

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

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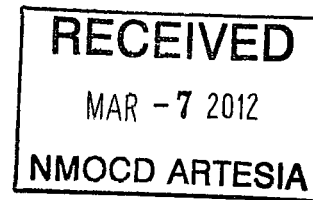
JOHN D. PERINI
CHIEF FINANCIAL OFFICER

JORGE S. MENDOZA
CHIEF ADMINISTRATIVE OFFICER

March 7, 2012

Mr. Mike Bratcher
NMOCD District II
811 S. First Street
Artesia, NM 88210

Re: Loving AIB State #1
30-015-22889
Section 16, T23S-R28E
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 February 17, 2012 (2RP-1040). Impacted soils on the production pad and to the southeast corner off the production pad were excavated and hauled to an NMOCD approved facility. Vertical and horizontal delineation samples were taken on 2/21/2012 and sent to an NMOCD approved laboratory. Enclosed are the analytical reports, results show TPH and BTEX, to be below RRAL's, based on a site ranking of twenty (depth to ground water recorded at 55' per NMOSE, Section 16, T23S-R28E); Yates Petroleum Corporation requests closure based on impacted soils excavated/hauled and analytical results.

If you have any questions, please call me at 575-748-4111.

Thank you.

YATES PETROLEUM CORPORATION

Amber Cannon
Environmental Regulatory Agent

/anc
Enclosure(s)

LOVING AIB STATE #1**Release 2/17/2012**

Analytical Report #	Sample Area	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TOTAL	Chlorides
H200474									
Pad 1	Release Area	2/21/2012	Grab/Backhoe	1'	ND	ND	ND	ND	64
Pad 2	Release Area	2/21/2012	Grab/Backhoe	2'	ND	ND	24.3	24.3	80
Pad 3	Release Area	2/21/2012	Grab/Backhoe	3'	ND	ND	ND	ND	80
Pad 4	Release Area	2/21/2012	Grab/Backhoe	4'	ND	ND	ND	ND	368
SE 1	Release Area	2/21/2012	Grab/Backhoe	1'	ND	ND	ND	ND	14,400
SE 2	Release Area	2/21/2012	Grab/Backhoe	2'	ND	ND	ND	ND	64

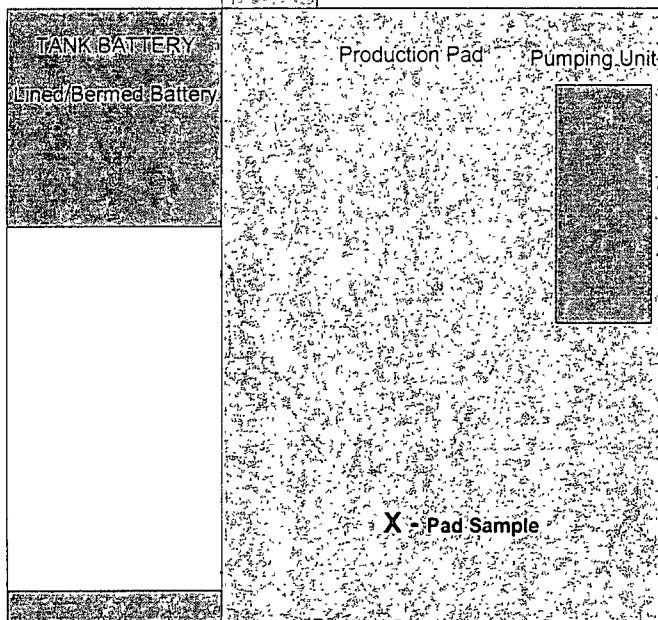
Site Ranking is **TWENTY (20)**. Depth to Ground Water <50' (approx. 55', Section 16-23S-28E, per NMOSE).

All results are ppm.Chlorides for documentation.

Released: 590 B/PW, <1 B/O; Recovered: 520 B/PW, <1 B/O. Release Date: 7/17/2011



LEASE ROAD



X - Pad Sample

Irrigation Ditch Road

Irrigation Ditch



Loving AIB State #1

30-015-22889

Section 16, T23S-R28E

Eddy County, NM

SAMPLE DIAGRAM(Not to Scale)

Xenco Laboratories# H200474

Report Date: 3/1/2012

Prepared by Amber Cannon
Environmental Regulatory Agent



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

March 01, 2012

AMBER CANNON

Yates Energy Petroleum Corp

105 S 4th Street

Artesia, NM 88210

RE: LOVING AIB STATE #1-1

Enclosed are the results of analyses for samples received by the laboratory on 02/23/12 11:35.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Celey D. Keene". The signature is written in a cursive, flowing style.

