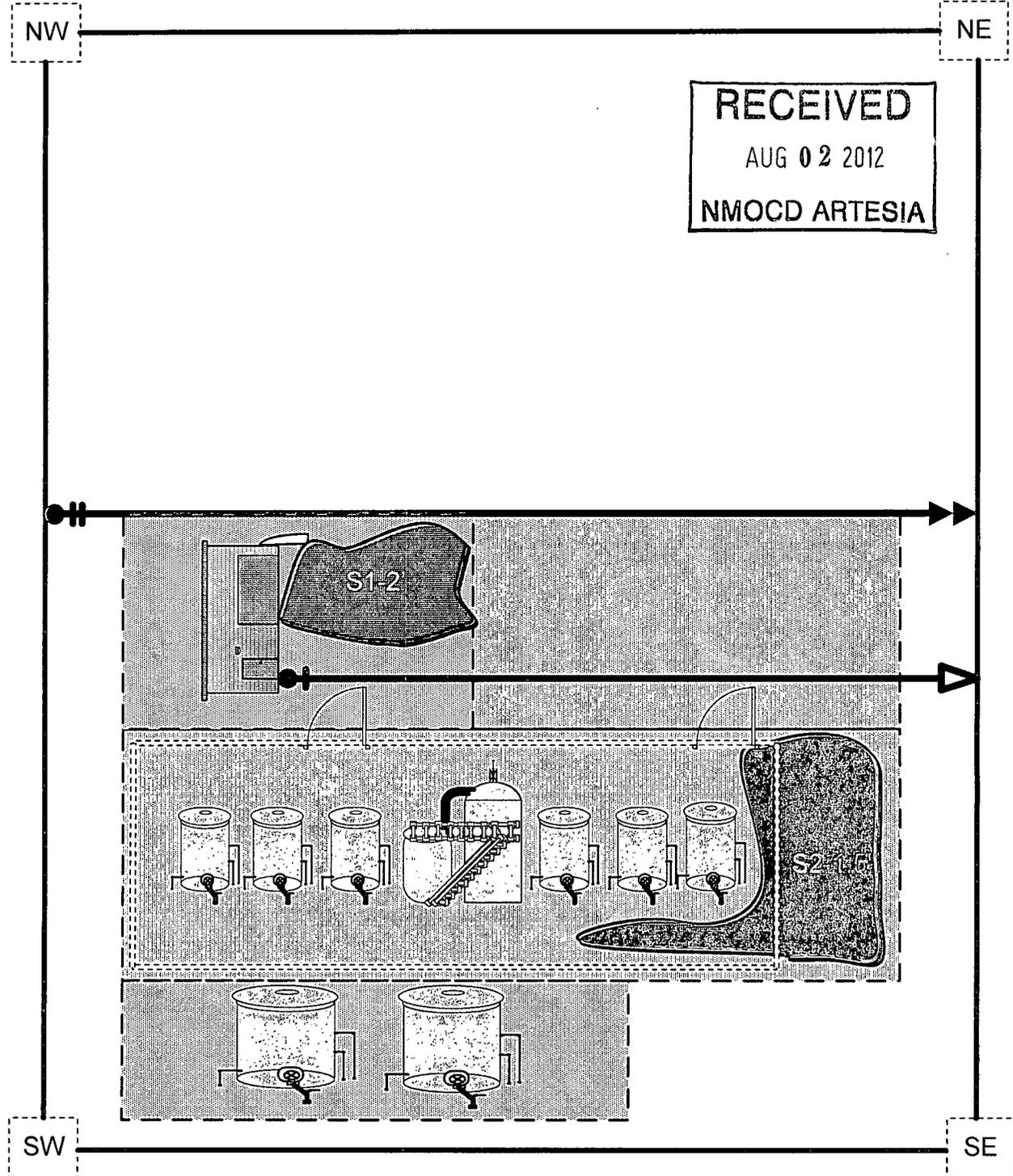


YATES PETROLEUM CORPORATION

Wednesday, August 01, 2012

Central Dagger Draw Water Transfer



Central Dagger Draw Water Transfer (Bates Water Transfer)

Analytical Report- H201014	Sample Date	Depth	BTEX	GRO	DRO	TOTAL	Chlorides
S1-2'	7/20/2012	2'	ND	ND	91.3	91.3	1310
S2-1.5'	7/20/2012	1.5'	283.77	3790	1410	5200	576

Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 260', per NMOSE).

