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

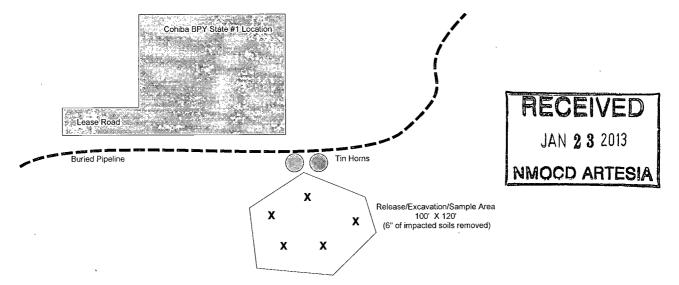
RECEIVED

Form C-141 Revised October 10, 2003

JAN 2 3 2013 submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form NMOCD ARTESIA side of form

Name of Company											
Name of Company Yates Petroleum Corporation Address 105 S. 4 TH Street Facility Name Cohiba BPY State #1 API Number State Mineral Owner State Unit Letter D Township D Latitude 125S Range 27E Robert Asher Robert Asher Facility Type Water Line Water Line Lease No. VO-5769 Location OF Release Feet from the 660 North/South Line North Feet from the 660 West Eddy NATURE OF RELEASE Type of Release Produced Water Source of Release Produced Water Date and Hour of Occurrence 6/8/2011; PM Feet in Whom?											
Yates Petroleum Corporation 25575 Robert Asher											
105 S. 4 TH Street											
Facility Name											
Surface Owner State Stat											
Surface Owner State Mineral Owner State Lease No. VO-5769											
State State VO-5769											
State State VO-5769											
LOCATION OF RELEASE Unit Letter D Section 1 25S 27E Feet from the D North/South Line Feet from the North 660 West Eddy Latitude 32.16468 Longitude 104.15004 NATURE OF RELEASE Type of Release Produced Water Source of Release Produced Water Date and Hour of Occurrence Foly line Riser Date and Hour of Occurrence 6/8/2011; PM 6/8/2011; PM Was Immediate Notice Given? If YES, To Whom?											
Unit Letter D Section 1 Township 25S 27E Feet from the 660 North Feet from the 660 West Eddy Latitude 32.16468 Longitude 104.15004 NATURE OF RELEASE Type of Release Produced Water Source of Release Poly line Riser Date and Hour of Occurrence 6/8/2011; PM Was Immediate Notice Given? If YES, To Whom?											
D											
Latitude 32.16468 Longitude 104.15004 NATURE OF RELEASE Type of Release											
Type of Release Produced Water Source of Release Poly line Riser Poly line Riser NATURE OF RELEASE Volume of Release Solution of Release Solution of Release Solution of Occurrence Solution of Release Solution of Rel											
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Type of Release Produced Water Source of Release Poly line Riser Date and Hour of Occurrence Poly line Riser Wolume Recovered 4 B/PW Date and Hour of Occurrence 6/8/2011; PM 6/8/2011; PM Was Immediate Notice Given? If YES, To Whom?											
Produced Water 5 B/PW 4 B/PW Source of Release Date and Hour of Occurrence Poly line Riser 6/8/2011; PM 6/8/2011; PM Was Immediate Notice Given? If YES, To Whom?											
Source of Release Date and Hour of Occurrence 6/8/2011; PM 6/8/2011; PM Was Immediate Notice Given? If YES, To Whom?											
Poly line Riser 6/8/2011; PM 6/8/2011; PM Was Immediate Notice Given? If YES, To Whom?											
Was Immediate Notice Given? If YES, To Whom?											
· · · · · · · · · · · · · · · · · · ·											
M res I no I not required Mike Bratcher/NMOCD II											
By Whom? Date and Hour											
Bob Asher/Yates Petroleum Corporation 6/7/2011; PM											
Was a Watercourse Reached? ☐ Yes ☑ 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.*											
3" poly line on ruptured possibly due to an increase in main line pressure. Valves were isolated from main waterline. Vacuum trucks called. Describe Area Affected and Cleanup Action Taken.*											
An approximate area of 6' X 400' (on production pad and of edge of pad). Vertical and horizontal delineation samples will be taken and analysis ran for											
TPH & BTEX (chlorides for documentation). If initial analytical results for TPH & BTEX are under RRAL's (site ranking is 10) a Final Report, C-141											
will be submitted to the OCD requesting closure. If the analytical results are above the RRAL a work plan will be submitted to the OCD Depth to											
Ground Water: 50-99' (70', Section 22, T24S-R27E, NMOSE), Wellhead Protection Area: No, Distance to Surface Water Body: > 1000', SITE											
RANKING IS 10. Based on enclosed analytical results, impacted soils excavated/hauled, 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: Robert Asher Approved by District Supervisor:											
Title, Senior Environmental Regulator, Agent											
Title: Senior Environmental Regulatory Agent Approval Date: Expiration Date:											
E-mail Address: boba@yatespetroleum.com Conditions of Approval: Attached											
Date: Wednesday, January 23, 2013 Phone: 575-748-4021 2RP-817											