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 Yates Energy Petroleum Corp
 AMBER CANNON
 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

 Received: 02/23/2012
 Reported: 03/01/2012
 Project Name: LOVING AIB STATE #1-1
 Project Number: 30-015-22889 2/17/2012 RELEASE
 Project Location: 16-23S-28E, EDDY COUNTY

 Sampling Date: 02/21/2012
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: PAD 1 (H200474-01)

BTEx 8021B			mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	02/29/2012	ND	2.10	105	2.00	2.86		
Toluene*	<0.050	0.050	02/29/2012	ND	2.27	114	2.00	2.79		
Ethylbenzene*	<0.050	0.050	02/29/2012	ND	2.32	116	2.00	2.60		
Total Xylenes*	<0.150	0.150	02/29/2012	ND	7.29	122	6.00	2.38		

Surrogate 4-Bromofluorobenzene (PIL) 113 % 64.4-134

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	02/24/2012	ND	192	96.0	200	3.91	
DRO >C10-C28	<10.0	10.0	02/24/2012	ND	158	79.2	200	8.16	

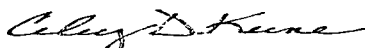
Surrogate 1-Chlorooctane 111 % 55.5-154

Surrogate 1-Chlorooctadecane 119 % 57.6-158

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 Yates Energy Petroleum Corp
 AMBER CANNON
 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

Received:	02/23/2012	Sampling Date:	02/21/2012
Reported:	03/01/2012	Sampling Type:	Soil
Project Name:	LOVING AIB STATE #1-1	Sampling Condition:	Cool & Intact
Project Number:	30-015-22889 2/17/2012 RELEASE	Sample Received By:	Jodi Henson
Project Location:	16-23S-28E, EDDY COUNTY		

Sample ID: PAD 2 (H200474-02)

BTX 8021B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/29/2012	ND	2.10	105	2.00	2.86	
Toluene*	<0.050	0.050	02/29/2012	ND	2.27	114	2.00	2.79	
Ethylbenzene*	<0.050	0.050	02/29/2012	ND	2.32	116	2.00	2.60	
Total Xylenes*	<0.150	0.150	02/29/2012	ND	7.29	122	6.00	2.38	

Surrogate: 4-Bromofluorobenzene (PIL) 108 % 64 4-134

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	02/24/2012	ND	192	96.0	200	3.91	
DRO >C10-C28	24.3	10.0	02/24/2012	ND	158	79.2	200	8.16	

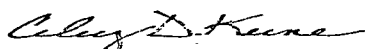
Surrogate 1-Chlorooctane 91 6 % 55 5-154

Surrogate 1-Chlorooctadecane 92 7 % 57 6-158

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 Yates Energy Petroleum Corp
 AMBER CANNON
 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

Received:	02/23/2012	Sampling Date:	02/21/2012
Reported:	03/01/2012	Sampling Type:	Soil
Project Name:	LOVING AIB STATE #1-1	Sampling Condition:	Cool & Intact
Project Number:	30-015-22889 2/17/2012 RELEASE	Sample Received By:	Jodi Henson
Project Location:	16-235-28E, EDDY COUNTY		

Sample ID: PAD 3 (H200474-03)

BTX 8021B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/29/2012	ND	2.10	105	2.00	2.86	
Toluene*	<0.050	0.050	02/29/2012	ND	2.27	114	2.00	2.79	
Ethylbenzene*	<0.050	0.050	02/29/2012	ND	2.32	116	2.00	2.60	
Total Xylenes*	<0.150	0.150	02/29/2012	ND	7.29	122	6.00	2.38	

Surrogate: 4-Bromofluorobenzene (PIL) 110 % 64 4-134

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	02/24/2012	ND	192	96.0	200	3.91	
DRO >C10-C28	<10.0	10.0	02/24/2012	ND	158	79.2	200	8.16	

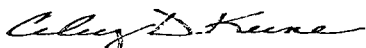
Surrogate 1-Chlorooctane 112 % 55 5-154

Surrogate: 1-Chlorooctadecane 115 % 57 6-158

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 Yates Energy Petroleum Corp
 AMBER CANNON
 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

