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

August 14, 2012

Mr. Mike Bratcher Oil Conservation Division 1301 W. Grand Avenue Artesia, NM 88210

Re: North Dagger Draw Water Station Section 20, T19S-R25E

Dear Mr. Bratcher,

As per our conversation on 8/13/2012, Yates Petroleum Corporation is submitting a closure report describing the remediation of the spill that occurred on 7/16/2012 at the North Dagger Draw Water Station.

The release consisted of 35 barrels of produced water with 20 barrels of produced water recovered. According to the Trend Map used (Sec. 20, T19S-R25E), the nearest depth to ground water is approximately 150' giving the site a ranking of Zero (0). The impacted area consists of a 15' X 30' area including a pump house.

On 7/25/2012, samples were taken at depths of 1', 2', 3', and 4' within the impacted area and at 2' within the pump house. At a depth of 4', a hard rock/caliche layer was hit which prevented any further sampling with the hand auger. On 8/6/2012, delineation samples within the pump house were taken with a hand auger at depths of 1', 2', and 3'. 3' was the deepest sample taken due to the same hard layer which prevented any further digging with the hand auger (Sample results are attached. Samples labeled "shed" coincide with the pump house).

The floor of the pump house was excavated by shovel to a depth of 6" and all impacted soil was hauled to Lea Land, LLC for disposal. Due to the safety hazards associated with several buried gas, water, and electrical lines, excavation of the area poses a big concern for personnel and the possibility of a future release. The building and existing infrastructure prevents any further excavation or sampling of the pump house area. The pump house will be backfilled with base course and the impacted area back dragged with a back hoe.

Based on the recovered amounts of produced water, impacted soils excavated/hauled, enclosed analytical results, associated safety hazards, and verbal confirmation of closure on 8/13/2012, Yates Petroleum is submitting this Closure Report and a C-141 Final for closure of the site.

Thanks,

Lupe Carrasco Environmental Regulatory Agent

JOHN A. YATES CHAIRMAN OF THE BOARD

JOHN A. YATES JR. PRESIDENT

JAMES S. BROWN CHIEF OPERATING OFFICER

JOHN D. PERINI CHIEF FINANCIAL OFFICER

JORGE S. MENDOZA CHIEF ADMINISTRATIVE OFFICER



State of New Mexico Energy Minerals and Natural Resources

> Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

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

Release Notification and Corrective Action

| | OPER | ATOR | | Initial Report | \boxtimes | Final Report |
|---------------------------------|---------------|------------------------|---|----------------|-------------|--------------|
| Name of Company | OGRID Number | Contact | | | | |
| Yates Petroleum Corporation | 25575 | Lupe Carrasco | | | | |
| Address | | Telephone No. | | | | |
| 104 S. 4 TH Street | | 575-748-1471 | | | | |
| Facility Name | API Number | Facility Type | | | | |
| North Dagger Draw Water Station | | Water Transfer Station | | | | |
| | | | 1 | r \t | | |
| Surface Owner | Mineral Owner | ſ | | Lease No. | | |
| Fee | N/A | |] | N/A | | |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| K | 20 | 195 | 25E | - | - | - | - | Eddy |
| | | | | | | | | |

Latitude <u>32,64091</u> Longitude <u>104.51321</u>

| NATURE | OF RELEASE | | | | | |
|---|----------------------------------|-----------------|------------------|--|--|--|
| Type of Release | Volume of Release | Volume Rec | covered | | | |
| Produced Water | 35 B/PW | 20 B/PW | | | | |
| Source of Release | Date and Hour of Occurrence | Date and Ho | our of Discovery | | | |
| Pump | 7/16/2012 PM | 7/16/2012 P | M | | | |
| Was Immediate Notice Given? | If YES, To Whom? | | | | | |
| 🛛 Yes 📋 No 🔲 Not Required | Mike Bratcher, NMOCD II | | | | | |
| By Whom? | Date and Hour | | | | | |
| Lupe Carrasco, Yates Petroleum Corporation | 7/17/2012 PM (email) | | | | | |
| Was a Watercourse Reached? | If YES, Volume Impacting the War | tercourse. | DECENCED | | | |
| 🗌 Yes 🛛 No | N/A | | RECEIVED | | | |
| If a Watercourse was Impacted, Describe Fully.* | | | 1 4 0040 | | | |
| N/A | | | AUG 1 4 2012 | | | |
| Describe Cause of Problem and Remedial Action Taken.* | | | | | | |
| Seal failure on water pump. Pump was shut down and isolated. Vac truck | called in to clean up spill. | | NMOCD ARTESIA | | | |
| Describe Area Affected and Cleanup Action Taken.* An approximate area of 30' X 15'. Impacted soils to be scraped up and taken to an NMOCD approved facility. Vertical and horizontal dwill be taken and analysis ran for TPH & BTEX, Chlorides will be run for documentation. If initial analytical results for TPH & BTEX a a Final Report, C-141 will be submitted to the OCD requesting closure. If the analytical results are above the RRAL's a work plan will be Depth to Ground Water: >100' (approximately 150', Section 20-T19S-R25E, per Trend Map), Wellhead Protection Area: No, Dis Water Body: >1000', SITE RANKING IS 0. Based on recovered amounts of produced water, impacted soil excavated/hauled, en results, and associated safety hazards, 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 NMO regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which m public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operation that pose a threat to ground water, surface water or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance witf federal, state, or local laws and/or regulations. | | | | | | |
| | OIL CONSERV | <u>/ATION D</u> | <u>VISION</u> | | | |
| Signature: manan | | | | | | |
| - / - | Approved by District Supervisor: | | | | | |
| Title: Environmental Regulatory Agent | Approval Date: | Expiration Da | te: | | | |
| E-mail Address: lcarrasco@yatespetroleum.com | Conditions of Approval: | | Attached | | | |
| Date: Tuesday, August 14, 2012 Phone: 575-748-1471 | 2RP- | | | | | |

