

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

RECEIVED
NOV 30 2009
HOBBSOCD
State of New Mexico
Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

YPC
YPC
YPC

Pit, Closed-Loop System, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application

Type of action: Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
 Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
Final Closure Report pre rule 17 Modification to an existing permit
 Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Yates Petroleum Corp. OGRID #: 025575
Address: 105 South 4th. Artesia N.M. 88210
Facility or well name: Strait BLH St. #7
API Number: 30-025-38863 OCD Permit Number: PI- 00863
U/L or Qtr/Qtr K Section 33 Township 10S Range 34E County: Lea
Center of Proposed Design: Latitude _____ Longitude _____ NAD: 1927 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2.
 Pit: Subsection F or G of 19.15.17.11 NMAC
Temporary: Drilling Workover
 Permanent Emergency Cavitation P&A
 Lined Unlined Liner type: Thickness 20 mil LLDPE HDPE PVC Other _____
 String-Reinforced
Liner Seams: Welded Factory Other _____ Volume: 24000 bbl Dimensions: L 150' x W 150' x D 6'

3.
 Closed-loop System: Subsection H of 19.15.17.11 NMAC
Type of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
 Drying Pad Above Ground Steel Tanks Haul-off Bins Other _____
 Lined Unlined Liner type: Thickness _____ mil LLDPE HDPE PVC Other _____
Liner Seams: Welded Factory Other _____

4.
 Below-grade tank: Subsection I of 19.15.17.11 NMAC
Volume: _____ bbl Type of fluid: _____
Tank Construction material: _____
 Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
 Visible sidewalls and liner Visible sidewalls only Other _____
Liner type: Thickness _____ mil HDPE PVC Other _____

5.
 Alternative Method:
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval

6.

Fencing: Subsection D of 19.15.17.11 NMAC (*Applies to permanent pits, temporary pits, and below-grade tanks*)

- Chain link, six feet in height, two strands of barbed wire at top (*Required if located within 1000 feet of a permanent residence, school, hospital, institution or church*)
- Four foot height, four strands of barbed wire evenly spaced between one and four feet
- Alternate. Please specify _____

7.

Netting: Subsection E of 19.15.17.11 NMAC (*Applies to permanent pits and permanent open top tanks*)

- Screen Netting Other _____
- Monthly inspections (If netting or screening is not physically feasible)

8.

Signs: Subsection C of 19.15.17.11 NMAC

- 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
- Signed in compliance with 19.15.3.103 NMAC

9.

Administrative Approvals and Exceptions:

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

- Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.
- Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

10.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to temporary, emergency, or cavitation pits and below-grade tanks</i>) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to permanent pits</i>) - Visual inspection (certification) of the proposed site, Aerial photo; Satellite image	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input type="checkbox"/> No

11. **Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
 - Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
 - Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
 - Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
 - Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
 - Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
- Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12. **Closed-loop Systems Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
 - Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
 - Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
 - Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
 - Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
- Previously Approved Design (attach copy of design) API Number: _____
- Previously Approved Operating and Maintenance Plan API Number: _____ *(Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)*

13. **Permanent Pits Permit Application Checklist:** Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- Climatological Factors Assessment
- Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- Quality Control/Quality Assurance Construction and Installation Plan
- Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- Nuisance or Hazardous Odors, including H₂S, Prevention Plan
- Emergency Response Plan
- Oil Field Waste Stream Characterization
- Monitoring and Inspection Plan
- Erosion Control Plan
- Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

14. **Proposed Closure:** 19.15.17.13 NMAC
Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

- Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System
 Alternative
- Proposed Closure Method: Waste Excavation and Removal
 Waste Removal (Closed-loop systems only)
 On-site Closure Method (Only for temporary pits and closed-loop systems)
 In-place Burial On-site Trench Burial
 Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15. **Waste Excavation and Removal Closure Plan Checklist:** (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

16. **Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:** (19.15.17.13.D NMAC)
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____
 Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?
 Yes (If yes, please provide the information below) No

Required for impacted areas which will not be used for future service and operations:

Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
 Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
 Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

17. **Siting Criteria (regarding on-site closure methods only):** 19.15.17.10 NMAC
Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input type="checkbox"/> No

18. **On-Site Closure Plan Checklist:** (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
 Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
 Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
 Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
 Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
 Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
 Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
 Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
 Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
 Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
 Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19.

Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

20.

OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment) **CLOSURE CERTIFICATION**

OCD Representative Signature: Jeffrey J. King Approval Date: 04/09/10

Title: Environmental Engineer OCD Permit Number: PI-00863

21.

Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

Closure Completion Date: 05/07/2009

22.

Closure Method:

Waste Excavation and Removal On-Site Closure Method Alternative Closure Method Waste Removal (Closed-loop systems only)
 If different from approved plan, please explain.

23.

Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

Yes (If yes, please demonstrate compliance to the items below) No

Required for impacted areas which will not be used for future service and operations:

- Site Reclamation (Photo Documentation)
- Soil Backfilling and Cover Installation
- Re-vegetation Application Rates and Seeding Technique

24.

Closure Report Attachment Checklist: *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- Proof of Closure Notice (surface owner and division)
- Proof of Deed Notice (required for on-site closure)
- Plot Plan (for on-site closures and temporary pits)
- Confirmation Sampling Analytical Results (if applicable) **Attached**
- Waste Material Sampling Analytical Results (required for on-site closure)
- Disposal Facility Name and Permit Number **Gandy- Marley NM-01-0019**
- Soil Backfilling and Cover Installation **Caliche hauled from St. pit 1 mile away- Top Soil on site**
- Re-vegetation Application Rates and Seeding Technique **as per BLM specs.**
- Site Reclamation (Photo Documentation) **attached**

On-site Closure Location: Latitude _____ Longitude _____ NAD: 1927 1983

25.

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Scott Pitts Title: Construction Supervisor

Signature: [Signature] Date: 11-24-2009

e-mail address: scottp@yatespetroleum.com Telephone: (575)-365-4716



ANALYTICAL RESULTS FOR
 YATES PETROLEUM CORPORATION
 ATTN: SCOTT PITTS
 105 SOUTH 4TH STREET
 ARTESIA, NM 88210
 FAX TO: (575) 748-4229

Receiving Date: 04/09/09
 Reporting Date: 04/14/09
 Project Number: NOT GIVEN
 Project Name: STRAIT 7
 Project Location: NOT GIVEN

Analysis Date: 04/13/09
 Sampling Date: 04/09/09
 Sample Type: SOIL
 Sample Condition: INTACT
 Sample Received By: TR
 Analyzed By: TR

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/kg)
H17227-1	5-SPOT STRAIT #7	512
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods	4500-Cl ⁻ B
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Note: Analysis performed on a 1:4 w:v aqueous extract.

Colyn Keane
 Chemist

04/14/09
 Date

H17227 YATES

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ANALYTICAL RESULTS FOR
YATES PETROLEUM CORPORATION
ATTN: SCOTT PITTS
105 SOUTH 4TH STREET
ARTESIA, NM 88210
FAX TO: (575) 748-4229

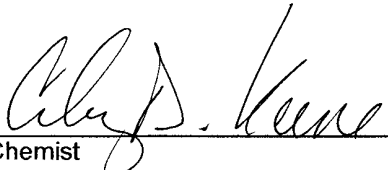
Receiving Date: 04/09/09
Reporting Date: 04/13/09
Project Owner: NOT GIVEN
Project Name: STRAIT 7
Project Location: NOT GIVEN

Sampling Date: 04/09/09
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: TR
Analyzed By: ZL

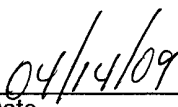
LAB NUMBER	SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE		04/13/09	04/13/09	04/13/09	04/13/09
H17227-1	5-SPOT STRAIT #7	<0.050	<0.050	<0.050	<0.300
Quality Control		0.059	0.054	0.051	0.163
True Value QC		0.050	0.050	0.050	0.150
% Recovery		118	108	102	109
Relative Percent Difference		3.7	4.0	7.8	10.5

METHOD: EPA SW-846 8021B

TEXAS NELAP ACCREDITATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE, AND TOTAL XYLENES.