Received:	02/23/2012	Sampling Date:	02/21/2012
Reported:	03/01/2012	Sampling Type:	Soil
Project Name:	LOVING AIB STATE #1-1	Sampling Condition:	Cool & Intact
Project Number:	30-015-22889 2/17/2012 RELEASE	Sample Received By:	Jodi Henson
Project Location:	16-23S-28E, EDDY COUNTY		

Sample ID: PAD 4 (H200474-04)

BTX 8021B			mg/kg							Analyzed By: AP
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	02/29/2012	ND	2.10	105	2.00	2.86		
Toluene*	<0.050	0.050	02/29/2012	ND	2.27	114	2.00	2.79		
Ethylbenzene*	<0.050	0.050	02/29/2012	ND	2.32	116	2.00	2.60		
Total Xylenes*	<0.150	0.150	02/29/2012	ND	7.29	122	6.00	2.38		

Surrogate: 4-Bromofluorobenzene (PIL) 106 % 64 4-134

TPH 8015M			mg/kg							Analyzed By: MS
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<10.0	10.0	02/24/2012	ND	192	96.0	200	3.91		
DRO >C10-C28	<10.0	10.0	02/24/2012	ND	158	79.2	200	8.16		

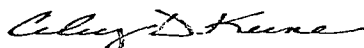
Surrogate 1-Chlorooctane 99.2 % 55.5-154

Surrogate 1-Chlorooctadecane 103 % 57.6-158

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* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 Yates Energy Petroleum Corp
 AMBER CANNON
 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

Received:	02/23/2012	Sampling Date:	02/21/2012
Reported:	03/01/2012	Sampling Type:	Soil
Project Name:	LOVING AIB STATE #1-1	Sampling Condition:	Cool & Intact
Project Number:	30-015-22889 2/17/2012 RELEASE	Sample Received By:	Jodi Henson
Project Location:	16-23S-28E, EDDY COUNTY		

Sample ID: SE 1 (H200474-05)

BTEX 8021B			mg/kg		Analyzed By: AP				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/29/2012	ND	2.10	105	2.00	2.86	
Toluene*	<0.050	0.050	02/29/2012	ND	2.27	114	2.00	2.79	
Ethylbenzene*	<0.050	0.050	02/29/2012	ND	2.32	116	2.00	2.60	
Total Xylenes*	<0.150	0.150	02/29/2012	ND	7.29	122	6.00	2.38	

Surrogate 4-Bromofluorobenzene (PIL) 109 % 64.4-134

TPH 8015M			mg/kg		Analyzed By: MS				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	02/24/2012	ND	192	96.0	200	3.91	
DRO >C10-C28	<10.0	10.0	02/24/2012	ND	158	79.2	200	8.16	

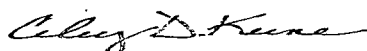
Surrogate 1-Chlorooctane 105 % 55.5-154

Surrogate 1-Chlorooctadecane 110 % 57.6-158

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* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 Yates Energy Petroleum Corp
 AMBER CANNON
 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

Received:	02/23/2012	Sampling Date:	02/21/2012
Reported:	03/01/2012	Sampling Type:	Soil
Project Name:	LOVING AIB STATE #1-1	Sampling Condition:	Cool & Intact
Project Number:	30-015-22889 2/17/2012 RELEASE	Sample Received By:	Jodi Henson
Project Location:	16-23S-28E, EDDY COUNTY		

Sample ID: SE 2 (H200474-06)

BTX 8021B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	02/29/2012	ND	2.10	105	2.00	2.86		
Toluene*	<0.050	0.050	02/29/2012	ND	2.27	114	2.00	2.79		
Ethylbenzene*	<0.050	0.050	02/29/2012	ND	2.32	116	2.00	2.60		
Total Xylenes*	<0.150	0.150	02/29/2012	ND	7.29	122	6.00	2.38		

Surrogate 4-Bromofluorobenzene (PIL) 115 % 64.4-134

TPH 8015M		mg/kg		Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<10.0	10.0	02/24/2012	ND	192	96.0	200	3.91		
DRO >C10-C28	<10.0	10.0	02/24/2012	ND	158	79.2	200	8.16		