* Attach Additional Sheets If Necessary

| Analytical Report- H201732/H201819 | Sample Date | Depth | втех | GRO | DRO | -TOTAL | Chlorides |
|---------------------------------------|-------------|-------|------|-----|------|--------|-----------|
| Shed 1' | 8/6/2012 | 1' | | | | | 3520 |
| Shed 2' | 8/6/2012 | 2' | | | | | 12200 |
| Shed 3' | 8/6/2012 | 3' | | | | | 5600 |
| Shed 2' | 7/24/2012 | 2' | ND | ND | 80.2 | 80.2 | 11600 |
| S1-1' | 7/24/2012 | 1' | ND | ND | 10 | 10 | 3040 |
| Ś1-2' | 7/24/2012 | 2' | ND | ND | ND | | 304 |
| <u>S1-3'</u> | 7/24/2012 | 3' | ND | ND | ND | | 160 |
| <u></u> | 7/24/2012 | 4' | ND | ND | ND. | | 576 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

North Dagger Draw Water Station

Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 150', per Trend Map).

All results are ppm.Chlorides for documentation.

Released: 35 B/PW, Recovered: 20 B/PW. Release Date: 7/16/2012



August 07, 2012

LUPE CARRASCO Yates Energy Petroleum Corp 105 S 4th Street Artesia, NM 88210

RE: NORTH DAGGER DRAW WATER STATION

Enclosed are the results of analyses for samples received by the laboratory on 08/06/12 13:10.

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 accredited certif.html.

Cardinal Laboratories is accreditated 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,

Keine Celu

Celey D. Keene Lab Director/Quality Manager



ú

Analytical Results For:

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

| Received: | 08/06/2012 | Sampling Date: | 08/06/2012 |
|-------------------|--------------------------------|---------------------|---------------|
| Reported: | 08/07/2012 | Sampling Type: | Soil |
| Project Name: | NORTH DAGGER DRAW WATER STATIO | Sampling Condition: | Cool & Intact |
| Project Number: | 103-163 | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

Sample ID: SHED - 1' (H201819-01)

| Chloride, SM4500Cl-B | mg | /kg | Analyze | d By: HM | | | | | |
|----------------------|--------|-----------------|------------|--------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 3520 | 16.0 | 08/06/2012 | ND | 416 | 104 | 400 | 3.92 | |

Sample ID: SHED - 2' (H201819-02)

| Chloride, SM4500CI-B | mg, | /kg | Analyze | d By: HM | | | <u></u> | | |
|----------------------|--------|-----------------|------------|--------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 12200 | 16.0 | 08/06/2012 | ND | 416 | 104 | 400 | 3.92 | |

Sample ID: SHED - 3' (H201819-03)

| Chloride, SM4500CI-B | mg | /kg | Analyze | d By: HM | | | | | |
|----------------------|--------|-----------------|------------|--------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 5600 | 16.0 | 08/06/2012 | ND | 416 | 104 | 400 | 3.92 | |

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 waved unless made in writing and received by Cardinal within (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 dientified above. This reproduced exception 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 diverse stater desoins or otherwise. Results relate only to the samples identified above. This reproduced exception in full with written approval of Cardinal Laboratores.

Celey D. Kune

Celey D. Keene, Lab Director/Quality Manager



1

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 SM4500CI-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

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 neglegence 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 incidential 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 otherwais. Broke to the services hereunder by Cardinal, regardless of whether such claim is based work stated reasons or otherwais.

