test(s)? | <u>Yes</u> | No | | |
| 15. All samples received within sufficient hold time? | <u>Yes</u> | No | | |
| 16. Subcontract of sample(s)? | Yes | No | <u>N/A</u> | |
| 17. Voc sample have zero head space? | <u>Yes</u> | No | N/A | |
| 18. Cooler 1 No. | Cooler 2 No. | Cooler 3 No. | Cooler 4 No. | Cooler 5 No. |
| lbs <u>4.1</u> °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

Analytical Report 374799

for

Yates Petroleum Corporation

Project Manager: Robert Asher

Mojave Water Transfer

30-015-26916

08-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)



08-JUN-10

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

Reference: XENCO Report No: **374799**
Mojave 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 374799. 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. 374799 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

Recipient of the Prestigious Small Business Administration Award of Excellence in 1994.

Certified and approved by numerous States and Agencies.

A Small Business and Minority Status Company that delivers SERVICE and QUALITY

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



Sample Cross Reference 374799



Yates Petroleum Corporation, Artesia, NM
Mojave Water Transfer

| Sample Id | Matrix | Date Collected | Sample Depth | Lab Sample Id |
|--------------|--------|-----------------|--------------|---------------|
| GS/Comp-00.5 | S | May-27-10 09:40 | 6 - 6 In | 374799-001 |
| GS/Comp-01.0 | S | May-27-10 10:05 | 12 - 12 In | 374799-002 |
| GS/Comp-01.5 | S | May-27-10 10:30 | 18 - 18 In | 374799-003 |



CASE NARRATIVE

Client Name: Yates Petroleum Corporation

Project Name: Mojave Water Transfer



Project ID: 30-015-26916

Work Order Number: 374799

Report Date: 08-JUN-10

Date Received: 05/28/2010

Sample receipt non conformances and Comments:

None

Sample receipt Non Conformances and Comments per Sample:

None

Analytical Non Conformances and Comments:

Batch: LBA-808636 Percent Moisture

None

Batch: LBA-808878 Inorganic Anions by EPA 300

None



Certificate of Analysis Summary 374799

Yates Petroleum Corporation, Artesia, NM
Project Name: Mojave Water Transfer



Project Id: 30-015-26916
Contact: Robert Asher
Project Location: Eddy County

Date Received in Lab: Fri May-28-10 09:55 am
Report Date: 08-JUN-10
Project Manager: Brent Barron, II

| <i>Analysis Requested</i> | | <i>Lab Id:</i> | <i>Field Id:</i> | <i>Depth:</i> | <i>Matrix:</i> | <i>Sampled:</i> | <i>374799-001</i> | <i>374799-002</i> | <i>374799-003</i> | | |
|------------------------------------|--|-------------------|------------------|---------------|----------------|-----------------|---|---|---|--|--|
| Anions in Soil By EPA 300.0 | | | | | | | GS/Comp-00.5 6-6 In SOIL May-27-10 09:40 | GS/Comp-01.0 12-12 In SOIL May-27-10 10:05 | GS/Comp-01.5 18-18 In SOIL May-27-10 10:30 | | |
| | | <i>Extracted:</i> | | | | | Jun-01-10 15:23 mg/kg RL | Jun-01-10 15:23 mg/kg RL | Jun-01-10 15:23 mg/kg RL | | |
| Chloride | | <i>Analyzed:</i> | | | | | ND 19.5 | 448 20.1 | 460 20.2 | | |
| | | <i>Units/RL:</i> | | | | | | | | | |
| Percent Moisture | | <i>Extracted:</i> | | | | | May-29-10 09:14 | May-29-10 09:14 | May-29-10 09:14 | | |
| | | <i>Analyzed:</i> | | | | | % RL | % RL | % RL | | |
| Percent Moisture | | <i>Units/RL:</i> | | | | | 14.0 1.00 | 16.4 1.00 | 16.9 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.