Chemist



Date

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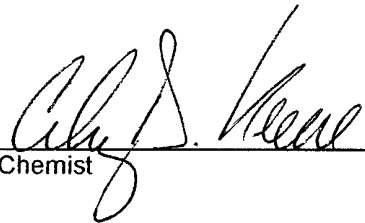
ANALYTICAL RESULTS FOR
 YATES PETROLEUM CORPORATION
 ATTN: SCOTT PITTS
 105 SOUTH 4TH STREET
 ARTESIA, NM 88210
 FAX TO: (575) 748-4229

Receiving Date: 04/09/09
 Reporting Date: 04/17/09
 Project Owner: NOT GIVEN
 Project Name: STRAIT 7
 Project Location: NOT GIVEN

Sampling Date: 04/09/09
 Sample Type: SOIL
 Sample Condition: INTACT
 Sample Received By: TR
 Analyzed By: AB

LAB NUMBER	SAMPLE ID	GRO	DRO	418.1
		(C ₆ -C ₁₀) (mg/kg)	(>C ₁₀ -C ₂₈) (mg/kg)	TOTAL TPH (mg/kg)
ANALYSIS DATE		04/16/09	04/16/09	04/13/09
H17227-1	5-SPOT STRAIT #7	<10.0	<10.0	<100
Quality Control		537	544	305
True Value QC		500	500	300
% Recovery		107	109	102
Relative Percent Difference		1.7	1.3	1.6

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; EPA 418.1


 Chemist


 Date

H17227 TPH2 YATES

PLEASE NOTE **Liability and Damages** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.

~~Ally~~ ~~Scott~~ EMail SCOTTP@yatespetroleum.com Page 1 of 1

Company Name: <i>Yates Petroleum Corp</i>	BILL TO	ANALYSIS REQUEST	
Project Manager: <i>Scott Pitts</i>	P.O. #: <i>103-2542</i>		
Address: <i>105 S 4th A</i>	Company: <i>Yates Pet. Corp</i>		
City: <i>Artesia</i> State: <i>NM</i> Zip: <i>88210</i>	Attn: <i>Scott Pitts</i>		
Phone #: <i>575-365-4718</i> Fax #: <i>575-748-4229</i>	Address:		
Project #: _____ Project Owner: <i>YPC</i>	City:		
Project Name: <i>Strait 7</i>	State: _____ Zip: _____		
Project Location:	Phone #:		
Sampler Name:	Fax #:		

FOR LAB USE ONLY		(G)RAB OR (C)OMP	# CONTAINERS	MATRIX						PRESERV	SAMPLING		DATE	TIME	Chlorides 300.1	TPH 8015M	TPH 418.1	B-TEX 8021B
Lab I.D.	Sample I.D.			GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER		ACID/BASE	ICE/COOL						
<i>H17227</i>	<i>15 Spot Strait #7</i>					<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>		<i>4-9-09</i>	<i>12:00</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees

Sampler Relinquished: <i>Scott Pitts</i>	Date: <i>4-9-09</i>	Received By: <i>Geoff LeKing</i>	Phone Result: <input type="checkbox"/>	No	Add'l Phone #:
	Time: <i>3:30</i>		Fax Result: <input type="checkbox"/>	No	Add'l Fax #:
Relinquished By: <i>Geoff LeKing</i>	Date: <i>04/09/09</i>	Received By: <i>Joey</i>	REMARKS:		
Delivered By: (Circle One)	Temp.:	Sample Condition:			
<input checked="" type="checkbox"/> Sampler - <input type="checkbox"/> UPS - <input type="checkbox"/> Bus - <input type="checkbox"/> Other:		Cool Intact	CHECKED BY: (Initials)		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>LR</i>		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.



ARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
YATES PETROLEUM CORPORATION
ATTN: SCOTT PITTS
105 SOUTH 4TH
ARTESIA, NM 88210
FAX TO: (575) 748-4229

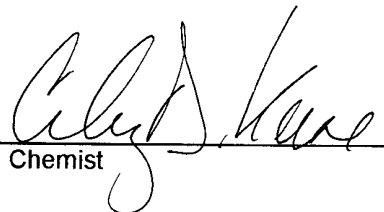
Receiving Date: 04/09/09
Reporting Date: 04/14/09
Project Number: NOT GIVEN
Project Name: STRAIT 7
Project Location: NOT GIVEN

Analysis Date: 04/13/09
Sampling Date: 04/09/09
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: HM
Analyzed By: TR

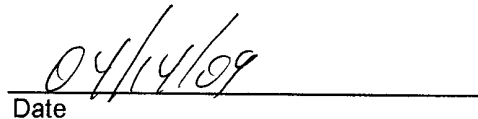
LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/kg)
H17228-1	SE 7'6" BGL	144
H17228-2	SW 9' BGL	624
H17228-3	MIDDLE 9' BGL	960
H17228-4	NE 7'6" BGL	16
H17228-5	NW 9' BGL	768
H17228-6	SE 10'6" BGL	752
H17228-7	SW 12' BGL	416
H17228-8	CENTER 12' BGL	480
H17228-9	NE 10'6" BGL	304
H17228-10	NW 12' BGL	736
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods	4500-Cl ⁻ B
--------------------------	------------------------

Note: Analyses performed on 1:4 w:v aqueous extracts.



Chemist



Date

H17228 YATES

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101 East Marland, Hobbs, NM 88240
(575) 393-2326 Fax (575) 393-2476

E-MAIL scottp@yatespetroleum.com

Company Name: Yates Petroleum Corp
 Project Manager: Scott Pitts
 Address: 105 S. 4th
 City: Artesia State: NM Zip: 88210
 Phone #: (575) 385-4718 Fax #: 575-748-4229
 Project #: _____ Project Owner: _____
 Project Name: Strait 7
 Project Location: _____
 Sampler Name: _____

BILL TO
 P.O. #: 103-2542
 Company: Yates Petroleum
 Attn: Scott Pitts
 Address: _____
 City: _____
 State: _____ Zip: _____
 Phone #: _____
 Fax #: _____

ANALYSIS REQUEST

Lab I.D.	Sample I.D.	(GRAB OR (C)OMP # CONTAINERS	MATRIX					PRESERV		SAMPLING		
			GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE/COOL	OTHER:	DATE
H17228-												
1	SE 7'6" 86L				✓				✓		4-9-09	12:00
2	SW 9' "											
3	Middle 9' "											
4	NE 7'6" "											
5	NW 9' "											
6	SE 10'6" "											
7	SW 12' "											
8	Center 12' "											
9	NE 10'6" "											
10	NW 12' "											

Chlorides 300.1

Composite 1-3 (added 4/15/09 per Scott)

*TPH 8015 **

*BTEX **

*CF Cancel **

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Sampler Relinquished By: Scott Pitts Date: 4-9-09 Received By: Geoff LeKing
 Time: 3:30 OLD

Relinquished By: _____ Date: 4-9-09 Received By: Hope S. M...
 Time: 1:23

Delivered By: (Circle One)
 Sampler - UPS - Bus - Other: _____

Temp. _____ Sample Condition
 Cool Intact
 Yes No Yes No

CHECKED BY: _____ (Initials)

Phone Result: No Add'l Phone #: _____
 Fax Result: No Add'l Fax #: _____

REMARKS:
*Cancel composite. Already done. Ch 4/15/09

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

Scott Pitts

From: Leking, Geoffrey R, EMNRD [GeoffreyR.Leking@state.nm.us]
Sent: Thursday, April 30, 2009 9:24 AM
To: Scott Pitts
Subject: Abby Abby BLF State #1 and Strait BLH #7 Closures

Scott

Per our telephone conversations of today April 30, 2009, it is agreed that Yates will close the above referenced drilling pits in the following manner:

Abby BLF State #1 – Install a 20 mil liner across the entire pit bottom in such a way as to assure the liner integrity and backfill the pit with clean material including final soil cover with seed that will allow the pit area to be reclaimed by vegetation .

Strait BLH #7 – Install a section of 20 mil liner in the northwest corner of the pit in such a way as to assure the liner integrity and backfill the pit with clean material including final soil cover with seed that will allow the pit area to be reclaimed by vegetation .

Please contact me if you have any questions.