Celeg & Kune

Celey D. Keene, Lab Director/Quality Manager

Page 3 of 4

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

| | Project Manager: | Lupe Carras | sco | | | | | | | | | | • | | | • | Proj | ect I | Name | : | No | orth | Dag | iger D | Draw | <u>Wa</u> | ter S | itatio | 'n |
|--------------------|----------------------|-------------|-------------------------|-----------------|-----------------------------|----------------|--------------|----------------|------------------------|------------|-------------|--------------------------------|-----------|---|------------------|--|----------------------------|--------------------|----------------------|--|-----------------------------------|---|---|---------------------------|------------------|--------------------|--------------------------|----------|---|
| | Comp: (505) 393-2320 | Yates Petro | leum Corpora | ation | - | | | • • | <u>. :</u> | | | | | · | | • • | | Prọ | ject # | : | | | | | | | | | |
| | Company Address: | 105 South 4 | Ith Street | : | | | | · · · | | | | <u> </u> | | | | | Pr | ojęc | t Loc | :: | ·. | | | | | .* | | | |
| ÷ . | City/State/Zip: | Artesia, NM | 88210 | <u> </u> | | | | | | · · . | | | | | | | · · | · •. | PO # | l: <u>10</u> | 3-163 | 3 | | | • . • • • • | | | | |
| | Telephone No: | 575-748-43 | 50 | | · · | | Fax No | o: _ | | | | | | • • | | Re | port | For | nat: | × | Sta | ndari | d | |]TRF | ۲P | | ŇPC | DES |
| · . | Sampler Signature: | - line 1 | Carrie | | | | e-ma | ii: | <u>lca</u> | rras | 00 | @ya | tes | petro | blet | um.c | om | | | | • | | | | | | • • . | | |
| lab use c | | | | | | | | | | | • • | in. F | · · · | ••• | | · · · · | | | | т | CLP: | An | alyze | For: | | ÷ | <u> </u> | | r |
| ORDER | # H2018 | IG | | | · ·. | · · · | | tan. La ta | ſ | Pres | ervati | ion & I | ¢ of C | ontaine | rs | Ma | trix | 201 | 1. | | TAL: | B. | | - 18 | | | | | 24, 48, 72 hr |
| B # (lab use only) | | | | Beginning Depth | Ending Depth | Date Sampled | Time Sampled | Field Filtered | Fotal #, of Containers | Ice HNO | | H ₂ SO ₄ | NaOH | is-2 ₂ U ₃ uie | Other (Specify) | DW≐Drinking Water St.=Studge CM - C | ow = Groundwater 9-000-000 | H: 418.1 8015M 33 | TPH: TX 1005 TX 1006 | icits (Cd. My. Nd. Nd. N) ons (Cl. SO4. Alkalinity) | SAR / ESP / CEC | Metais: As Ag Ba Cd Cr Pb Hg So | atiles | Semivolatiles | | J.R.M. | Chlorides SAR | | RUSH TAT (Pre-Schedule) 24. Standard TAT |
| <u> </u> | | DCODE | | ® | <u> </u> | | F | ц. Ц | Tot | ŭ Í | Ĭ | μ | Ž. | ž ž | ð | Ma C | N d N | | | And Ca | SAF | Mei | 20 | | | · · • | 1.1 | _ | ר <u>ה</u> מיד |
| 2 | Shed 2" | | | | | 8/6/2012: | | | · · | | +- | | | - | + | | | <i>.</i> ¥ | | <u>- -</u> : | | | | # | $\left \right $ | | /. x | ╇┥ | ⊢ ŀ − |
| 3 | The 3 | | | - | | | | | | | | | | | + | | | | | | | | | + | | | <u>x</u> | | |
| | | | | | | • | : | : : | | | | | | | | | | | · · | | T | | | Ť | | | | | |
| | | | | · · · · · · · | | | | | | | | | | | | | | | | | | | | | | | | · · | |
| | | · · · · · | · · · · · · · · · · · · | | · | | | | | | | | · . · · . | | · .: | | | | | | | . · · | | | | | | | |
| · · · · · | | | | _ | | | | | | | | | | _ | | | | | | | - | | | | | ┝╍╬ | | | |
| | | | | | - | | | | , . | | <u>.</u> | | | | | | | | | | | | _ | | | $\left - \right $ | | + | \vdash |
| | | · · · · · | · · · · | | | | | | | | | | | | | | | | | | + | | | +- | $\left \right $ | ┝╼┼ | | + | ┝╂╴ |
| · · · . | I Instructions: | | | | <u> </u> | I | | | | | | | | | | I | | | ି S | Samp | le Co | intair | iers l | ents: Intact7 space | ? : : | | Q | | N N |
| Relinquis | - Calmer | | Date Juli Date | <u>z 1.</u> | Time 7 <u>77</u> Time | Received by: | . Al | ND | U | er_ | <u>heng</u> | | | 4 | | ate o/16 ate | 7.1 | Timi 77 Timi | | abeli Custo Custo Samp by | s on e dy se dy se lo Ha | conta eals d eals d ind E ind E | ainer(on co on co Delive Clien | (s) ontaine ooler(s | er(s) s) | | Y W Y W FedE | 3 | N N N N N N N N N |
| Relinquis | hed by: | | Date | | lime | Received by EL | OT: | | | ÷ | | •••• | | | D | ate | | Tim | | | | | | Receij | | 70 | | | °C |
| | | | - I | | | | | | | | | | | - I · | | | | | | • | | | : | | | <u> </u> | · | | - |



August 01, 2012

1

LUPE CARRASCO Yates Energy Petroleum Corp 105 S 4th Street Artesia, NM 88210

RE: NORTH DAGGER DRAW WATER STATION

Enclosed are the results of analyses for samples received by the laboratory on 07/26/12 15:00.

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 accredited certif.html.