All results are ppm.Chlorides for documentation.

Spill 1 - Released: 30 B/PW, Recovered: 20 B/PW. Release Date: 7/16/2012

Spill 2 - Released: 1 B/O, 40 B/PW; Recovered: 1 B/O, 30 B/ PW. Release Date: 7/17/2012

* Cells highlighted in red indicate soil removed.

July 30, 2012

LUPE CARRASCO

Yates Energy Petroleum Corp

105 S 4th Street

Artesia, NM 88210

RE: CENTRAL DAGGER DRAW WATER TRANSFER

Enclosed are the results of analyses for samples received by the laboratory on 07/23/12 14:35.

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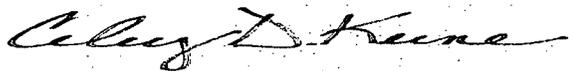
Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

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,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

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

Received:	07/23/2012	Sampling Date:	07/20/2012
Reported:	07/30/2012	Sampling Type:	Soil
Project Name:	CENTRAL DAGGER DRAW WATER TRANS	Sampling Condition:	Cool & Intact
Project Number:	103-163	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

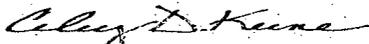
Sample ID: S2 - 1 1/2 (H201696-01)

Chloride, SM4500Cl-B	mg/kg	Analyzed By: AP							
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	576	16.0	07/27/2012	ND	400	100	400	3.92	

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

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Celey D. Keene, Lab Director/Quality Manager

July 30, 2012

LUPE CARRASCO

Yates Energy Petroleum Corp

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Artesia, NM 88210

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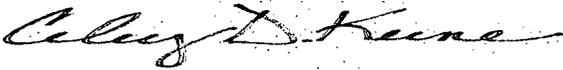
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Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

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Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

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

Received:	07/23/2012	Sampling Date:	07/20/2012
Reported:	07/30/2012	Sampling Type:	Soil
Project Name:	CENTRAL DAGGER DRAW WATER TRANS	Sampling Condition:	Cool & Intact
Project Number:	103-163	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

Sample ID: S2 - 1 1/2 (H201696-01)

BTEX 8021B	mg/kg	Analyzed By: AP					S-06			
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	7.47	1.00	07/30/2012	ND	1.82	91.2	2.00	0.352		
Toluene*	74.6	1.00	07/30/2012	ND	1.87	93.3	2.00	1.02		
Ethylbenzene*	32.7	1.00	07/30/2012	ND	1.90	95.2	2.00	1.09		
Total Xylenes*	169	3.00	07/30/2012	ND	5.82	97.1	6.00	2.32		

Surrogate: 4-Bromofluorobenzene (PIC) 140 % 89.4-126

TPH 8015M	mg/kg	Analyzed By: MS								
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	3790	50.0	07/26/2012	ND	188	94.0	200	5.62		
DRO >C10-C28	1410	50.0	07/26/2012	ND	198	99.0	200	5.46		

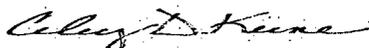
Surrogate: 1-Chlorooctane 130 % 65.2-140

Surrogate: 1-Chlorooctadecane 121 % 63.6-154

Cardinal Laboratories

* = Accredited Analyte

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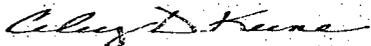
Notes and Definitions