^{*} Attach Additional Sheets If Necessary



Analytical Report- 424110 & 424111	Sample Area	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TOTAL	Chlorides
- Comp-00.5	Release Area	7/20/2011	Comp/Auger	6" (12" BSL)	ND	ND	ND	ND.	2740
Comp-01.0	Release Area	7/20/2011	Comp/Auger	12" (18" BSL)	ND	ND	ND	ND	3360
Analytical Report- 429610	Sample Area	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TOTAL	Chlorides
-Comp-02-0	Release Area	10/11/2011	Comp/Backhoe	24" (30" BSL)				7 97	4280
Comp-03:0	Release Area	10/11/2011	Comp/Backhoe	36" (42" BSL)					4060
Comp-04.0	Release Area	10/11/2011	Comp/Backhoe	48" (54" BSL)					3340
Analytical Report- 433946	Sample Area	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TOTAL	Chlorides
Comp-05.0	Release Area	12/20/2011	Comp/Backhoe	5' (5.5' BSL)			1- A.	CATALOGUE TESTINAT	1630
Comp-06.0	Release Area	12/20/2011	Comp/Backhoe	6' (6.5' BSL)					2290
Comp-07.0	Release Area	12/20/2011	Comp/Backhoe	7' (7.5' BSL)				and sec	2540
Analytical Report- 3A07010 (Hall)	Sample Area	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TOTAL	Chlorides
Comp-08.0	Release Area	1/3/2013	Comp/Backhoe	8' (8.5' BSL)	3005 223 233 234				373
Comp-09.0	Release Area	1/3/2013	Comp/Backhoe	9' (9.5' BSL)				Carlon (U)	298
Comp-10.0	Release Area	1/3/2013	Comp/Backhoe	10' (10.5' BSL)				A Harris	88

Site Ranking is Ten (10). Depth to Ground Water 50-99' (approx. 70', per Trend Map).

All results are ppm. X - Sample Points BLS - Below Surface Level

Released: 5 B/PW; Recovered: 4 B/PW. Release Date: 6/8/2011



Impacted soils excavated/hauled.



Cohiba BPY State #1 30-015-33999

Section 1, T25S-R27E

Eddy County, NM

SAMPLE DIAGRAM(Not to Scale)

Prepared by Robert Asher Environmental Regulatory Agent

PERMIAN BASIN ENVIRONMENTAL LAB, LP 10014 SCR 1213 Midland, TX 79706



Analytical Report

Prepared for:

Robert Asher
Yates Petroleum Corp.
105 S. Fourth St.
Artesia, NM 88210

Project: Cohiba BPY State #1
Project Number: 30-015-33999
Location: Eddy County, New Mexico

Lab Order Number: 3A07010



NELAP/TCEQ # T104704156-12-1

Report Date: 01/10/13

Yates Petroleum Corp.

105 S. Fourth St.

Artesia NM, 88210

Project: Cohiba BPY State #1

Project Number: 30-015-33999

Project Manager: Robert Asher

Fax: (505) 748-4662

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
Comp-08.0 (8-8ft)	3A07010-01	Soil	01/03/13 10:02	01-07-2013 10:30
Comp-09.0 (9-9ft)	3A07010-02	Soil	01/03/13 10:08	01-07-2013 10:30
Comp-10.0 (10-10ft)	3A07010-03	Soil	01/03/13 10:13	01-07-2013 10:30

Yates Petroleum Corp. 105 S. Fourth St.

Project: Cohiba BPY State #1

Fax: (505) 748-4662

Artesia NM, 88210

Project Number: 30-015-33999

Project Manager: Robert Asher

Comp-08.0 (8-8ft) 3A07010-01 (Soil)

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
		nian Basin	Environ	nental Lal)				
	rs by EPA / Standard Methods								
Chloride	373	6.10	mg/kg dry	5	EA30803	01/08/13	01/08/13	EPA 300.0	
% Moisture	18.0	0.1	%	1	EA30801	01/08/13	01/08/13	% calculation	

Yates Petroleum Corp.

Project: Cohiba BPY State #1

105 S. Fourth St.

Project Number: 30-015-33999

Artesia NM, 88210

Project Manager: Robert Asher

Fax: (505) 748-4662

Comp-09.0 (9-9ft)

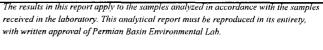
3A07010-02 (Soil)

1									
-		Reporting							
Analyte	Result	Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes

Permian Basin Environmental Lab

General Chemistry Parameters by EPA / Standard Methods

Chloride	298	6.02 mg/kg dry	5	EA30803	01/08/13	01/08/13	EPA 300.0
% Moisture	17.0	0.1 %	1	EA30801	01/08/13	01/08/13	% calculation



Yates Petroleum Corp.