Cardinal Laboratories is accreditated 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,

Celez D. Kune

Celey D. Keene Lab Director/Quality Manager



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

| Received: | 07/26/2012 | Sampling Date: | 07/24/2012 |
|-------------------|--------------------------------|---------------------|---------------|
| Reported: | 08/01/2012 | Sampling Type: | Soil |
| Project Name: | NORTH DAGGER DRAW WATER STATIO | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

Sample ID: SHED - 2' (H201732-01)

,

ŧ

| BTEX 8021B | mg, | 'kg | Analyze | d By: AP | | | | | |
|--------------------------------------|--------|-----------------|------------|--------------|------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 08/01/2012 | ND | 1.78 | 89.2 | 2.00 | 6.39 | |
| Toluene* | <0.050 | 0.050 | 08/01/2012 | ND | 1.85 | 92.7 | 2.00 | 5.31 | |
| Ethylbenzene* | <0.050 | 0.050 | 08/01/2012 | ND | 1.87 | 93.6 | 2.00 | 5.09 | |
| Total Xylenes* | <0.150 | 0.150 | 08/01/2012 | ND | 5.64 | 94.0 | 6.00 | 4.41 | |
| Surrogate: 4-Bromofluorobenzene (PIL | 98.4 | % 89.4-12 | 6 | | | | | | |
| TPH 8015M | mg/ | kg | Analyze | d By: MS | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 07/27/2012 | ND | 188 | 93.8 | 200 | 6.58 | |
| DRO >C10-C28 | 80.2 | 10.0 | 07/27/2012 | ND | 204 | 102 | 200 | 8.91 | |
| Surrogate: 1-Chlorooctane | 89.4 | % 65.2-14 | 0 | | | | | | |
| Surrogate: 1-Chlorooctadecane | 101 9 | 63.6-15 | 4 | | | | | | |

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 waved unless made in writing and received by client, its subsidiaries, affiliates or 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 claims based upon any of the above stated reads or otherwise. Results relate only to the samples definite above. This reproduced exception in full with written approval of Cardinal Laboratores.

Celey D. Kune

Celey D. Keene, Lab Director/Quality Manager

Page 2 of 8



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

| Received: | 07/26/2012 | Sampling Date: | 07/25/2012 |
|-------------------|--------------------------------|---------------------|---------------|
| Reported: | 08/01/2012 | Sampling Type: | Soil |
| Project Name: | NORTH DAGGER DRAW WATER STATIO | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

Sample ID: S1 - 1' (H201732-02)

٢

1

| BTEX 8021B | mg | /kg | Analyze | d By: AP | | | | | |
|--------------------------------------|--------------|-----------------|------------|--------------|------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 08/01/2012 | ND | 1.78 | 89.2 | 2.00 | 6.39 | |
| Toluene* | <0.050 | 0.050 | 08/01/2012 | ND | 1.85 | 92.7 | 2.00 | 5.31 | |
| Ethylbenzene* | <0.050 | 0.050 | 08/01/2012 | ND | 1.87 | 93.6 | 2.00 | 5.09 | |
| Total Xylenes* | <0.150 | 0.150 | 08/01/2012 | ND | 5.64 | 94.0 | 6.00 | 4.41 | |
| Surrogate: 4-Bromofluorobenzene (PIL | 98.4 | % 89.4-12 | 6 | | | | | | |
| TPH 8015M | mg, | 'kg | Analyze | d By: MS | | | ·· | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 07/27/2012 | ND | 188 | 93.8 | 200 | 6.58 | |
| DRO >C10-C28 | 10.0 | 10.0 | 07/27/2012 | ND | 204 | 102 | 200 | 8.91 | |
| Surrogate: 1-Chlorooctane | 88.7 | % 65.2-14 | 0 | | | | | | |
| Surrogate: 1-Chlorooctadecane | 96 .7 | % 63.6-15 | 4 | | | | | | |

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 waved unless made in writing and received by claims, including those for negligence and industring, without limitation 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 othewse. Results relate only to the samples redented above. This report shall note reproduced except in full with written approval of Cardinal Jabovatores.

Celez D. Keine

Celey D. Keene, Lab Director/Quality Manager

Page 3 of 8



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

| Received: | 07/26/2012 | Sampling Date: | 07/25/2012 |
|-------------------|--------------------------------|---------------------|---------------|
| Reported: | 08/01/2012 | Sampling Type: | Soil |
| Project Name: | NORTH DAGGER DRAW WATER STATIO | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

Sample ID: S1 - 2' (H201732-03)

1

.

| BTEX 8021B | mg/ | /kg | Analyze | d By: AP | | | | | |
|--------------------------------------|---------------|-----------------|------------|--------------|------|---------------------------------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 08/01/2012 | ND | 1.78 | 89.2 | 2.00 | 6.39 | |
| Toluene* | <0.050 | 0.050 | 08/01/2012 | ND | 1.85 | 92.7 | 2.00 | 5.31 | |
| Ethylbenzene* | <0.050 | 0.050 | 08/01/2012 | ND | 1.87 | 93.6 | 2.00 | 5.09 | |
| Total Xylenes* | <0.150 | 0.150 | 08/01/2012 | ND | 5.64 | 94.0 | 6.00 | 4.41 | |
| Surrogate: 4-Bromofluorobenzene (PIL | 98.9 | % 89.4-12 | 6 | | | · · · · · · · · · · · · · · · · · · · | | | |
| TPH 8015M | mg/ | kg | Analyze | d By: MS | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 07/27/2012 | ND | 188 | 93.8 | 200 | 6.58 | |
| DRO >C10-C28 | <10.0 | 10.0 | 07/27/2012 | ND | 204 | 102 | 200 | 8.91 | |
| Surrogate: 1-Chlorooctane | 91.3 | % 65.2-14 | 0 | | | | | | |
| Surrogate: 1-Chlorooctadecane | 99.0 5 | % 63.6-15 | 4 | | | | | | |

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Candinal's liability and client's exclusive remedy for any claim ansing, 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 whitstoever shall be deemed waived unless made in writing and received by claims, including those for negligence and 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 abuse stated reasons or otherwse, Results relate only to the samples technife above. This reproduced except in full with writen approval of Cardinal Laboratories.