- S-06 The recovery of this surrogate is outside control limits due to sample dilution required from high analyte concentration and/or matrix interferences.
- ND Analyte NOT DETECTED at or above the reporting limit
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Celey D. Keene, Lab Director/Quality Manager

July 30, 2012

LUPE CARRASCO

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Artesia, NM 88210

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Method EPA 524.2	Total Trihalomethanes (TTHM)
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Analytical Results For:

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

Received:	07/23/2012	Sampling Date:	07/20/2012
Reported:	07/30/2012	Sampling Type:	Soil
Project Name:	CENTRAL DAGGER DRAW WATER TRANS	Sampling Condition:	Cool & Intact
Project Number:	103-163	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

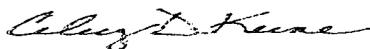
Sample ID: S1 - 2 (H201695-01)

Chloride, SM4500Cl-B	mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	1310	16.0	07/27/2012	ND	400	100	400	3.92	

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Received:	07/23/2012	Sampling Date:	07/20/2012
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Project Name:	CENTRAL DAGGER DRAW WATER TRAN	Sampling Condition:	Cool & Intact
Project Number:	103-163	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

Sample ID: S1 - 2 (H201695-01)

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	07/29/2012	ND	1.82	91.2	2.00	0.352	
Toluene*	<0.050	0.050	07/29/2012	ND	1.87	93.3	2.00	1.02	
Ethylbenzene*	<0.050	0.050	07/29/2012	ND	1.90	95.2	2.00	1.09	
Total Xylenes*	<0.150	0.150	07/29/2012	ND	5.82	97.1	6.00	2.32	

Surrogate: 4-Bromofluorobenzene (PIC) 107 % 89.4-126

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<50.0	50.0	07/26/2012	ND	188	94.0	200	5.62	
DRO >C10-C28	91.3	50.0	07/26/2012	ND	198	99.0	200	5.46	

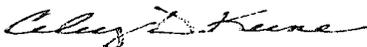
Surrogate: 1-Chlorooctane 73.2 % 65.2-140

Surrogate: 1-Chlorooctadecane 110 % 63.6-154

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Celey D. Keene, Lab Director/Quality Manager

Bratcher, Mike, EMNRD

From: Lupe Carrasco <LCarrasco@yatespetroleum.com>
Sent: Thursday, August 02, 2012 3:47 PM
To: Bratcher, Mike, EMNRD
Subject: Central Dagger Draw Water Transfer (Bates Water Transfer)

Mike,

As per our conversation regarding the two spills associated with the Central Dagger Draw Water Transfer (Spill 1 & Spill 2), the following actions will be taken:

Spill 1 – Based on analytical data I will begin to backfill excavated area and submit C-141 for closure of the impacted area. Impacted area has been excavated to a depth of 2' where we hit bedrock.

Spill 2 - Based on analytical data I will leave the excavated area open for at least another week at which point I will resample and submit for TPH and BTEX analysis. TPH levels were about 200 ppm over the permissible level of 5000 ppm and BTEX was over the permissible level for closure. Impacted area has been excavated down to bedrock. Remnant soil will be sampled and submitted for analysis in hopes that BTEX will be lower than 100 ppm.

Thanks!

Lupe Carrasco
Environmental Regulatory Agent
Yates Petroleum Corporation
Office: (575) 748-4350
Fax: (575) 748-4131
Cell: (575) 513-9074

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8/2/12 Meet w/ Cape w/ Yates

2RP-1228

partially Foster AN Btry
liner cracked in btry ^{cover} - pulled liner up &
~~tested~~ excavated 6" - 1 in spill area
& tested - Analytical OK - will
replace lined portion & backfill or vice versa

2RP

Cont Dagger Draw X Fer 2 spills

C-141s have not been processed
on both releases - material was
excavated to bedrock

S-1 propose to backfill

S-2 " to install a liner
for "catch basin"

Asked to resample S2 due to elevated
BTEX & TPH