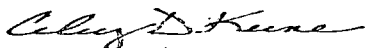
Surrogate 1-Chlorooctane 97.3 % 55.5-154

Surrogate 1-Chlorooctadecane 103 % 57.6-158

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

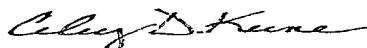
Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



ARDINAL LABORATORIES
101 East Marland, Hobbs, NM 88240

(505) 393-2326 FAX (505) 393-2476

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

Project Manager: Amber Cannon

Project Name: Loving AIB State #1

Company Name: Yates Petroleum Corporation

Project #: 30-015-22889 2/17/2012 Release

Company Address: 105 South 4th Street

Project Loc: 16-23S-28E, Eddy County

City/State/Zip: Artesia, NM 88210

PO #: 1032020

Telephone No: 575-748-4111

Fax No: 575-748-4131

Report Format: ☒ Standard ☐ TRRP ☐ NPDES

Sampler Signature: Amber Cannon e-mail: acannon@yatespetroleum.com

(lab use only)

ORDER #:

LAB # (lab use only)		FIELD CODE		Beginning Depth	Ending Depth	Date Sampled	Time Sampled	Field Filtered	Total #. of Containers	Preservation & # of Containers								Matrix		Analyze For:										RUSH TAT (Pre-Schedule) 24, 48, 72 hrs						
ORDER #:										Ice	HNO ₃	HCl	H ₂ SO ₄	NaOH	Na ₂ S ₂ O ₃	None	Other: (Specify)	DW=Drinking Water SL=Sludge	GW = Groundwater S=Soil/Solid	NP=Non-Petroleum Specify Other	TPH: 418.1 8015M	TPP: TX 1005	TX 1006	Cations (Ca, Mg, Na, K)	Anions (Cl, SO ₄ , Alkalinity)	SAR / ESP / CEC	Metals As Ag Ba Cd Cr Pb Hg Se	Volatiles	Semivolatiles	PCB: 303 315030 or BTEX 8260	RCI	N.O.R.M.	Chlorides	SAR	Standard TAT	
1		Pad 1		1'	1'	2/21/2012	9:40 AM		1	X								S			X								X						X	
2		Pad 2		2'	2'	2/21/2012	9:45 AM		1	X								S			X								X						X	
3		Pad 3		3'	3'	2/21/2012	9:50 AM		1	X								S			X								X						X	
4		Pad 4		4'	4'	2/21/2012	9:55 AM		1	X								S			X								X						X	
5		SE 1		1'	1'	2/21/2012	10:20 AM		1	X								S			X								X						X	
6		SE 2		2'	2'	2/21/2012	10:25 AM		1	X								S			X								X						X	

Special Instructions: TIME: 8:15AM, DATE: 2/23/12. Please show BTEX results as neg/pos. Please put Chlorides on a separate report. Thank you.

Relinquished by:	Date	Time	Received by:	Date	Time
<u>Amber Cannon</u>	<u>2/23/12</u>		<u>Wendi Benson</u>	<u>2/23/12</u>	<u>11:35</u>
Relinquished by:	Date	Time	Received by:	Date	Time
Relinquished by:	Date	Time	Received by ELOT:	Date	Time

Laboratory Comments:
 Sample Containers Intact? Y
 VOCs Free of Headspace? Y
 Labels on container(s) Y
 Custody seals on container(s) Y
 Custody seals on cooler(s) Y
 Sample Hand Delivered by Sampler/Client Rep? Y
 by Courier? UPS DHL FedEx Lone Star
 Temperature Upon Receipt: 13.0 °C



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

March 01, 2012

AMBER CANNON

Yates Energy Petroleum Corp

105 S 4th Street

Artesia, NM 88210

RE: LOVING AIB STATE #1-1

Enclosed are the results of analyses for samples received by the laboratory on 02/23/12 11:35.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Coley D. Keene". The signature is written in a cursive, flowing style.