Celeg D. Kune

Celey D. Keene, Lab Director/Quality Manager



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

| Received: | 07/26/2012 | Sampling Date: | 07/25/2012 |
|-------------------|--------------------------------|---------------------|---------------|
| Reported: | 08/01/2012 | Sampling Type: | Soil |
| Project Name: | NORTH DAGGER DRAW WATER STATIO | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

Sample ID: S1 - 3' (H201732-04)

.

۲

| BTEX 8021B | _ mg/ | kg | Analyze | d By: AP | | | | | |
|--------------------------------------|--------|-----------------|------------|--------------|------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 08/01/2012 | ND | 1.78 | 89.2 | 2.00 | 6.39 | |
| Toluene* | <0.050 | 0.050 | 08/01/2012 | ND | 1.85 | 92.7 | 2.00 | 5.31 | |
| Ethylbenzene* | <0.050 | 0.050 | 08/01/2012 | ND | 1.87 | 93.6 | 2.00 | 5.09 | |
| Total Xylenes* | <0.150 | 0.150 | 08/01/2012 | ND | 5.64 | 94.0 | 6.00 | 4.41 | |
| Surrogate: 4-Bromofluorobenzene (PIL | 97.7 | % 89.4-12 | 6 | | | | | | |
| TPH 8015M | mg/ | kg | Analyze | d By: MS | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 07/27/2012 | ND | 188 | 93.8 | 200 | 6.58 | |
| DRO >C10-C28 | <10.0 | 10.0 | 07/27/2012 | ND | 204 | 102 | 200 | 8.91 | |
| Surrogate: 1-Chlorooctane | 91.2 9 | 65.2-14 | 0 | | | | | | R |
| Surrogate: 1-Chlorooctadecane | 100 % | 63.6-15 | 1 | | | | | | |

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any daim 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 whatscever shall be deemed waived unless made in writing and received by Cardinal within (130) 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 claims based upon any of the above stated reasons or otherwse. Results relate only to the sample identified above. This reproduced exception in full with mitten approval of Cardinal Laboratores.

Celeg & Kune

Celey D. Keene, Lab Director/Quality Manager



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

| Received: | 07/26/2012 | Sampling Date: | 07/25/2012 |
|-------------------|--------------------------------|---------------------|---------------|
| Reported: | 08/01/2012 | Sampling Type: | Soil |
| Project Name: | NORTH DAGGER DRAW WATER STATIO | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

Sample ID: S1 - 4' (H201732-05)

۸.

۰,

| BTEX 8021B | mg/ | 'kg | Analyze | d By: AP | · · · · · · · · · · · · · · · · · · · | | | | |
|--------------------------------------|--------|-----------------|------------|--------------|---------------------------------------|------------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 08/01/2012 | ND | 1.78 | 89.2 | 2.00 | 6.39 | |
| Toluene* | <0.050 | 0.050 | 08/01/2012 | ND | 1.85 | 92.7 | 2.00 | 5.31 | |
| Ethylbenzene* | <0.050 | 0.050 | 08/01/2012 | ND | 1.87 | 93.6 | 2.00 | 5.09 | |
| Total Xylenes* | <0.150 | 0.150 | 08/01/2012 | ND | 5.64 | 94 .0 | 6.00 | 4.41 | |
| Surrogate: 4-Bromofluorobenzene (PIL | 98.7 | % 89.4-12 | 6 | | | | | | |
| TPH 8015M | mg/ | 'kg | Analyze | d By: MS | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 07/27/2012 | ND | 188 | 93.8 | 200 | 6.58 | |
| DRO >C10-C28 | <10.0 | 10.0 | 07/27/2012 | ND | 204 | 102 | 200 | 8.91 | |
| Surrogate: 1-Chlorooctane | 92.5 | % 65.2-14 | 0 | | | | | | |
| Surrogate: 1-Chlorooctadecane | 101 9 | 63.6-15 | 4 | | | | | | |

Cardinal Laboratories

*=Accredited Analyte

PLEXEE 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 claims, including those for negligence and 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 unover stated reasons or otherwes. Results relate only to the samples identified above. This reproduced exception in full with intern approved (Cardinal Laboratories.

Celeg D. Keine

,

Celey D. Keene, Lab Director/Quality Manager

Page 6 of 8



.

•

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 SM4500CI-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

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 anising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such chim is based upon any of the above stated reasons or otherwise. Results relate only to the samples dentified above. This report shall note erequideed exets in full with written approval of Cardinal taboratories.