Geoffrey Leking
NMOCD-Hobbs
575-393-6161 Ext. 113
575-399-2990

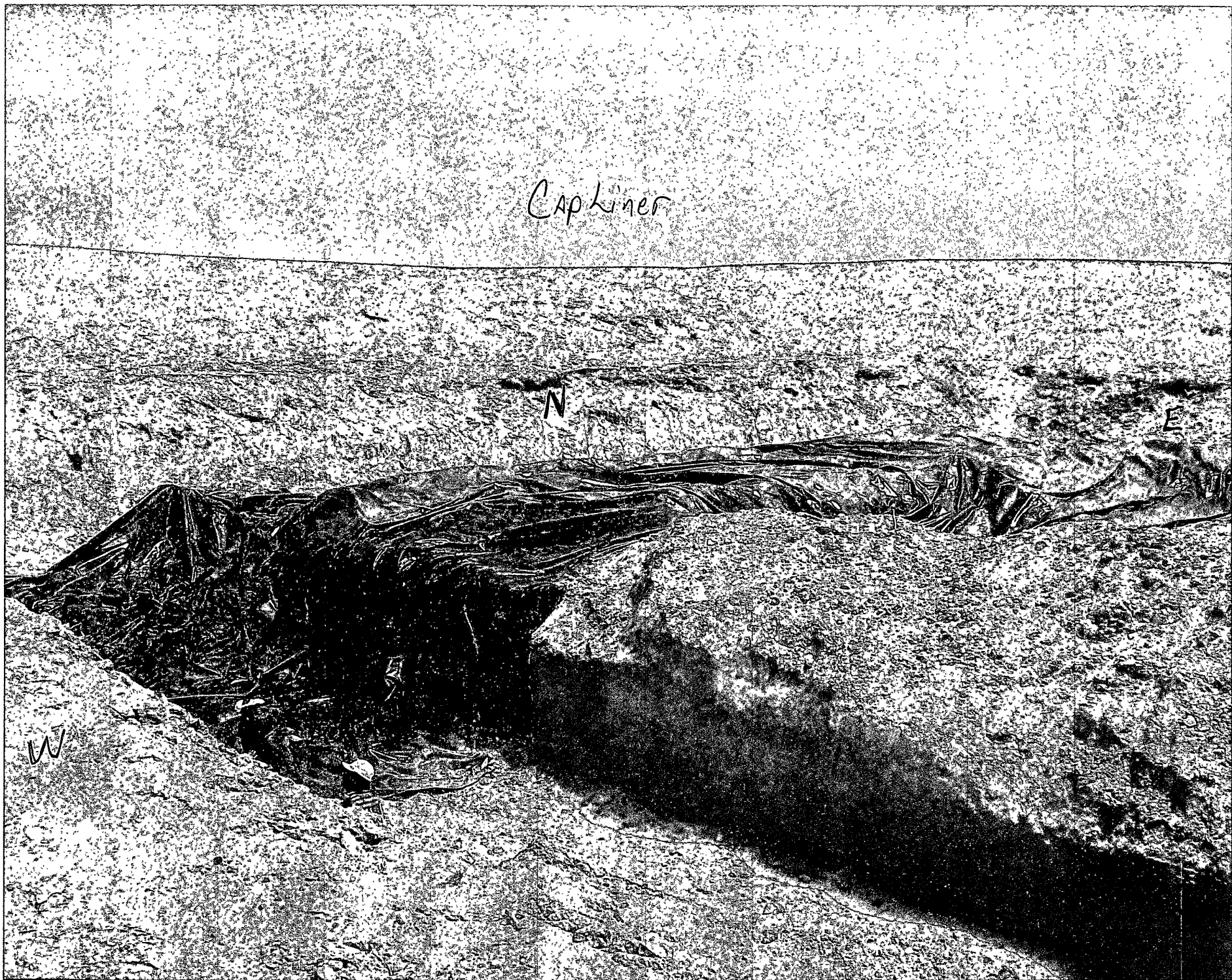
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4/30/2009

Cap liner

N

W





Sampling





Delieniation Samples



Strait BLH St #7 - Final Closure



Final Closure