Houston - Dallas - San Antonio - Atlanta - Tampa - Boca Raton - Latin America - Odessa - Corpus Christi

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.

Recipient of the Prestigious Small Business Administration Award of Excellence in 1994.

Certified and approved by numerous States and Agencies.

A Small Business and Minority Status Company that delivers SERVICE and QUALITY

Houston - Dallas - San Antonio - Corpus Christi - Midland/Odessa - Tampa - Miami - Latin America

| | 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 |

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

12600 West I-20 East
Odessa, Texas 79766

Phone: 432-563-1800
Fax: 432-563-1713

Project Name: Mojave Water Transfer

Project #: 30-015-26916

Project Loc: Eddy County

PO #: 105632

Fax No: 575-748-4662

boba@yatespetroleum.com

ORDER #: 374798 / 374799
(lab use only)

[illegible]

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

| | |
|--|----------------------|
| | Laboratory Comments: |
|--|----------------------|

| | | | | | |
|------------------|----------|---------|--------------------|---------|------|
| Relinquished by: | Date | Time | Received by: | Date | Time |
| Robert Asher | 05/27/10 | 2:12 PM | | | |
| Relinquished by: | Date | Time | Received by: | Date | Time |
| | | | | | |
| Relinquished by: | Date | Time | Received by XENCO: | Date | Time |
| Pedex | | | Audrea Lam | 5-28-11 | 9:55 |



XENCO Laboratories
Atlanta, Corpus Christi, Dallas,
Houston, Miami, Midland, Philadelphia,
San Antonio, Tampa

Document Title: Sample Receipt Checklist
Document No.: SYS - SRC
Revision/Date : No.00 , 05/18/10
Effective Date: 05/20/10
Page No.: 1 of 1

Prelogin / Nonconformance Report – Sample Log-In

Client: Yates Petroleum
Date/Time: 5.28.10 9:55
Lab ID #: 374798 / 374799
Initials: N

Sample Receipt Checklist

| | | | | |
|---|--------------|--------------|--------------|--------------|
| 1. Sample on ice? | Blue | <u>Water</u> | No | |
| 2. Shipping container in good condition? | <u>Yes</u> | No | None | |
| 3. Custody seals intact on shipping container (cooler) and <u>bottles</u> ? | <u>Yes</u> | No | N/A | |
| 4. Chain of Custody present? | <u>Yes</u> | No | | |
| 5. Sample instructions complete on chain of custody? | <u>Yes</u> | No | | |
| 6. Any missing / extra samples? | Yes | <u>No</u> | | |
| 7. Chain of custody signed when relinquished / received? | <u>Yes</u> | No | | |
| 8. Chain of custody agrees with sample label(s)? | <u>Yes</u> | No | | |
| 9. Container labels legible legible and intact? | <u>Yes</u> | No | | |
| 10. Sample matrix / properties agree with chain of custody? | <u>Yes</u> | No | | |
| 11. Samples in proper container / bottle? | <u>Yes</u> | No | | |
| 12. Samples properly preserved? | <u>Yes</u> | No | N/A | |
| 13. Sample container intact? | <u>Yes</u> | No | | |
| 14. Sufficient sample amount for indicated test(s)? | <u>Yes</u> | No | | |
| 15. All samples received within sufficient hold time? | <u>Yes</u> | No | | |
| 16. Subcontract of sample(s)? | Yes | No | <u>N/A</u> | |
| 17. Voc sample have zero head space? | <u>Yes</u> | No | N/A | |
| 18. Cooler 1 No. | Cooler 2 No. | Cooler 3 No. | Cooler 4 No. | Cooler 5 No. |
| lbs <u>4.1</u> °C | lbs °C | lbs °C | lbs °C | lbs °C |