Celing D. Kune

Celey D. Keene, Lab Director/Quality Manager

Page 7 of 8

| | ARDINAL LABORATOR 101 East Marland, Hobbs | | | | (505) 393-2326 | FAX (505) 39 | 3-2476 | •. | | · · · | | | | | • • | | | • | | . , | | * | | · · · | . * * | | | |
|---------------------|--|----------------------------|-----------------|----------------|----------------|---------------------------------------|----------------|-----------------------|-------------------------|--------|--------------------|-----------------|---------|------------------|--|--|--------------------|-------------------------|---|-------------------------------|---------------|---------------|---|------------------|------------------------|-------------|-----------------|------------|
| • : | Project Manager: Lupe Car | rasco | •• | | | | | | | | . • • • | | | · . · | Pi | oject | Nar | ne: _ | 1 | lorth | Dag | jger | Dra | w W | /ate | r Stal | tion | |
| | Comp: (505) 393-2326 Yates Pel | roleum Corporatio | on . | | | | | | | • . | | | : :. | | • • | Pro | ojec | t #: | · . · | | · . | | : • | | <u></u> | . * | | |
| · · · · · | Company Address: 105 South | h 4th Street | | | | | • | · . | • | | • . | | | • | | Proje | ect L | oc: | | | | | , | | | • | | |
| | | IM 88210 | | | | | | | | | | ÷. | | | | | PC |)#:_1 | 03-1 | 63 | | | | | | | | |
| | Telephone No: 575-748- | | | | | Fax No | <u></u> | | · · · | •• . | | | | | Repo | rt En | 1.1 | | • • | • | | <u></u> | TF | | مختصم · | N | | |
| · · · | | 1 | | | | | | | | | | | | | | | ma | ••• L | <u> </u> | anua | iu. | . Lin | | NNE | | لا البيسا | FDC | 5 |
| • | Sampler Signature: | na Careco | | | | e-mail | <u>I</u> (| car | rasc | :0(0 | vyat | esp | euo | neu | <u>m.co</u> l | | | <u></u> | | A | nalyz | e Fo | r: | | | | — | ٦. |
| ab use o | | | • • • | · . | | | | | • • | | | ÷, ÷ | | · . | | F | | | TCLI | | | | | | | | T2 hrs | |
| RDER | # H201732 | | r | | | | | - [| Pres | ervati | on & # | of Co | ntainer | ş | Matrix | 1.00 | φ | | | 1g Se | | | 200 | | | | 24, 48, | |
| AB # (lab use only) | | | Beginning Depth | Ending Depth | Date Sampled | Time Sampled | Field Filtered | stal #. af Containers | lce HNO ₃ | LCI | H ₂ SO4 | NaOH Na S.O. | None | Other (Specify) | DW≐Drinking Water SL≑Sludge GW ≒ Groundwater S=Soli/Solid | P≓Non-Potable Specify Other PH: 418.1 8015M | TPH: TX 1005 TX 10 | Cations (Ca, Mg, Na, K) | Anions (Cl. SO4, Alkalinity) cAD / ECD / CEC | etals: As Ag Ba Cd Cr Pb Hg : | Volatiles | Semivolatiles | 명기고(50%(정 /5030 or BTEX 8260 RCI | NOR.M. | Chicrides | SAR | (Pre-Schedule) | |
| - | FIELD CODE Shed-2' | | ā | <u> </u> | 7/24/2012 | | | Ē | - | | | | ~ | | <u>6</u> 0 | z F X | F | Ŭ. | <u> </u> | <u>Σ</u> | Š | σ̈. | X | - Z | X | S S | ╧ | -19 |
| 2 | S1-1' | | | | 7/25/2012 | | | Ī | | | | | | | | X | | | | | | | x | | x | | 1 | T |
| 121 | S\$-2' | | | | 7/25/2012 | elle selat Maria | | | | | | | | | | X | | | | | • | | X | | x | | | |
| | SØ-3' | | | | 7/25/2012 | | | | | | | | | | | X | | | | | | ┝╼╼╋ | X. | | X | | | |
| 5 | S 4 -4' | | | | 7/25/2012 | | | | | | | | | | | × | - | | | | - | | <u>×</u> | | × | ┝ | | - |
| | | | | | | | | _ | | - | | | | | | | | | _ | - <u> </u> | | ┢╼┥ | | | 1- | ╞╌┠ | | |
| · · · · | | | | | | | ++ | | | - | | | | | | | | $\left - \right $ | | | | ╞╼┥ | | | + | ++ | | + |
| | | | | | | | ++ | _ | | + | | | | - | | | | | | - | | ╞╼╉ | + | +- | + | ╆┿ | | + |
| | | | | | | | | | | | + | | | - | ÷ | | | | | | | | | | + | | + | + |
| ipecial | | licussica igiericaertation | 0.000 | 1 00000 | ragest for ch | dorides. 🕫 | ditta ni | nd.' | | ाई (j) | (300.) | ingtia | eksel- | oņ i | (ANTERNA) | :200 | ĈÇ. | | | | omn | | | | <u>شينية م</u> ر رو | K | میں المیں میں ا | المدم ز |
| | | | | • . | | | • •• | | • : | | | | | | | | • | Jvo | Cs Fi | ee of | iners Hea | dspa | ace? | | . 3 | Ŷ | N | ١. |
| Relinquis | S D | Date | | ime | Received by: | No | AA | (K) | JA. | • | | | n | De | | Tir Z | ne //// | - ICus | stody | seals | taine on c | onta | ainer(s | s) | | ò | N | 1 |
| . La . · · | shed by: | TTCh2 Date | | ime | Received by: | - All | 100 | <u>-1)</u> | 11.00 | | | | | <i>M</i> Da | | | ne | Sar | nple | Jand | on d Deliv | veried | 1 | | | ě | | ۷. |
| | | | | • • | | · · · · · · · · · · · · · · · · · · · | • . | <u></u> | | · | , | | | | | | | | by S by C | ample ourier | r/Clie ? | ent Re UPS | lép.? S E | DHL | j Fe | () dex 1 | N Löne | |
| Relinquis | shed by: | Date | 1 | ime | Received by El | . . | | | - | | | | 1 | Da | ate | Tir | me | Ter | nner | tiire | Upor | Re | coint. | | 1 | 50 | . o | Ċ |