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

Yates Energy Petroleum Corp
AMBER CANNON
105 S 4th Street
Artesia NM, 88210
Fax To: (505) 748-4635

Received:	02/23/2012	Sampling Date:	02/21/2012
Reported:	03/01/2012	Sampling Type:	Soil
Project Name:	LOVING AIB STATE #1-1	Sampling Condition:	Cool & Intact
Project Number:	30-015-22889 2/17/2012 RELEASE	Sample Received By:	Jodi Henson
Project Location:	16-23S-28E, EDDY COUNTY		

Sample ID: PAD 1 (H200474-01)

Chloride, SM4500CI-B			mg/kg							Analyzed By: AP
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	64.0	16.0	02/24/2012	ND	416	104	400	3.77		

Sample ID: PAD 2 (H200474-02)

Chloride, SM4500CI-B			mg/kg							Analyzed By: AP
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	80.0	16.0	02/24/2012	ND	416	104	400	3.77		

Sample ID: PAD 3 (H200474-03)

Chloride, SM4500CI-B			mg/kg							Analyzed By: AP
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	80.0	16.0	02/24/2012	ND	416	104	400	3.77		


Sample ID: PAD 4 (H200474-04)

Chloride, SM4500CI-B			mg/kg							Analyzed By: AP
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	368	16.0	02/24/2012	ND	416	104	400	3.77		

Cardinal Laboratories

*=Accredited Analyte

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 the 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.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

Yates Energy Petroleum Corp
AMBER CANNON
105 S 4th Street
Artesia NM, 88210
Fax To: (505) 748-4635

Received:	02/23/2012	Sampling Date:	02/21/2012
Reported:	03/01/2012	Sampling Type:	Soil
Project Name:	LOVING AIB STATE #1-1	Sampling Condition:	Cool & Intact
Project Number:	30-015-22889 2/17/2012 RELEASE	Sample Received By:	Jodi Henson
Project Location:	16-23S-28E, EDDY COUNTY		

Sample ID: SE 1 (H200474-05)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	14400	16.0	02/24/2012	ND	416	104	400	3.77	

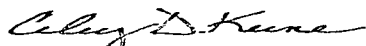
Sample ID: SE 2 (H200474-06)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	64.0	16.0	02/24/2012	ND	416	104	400	3.77	

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Celey D. Keene, Lab Director/Quality Manager

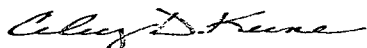
Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C
	Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

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 Amber Cannon
Address 105 S. 4 TH Street	Telephone No. 575-748-1471	
Facility Name Loving AIB State #1	API Number 30-015-22889	Facility Type Battery
		Order Number 2RP-
Surface Owner Fee	Mineral Owner State	Lease No. V-3346


LOCATION OF RELEASE

Unit Letter G	Section 16	Township 23S	Range 28E	Feet from the 1550	North/South Line North	Feet from the 1780	East/West Line East	County Eddy
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NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 590 B/PW; <1 B/O	Volume Recovered 520 B/PW; <1 B/O
Source of Release Water pump	Date and Hour of Occurrence 2/17/2012	Date and Hour of Discovery 2/17/2012
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? Amber Cannon - Yates Petroleum Corporation	Date and Hour 2/17/2012, AM (Via voicemail and Email)	
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.* On 2/17/2012 the air eliminator on top of the water pump failed. This allowed water to flow through the pump and out of it onto the ground. The valve to the air eliminator was shut and a vacuum truck was called to pick up released water.		
Describe Area Affected and Cleanup Action Taken.* An approximate area of 96' X 32' (inside the lined/bermed battery), 100' x 100' (on wellpad) and 2' x 40' (off of well pad). The release took place inside of a bermed/lined tank battery, an unlined/bermed well pad, and also an area off the wellpad due to a berm drain valve being mistakenly left open (valve was closed upon discovery of it being opened). Release inside the lined/bermed battery was recovered by vacuum truck. All other impacted soils will be excavated and disposed of at an NMOCD approved facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX (Chlorides for reference). Depth to Ground Water: <100' (approx. 55', per New Mexico Office of the State Engineer); Wellhead Protection Area: No; Distance to Surface Water Body: >1000'; SITE RANKING IS 20. Based on analytical results and impacted soils being excavated and hauled to a NMOCD approved facility, 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.		

OIL CONSERVATION DIVISION

Signature: 	Approved by District Supervisor:	
Printed Name: Amber Cannon	Approval Date:	Expiration Date:
Title: Environmental Regulatory Agent	Conditions of Approval:	
E-mail Address: acannon@yatespetroleum.com	Attached <input type="checkbox"/>	
Date: Wednesday, March 07, 2012 Phone: 575-748-4111	2RP-1040	

* Attach Additional Sheets If Necessary