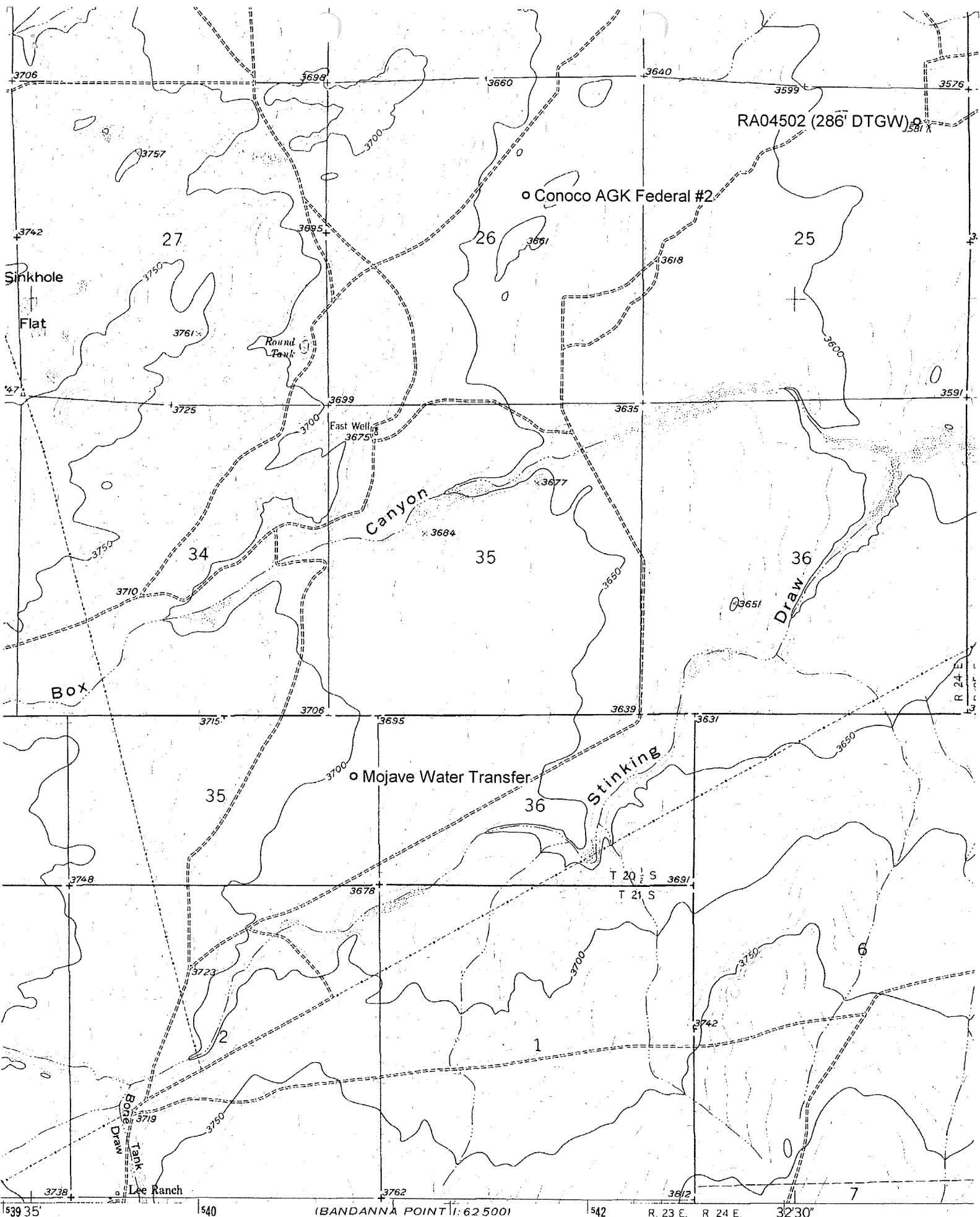
Nonconformance Documentation

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



1 2 0 1 MILE
Foster Ranch: NM Scale: 1" = 0.379Mi 610Mt 2 000Ft 1 Mi = 2 640" 1 cm = 240Mt
(BANDANNA POINT) 62 5001 5048 1
SCALE 1:24 000
R. 23 E. R 24 E. 32'30"