August 01, 2012

LUPE CARRASCO Yates Energy Petroleum Corp 105 S 4th Street Artesia, NM 88210

RE: NORTH DAGGER DRAW WATER STATION

Enclosed are the results of analyses for samples received by the laboratory on 07/26/12 15:00.

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 accredited certif.html.

Cardinal Laboratories is accreditated 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,

Celez D. Keine

Celey D. Keene Lab Director/Quality Manager



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

| Received: | 07/26/2012 | Sampling Date: | 07/24/2012 |
|-------------------|--------------------------------|---------------------|---------------|
| Reported: | 08/01/2012 | Sampling Type: | Soil |
| Project Name: | NORTH DAGGER DRAW WATER STATIO | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

Sample ID: SHED - 2' (H201732-01)

ì,

1

| Chloride, SM4500Cl-B | mg, | /kg | Analyze | d By: AP | | <u></u> | | | |
|----------------------|------------------------|------|------------|--------------|-----|------------|---------------|------|-----------|
| Analyte | Result Reporting Limit | | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 11600 | 16.0 | 07/27/2012 | NÐ | 400 | 100 | 400 | 0.00 | |

Sample ID: S1 - 1' (H201732-02)

| Chloride, SM4500CI-B | mg, | /kg | Analyze | d By: AP | | | | | |
|----------------------|--------|-----------------|------------|--------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 3040 | 16.0 | 07/27/2012 | ND | 400 | 100 | 400 | 0.00 | |

Sample ID: S1 - 2' (H201732-03)

| Chloride, SM4500Cl-B | mg/ | kg | Analyze | d By: AP | | | | | |
|----------------------|--------|---------------------------|------------|--------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Result Reporting Limit Ar | | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 304 | 16.0 | 07/27/2012 | ND | 400 | 100 | 400 | 0.00 | |

Sample ID: S1 - 3' (H201732-04)

| Chloride, SM4500Cl-B | mg, | /kg | Analyze | d By: AP | | | | | |
|----------------------|--------|-----------------|------------|--------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 160 | 16.0 | 07/27/2012 | ND | 400 | 100 | 400 | 0.00 | |

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 walved unless made in writing and received by claimal, activation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, atfiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claims based upon any of the biotive stater descusors or devices. Results relate only to the samples identified above. This reproduced exception for full within the approval of Cardinal Laborations.

Celez & Kune

Celey D. Keene, Lab Director/Quality Manager



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

| Received: | 07/26/2012 | Sampling Date: | 07/25/2012 |
|-------------------|--------------------------------|---------------------|---------------|
| Reported: | 08/01/2012 | Sampling Type: | Soil |
| Project Name: | NORTH DAGGER DRAW WATER STATIO | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

Sample ID: S1 - 4' (H201732-05)

۱.

,

| Chloride, SM4500Cl-B | mg | /kg | Anałyze | d By: AP | | | | | |
|----------------------|------------------------|------|------------|-----------------------|-----|------------|---------------|------|-----------|
| Analyte | Result Reporting Limit | | Analyzed | Analyzed Method Blank | | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 576 | 16.0 | 07/27/2012 | ND | 400 | 100 | 400 | 0.00 | |

Cardinal Laboratories

*=Accredited Analyte

PEASE NOTE: Lability 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 whitsbeever shall be deemed waved 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 inodential or consequential damages, including, without limitation, busitess 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 claims based upon any of the above stated reasons or otherwse. Results relate only to the samples identified above. This reproduced exception in full with mitten approval of Cardinal Laboratories.

Celey & Keine

Celey D. Keene, Lab Director/Quality Manager

⇒Page 3 of 5



£.,

.

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

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 whotsoever shall be deemed waived unless made in writing and received by claimal, and received by claimal, and inclination, 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 claims based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This reproduced except in full with writem approval of Cardinal Jaboratories.