Project: Cohiba BPY State #1

Fax: (505) 748-4662

105 S. Fourth St. Artesia NM, 88210 Project Number: 30-015-33999

Project Manager: Robert Asher

Comp-10.0 (10-10ft) 3A07010-03 (Soil)

- 1										
			Reporting							
Δ	Analyte	Result	Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes

Permian Basin Environmental Lab

General Chemistry Parameters by EPA / Standard Methods

Chloride	88.0	30.1 mg/kg dry	25	EA30803	01/08/13	01/08/13	EPA 300.0
% Moisture	17.0	0.1 %	1	EA30801	01/08/13	01/08/13	% calculation

Yates Petroleum Corp.

105 S. Fourth St.

Artesia NM, 88210

Project: Cohiba BPY State #1

Project Number: 30-015-33999

Project Manager: Robert Asher

Fax: (505) 748-4662

General Chemistry Parameters by EPA / Standard Methods - Quality Control Permian Basin Environmental Lab

		Reporting		Spike	Source		%REC		RPD	
Analyte	Result	Limit	Units	Level	Result	%REC	Limits	RPD	Limit	Notes
Batch EA30801 - % Solids										
Blank (EA30801-BLK1)				Prepared &	Analyzed:	01/08/13				
% Moisture	ND	0.1	%							
Duplicate (EA30801-DUP1)	Sour	rce: 3A07009-	·01	Prepared &	Analyzed:	01/08/13				
% Moisture	11.0	0.1	%		11.0			0.00	20	
Batch EA30803 - *** DEFAULT PREP ***										
Blank (EA30803-BLK1)			-	Prepared &	: Analyzed: (01/08/13				
Chloride	ND	1.00	mg/kg wet	_						
LCS (EA30803-BS1)				Prepared &	: Analyzed: (01/08/13				
Chloride	10.4		mg/kg Wet	10.0		104	80-120			
LCS Dup (EA30803-BSD1)				Prepared &	: Analyzed: (01/08/13				
Chloride	10.3		mg/kg Wet	10.0		103	80-120	0.996	20	
Duplicate (EA30803-DUP1)	Sour	rce: 3A07008-	01	Prepared &	: Analyzed: (01/08/13				
Chloride	1250	2.84 mg/kg dry			1350			7.25	20	
Matrix Spike (EA30803-MS1)	Source: 3A07008-01 P			Prepared &	: Analyzed: (01/08/13				
Chloride	1530	2.84	mg/kg dry	156	1350	115	80-120			

Yates	Petroleum	Corp.
105 S.	Fourth St.	

Duplicate

Dup

Artesia NM, 88210

Project: Cohiba BPY State #1

Project Number: 30-015-33999 Project Manager: Robert Asher Fax: (505) 748-4662

Notes and Definitions

DET Analyte DETECTED

ND Analyte NOT DETECTED at or above the reporting limit

NR Not Reported

dry Sample results reported on a dry weight basis

RPD Relative Percent Difference

LCS Laboratory Control Spike

MS Matrix Spike

	Bren Birron		
Report Approved By:		Date:	1/10/2013

Brent Barron, Laboratory Director/Technical Director

This material is intended only for the use of the individual (s) or entity to whom it is addressed, and may contain information that is privileged and confidential.

If you have received this material in error, please notify us immediately at 432-686-7235.



CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

Permian Basin Environmental Lab, LP 10014 S. County Road 1213 Phone: 432-661-4184

	Project Manager:	Robert Asher								Texa					· · · · · · · · · · · · · · · · · · ·		Proj	ect	Nam	e: <u>C</u>	ohil	oa I	BP	/ S	tate	#1			· .		Page 8
	Company Name	Yates Petroleur	n Corporation	n														Pro	ject	#: <u>3</u>	0-01	5-33	3999	<u> </u>	*						
	Company Address:	105 South 4th	Street		. * * . 			}	2							٠.,٠,	Pi	rojec	t Lo	c: <u>E</u>	ddy (Cou	inty,	Ne	w M	exic	ю				
	City/State/Zip:	Artesia, NM 88	210		:			į.									•1		PO	#: <u>1</u>	<u>0563</u>	2			,	٠.			· ·		
	Telephone No:	575-748-4217	·			<u> </u>	Fax No:	<u> </u>	1.,	•		1,,	. —		· .	Re	port	For	nat:		Sta	ndaı	rd		□т	RRF	,		NPDE	ES	
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