Celez Keine

Celey D. Keene, Lab Director/Quality Manager

Page 4 of 5

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

| | | BORATORIES and, Hobbs, NM 88240 | | | (505) 393-2326 | FAX (505) 393 | -247(| <u>6</u> | · · | | | ·. · | | | | | Pro | iect | Nam | 1e: | | No | rthi | Dao | naer | Dra | w V | Vate | r Sta | ation | ì | |
|---------------------|--------------------|---------------------------------------|-----------------|--------------|----------------|---------------|---------------|---------------------|----------|-------|-------------|----------|-----------------|---|------------------|-------------|--|----------------|--------------------|-------------------------|------------------------------|-----------------|---------------------------------|--------------|-----------------------|------------------------------|----------|--------------|---|--------------------------|---------------------|--------|
| | | Vates Petroleum Corporati | ion | | <u></u> | • • • • | | | | | | | | | | | | • | oject | | : | | | | <u>13</u> | | | | | | | - |
| | Company Address: | | | | | | | | | | | | • | | | | P | .: | ct Lo | | | | | | | | | | | | | - |
| | City/State/Zip: | Artesia, NM 88210 | | | • | · · · · · | | | | | | | | | | - | · · · | : | PO | #: | 03- | 163 | | | | | - | | | | | _ |
| | Telephone No: | 575-748-4350 | | · | | Fax No: | • | | <u>.</u> | | | | | | | R | eport | For | mat | Ē | × | Stán | daro | ł | ſ | TF | RP | | | NPDE | ES | , |
| | Sampler Signature: | - Com | | | | e-mail: | | lca | rras | sco | <u>)</u> @y | /at | esp | etr | oleı | um.o | com | · | | | | | | | _ | | | | | | | |
| (lab use | | | | · . | | | | • | . , . | | • | | · . | · | | | | | | | TC | P | | aiyze | e For | $\overline{1}$ | | Τ | | | 0 E 7 | |
| ORDE | 2#: H2017. | 32 | | | | | | [| Pre | eser | vation | 8 # 1 | of Co | ntain | ers | Ma | atrix | 2258 | g | | | | BS B | | | 8260 | | | | 7.88.44 | | ÷ |
| AB # (lab use only) | | | Beginning Depth | Ending Depth | Date Sampled | Time Sampled | Filter | el #. of Containers | | HNO | HOI IDH | 204 | NaOH Na S.O. | | Other (Specify) | | GW = Groundwater, S=Soil/Soid. NP≑Non-Potable Specify Other | 4: 418.1 8015M | H: TX 1005 TX 1006 | Cations (Ca, Mg, Na, K) | Anions (CI, SO4, Alkalinity) | SAR / ESP / CEC | Metals: As Ag Ba Cd Cr Pb Hg Se | atiles | Semivolatiles | <u>र ७०% जू/5030 or BTEX</u> | N.O.R.M. | orides | SAR | ICLI TAT (DM-Schodule) 3 | Standard TAT | |
| <u> </u> | | LD CODE | Be | ŭ L | | Ē | ц. Ц | Total | Ce | É: | Ĭ | Ê | | Ż | ō | ă. | A dz | Hdl | ТРН: | Gat | Ani | SA | Met | Å N | | | | | 1 1 | | <u>5 15</u> | - |
| 2 | Shed-2' | | | | 7/24/2012 | | | | | - | _ | + | - | - | | | | X | | | | - | | _ | | x x | + | X X | , | | ╋ | - |
| 3 | S1-1' S2-2' | | | | 7/25/2012 | | | | · · . | | | | | | | | | X X | | | - | | | | _ | <u>^</u> | 3. | X | 1. | | ÷ | - |
| 4 | S2-3' | | - | | 7/25/2012 | | | | | | | - | - | | | | - | x | - | | | 1 | | | | x | + | X | ++ | - | + | |
| E | S 4 -4' | | | | 7/25/2012 | | | | | | | ╡ | | | | | | İx | | | | | - | | | x | | X | 1-1 | | | T. |
| The second | | | | | | | | | | • | | T | | | • | | | | | | | | | | | | T | 1 | | | | |
| | | ····· | | | | | | | | | | | | | | | | | | | | | • • | | | | | | | · | | |
| | | | | | | | | | | | | | | | | | | | | | • • • • | | | | | | · | | | с. | | |
| | | · · · · · · · · · · · · · · · · · · · | | | | | | | | | | | | din | | | | · · | | . \ | | | | | | | | | | - | | |
| | | | | | | | | | | | · · | | | | | | | ŀ | | | $\sum_{i=1}^{n}$ | | | | 4 | | Ľ | | | ĿĿĿ | | |
| | Instructions: | iii çsiansea garmaivî she | | | | noridas. 1971 | <u>1</u> 21.7 | 9074 | 197 | 61 C. | ខណៈ ដ | KQ] | nesta. | 1904 | | • • | 100.5% | • . | · · · · | Sar VO | nple Çs f | Cor Free | ntair of H | iers lead | ients Inta Ispa | ct? | | ••• ••• • | Ŷ | N | | |
| Relinqui | Sou Production | Date | | Time : | Redeived by | De | U | U | H | l. | | | | | 112 | ate 10/1 | 2 | Tin 3 | ÛD | Cu: | stod stod | y se y se | als d als d | on:co | ontai ooler | | ;) | | Ý | ١. | N [.] N | |
| Relinqui | · * | Date | | Time | Received by: | | | | | | | | | | • | ate | | Tin | | Sar | by s | Sam | | Clier | ered nt Re ÚPS | ep. ? | DĤL | , Fe | Å. | Ń | N N Star | |
| Relinqui | shed by: | Date | | Time. | Received by Et | LOT: | | | | . • | | · . | | | | ate | | Ţin | ne | Ter | npe | ratur | re U | pon | Rec | eipt: | | 3. | جe | <u>,</u> | °C. | |
| · | | ····· | | | | | · | | | | | | | | | | | | | | · | | | | F | Ŧ | 灵 | ア | age | 5 of | .5 | 1000 C |