		HO	BBS OC	D					
District I 1625 N. French District II 811 S. 1 st Street			X 092	013 S Energy M		f New Mex s and Natura	tico al Resources		Form C-141 Revised October 10, 2003
D' III		ec, NM 87410	DECEIV	ED Oil	Conse	ervation Di	vision		Submit 2 Copies to appropriate District Office in accordance
District IV				122		th St. Franc			with Rule 116 on back side of form
1220 S. St. Fran	icis Dr., Sant	ta Fe, NM 8750	5	2	Santa 1	Fe, NM 87:	505	1	side of form
			Rel	ease Notif	icatio	on and C	orrective A	ction	
	18 8 1					ATOR	1191	🔲 Initia	al Report 🛛 Final Report
Name of Co Yates Petro		ooration		OGRID Nu 25575	umber	Contact Amber Can	non		
Address 105 S. 4 TH	Street					Telephone 575-748-14			
Facility Na				API Numbe	er	Facility Ty			
Presidente		Com #1H		30-025-396	60	Well/Batter			
Surface Ow State	mer			Mineral State	Owner			Lease 1 VB-07	No. 77 & VB-0787
				LOC	CATIC	ON OF RE	LEASE		
Unit Letter D	Section 32	Township 25S	Range 32E	Feet from the 330		h/South Line North	Feet from the 660	East/West Line West	County Lea
12.1									
							e 103.7033		
Transf Dala				NA	TURI	E OF REL		V-lose I	Deservers
Type of Rele Produced wa						Volume of 250 B/PW		220 B/PV	Recovered V
Source of Re					124		Iour of Occurrence		Hour of Discovery
Water transfe Was Immedi			Ves [No 🗌 Not I	Require	6/5/2012; J If YES, To Geoffrey I	Whom?	6/5/2012	; AM
By Whom?	-				requirer	Date and H			
Robert Asher Was a Water		roleum Corpo	ration				Voicemail); 6/6/2		
			Yes 🛛		1	N/A	nume impacting t	ine watereourse.	
If a Watercou N/A	irse was Im	pacted, Descr	ibe Fully.*	¢					
		em and Reme			the spill	was identified	the water transfer	line was isolated	at both ends. A vacuum truck
		produced wate		bressure. Once	the spin	was identified	the water transfer	Time was isolated a	at both ends. A vacuum truck
		and Cleanup A						TI 20111 1	
battery. Vert	ical and hor	rizontal deline	ation samp	bermed battery ples will be take	and out	alysis ran for	TPH & BTEX for	area outside of lin	vere outside of the bermed/lined ed battery. If initial analytical
results for TF	H & BTEX	are under RF	RAL's (site	e ranking is 0) a	Final R	eport, C-141 w	ill be submitted to	o the OCD requesti	ng closure. If the analytical
									E, per NMOSE), Wellhead sure based off information
submitted in	and the second second second second		uon ahaua	is true and som	mlata ta	the heat of my	Imageladas and u	n donaton d that mun	want to NMOCD rules and
									suant to NMOCD rules and eases which may endanger
public health	or the envir	ronment. The	acceptanc	e of a C-141 rep	port by th	he NMOCD m	arked as "Final Re	eport" does not reli	eve the operator of liability
									, surface water, human health ompliance with any other
		ws and/or regu							
Signature:	lmb.	erCar	nur				OIL CONS	SERVATION	DIVISION
Printed Name	: Amber Ca	annon				Approved by	District Superviso	or:	
		gulatory Agen	t	1.1		Approval Dat	e'	Expiration 1	Date:
	32.2	@yatespetrol				Conditions of	8.2		
	1000			740 4111					Attached
Date: Tuesday	y, May 07, 2	2013 1	Phone: 575	5-748-4111		1RP-6-12-28	\$22		

* Attach Additional Sheets If Necessary

MARTIN YATES, III 1912-1985

FRANK W. YATES 1936-1986

S.P. YATES



105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118 TELEPHONE (575) 748-1471 www.yatespetroleum.com

May 8, 2013

Mr. Geoffrey Leking NM Oil Conservation Division 1625 N. French Drive Hobbs, NM 88240 MAY 092013

HOBBS OCD

RECEIVED

RE: Presidente BPD State Com #1H 30-025-39660 Section 32, T25S-R32E Lea County, New Mexico

Mr. Leking,

Yates Petroleum Corporation would like to submit the following information to you regarding the release that occurred at the above mentioned facility on June 5, 2012 (1RP-6-12-2822).

The initial release consisted of 250 barrels of produced water with 220 barrels being recovered by a vacuum truck resulting in a net loss of 30 barrels. The release covered an area of approximately 10' wide by 200' feet long. The spill occurred inside of a lined/berm battery, behind the battery on the west side and flowed into the pasture to the south of the battery.

During the course of sampling, Yates encountered a cemented barrier that prevented further delineation or excavation of the release area. As per the NRCS Web Soil Survey (see attached documentation), the soils in the surrounding area are consistent with a Tonuco loamy fine sand which has a typical profile of Loamy fine sand from 0-17 inches and a cemented (restrictive petrocalcic) layer below this point. This petrocalcic layer is considered a restrictive zone for further movement of chlorides.

On January 15, 2013, Yates provided NMOCD District I with a table summarizing the analytical data for the soils in which Yates submitted samples to a laboratory (the table is attached to this letter for your reference). Yates excavated and disposed of all the sandy soils that were found lying on top of the cemented barrier in each area of the release. The cemented barrier was encountered at different depths throughout the release area – one foot for Section 1, two feet for Section 3, and three feet for Sections 2, 4, 5, and 6. Mechanical equipment tried to get through the cemented layer in each area several times and was unsuccessful each time. These unsuccessful attempts prevented the ability to further delineate or excavate. I presented these facts, along with the sample table, to you in a meeting we had at your office, and I was told that Yates would receive an answer as to how NMOCD has handled these types of situations in the past.

JOHN A. YATES CHAIRMAN EMERITUS

JOHN A. YATES JR. CHAIRMAN OF THE BOARD PRESIDENT

JOHN D. PERINI EXECUTIVE VICE PRESIDENT CHIEF FINANCIAL OFFICER

JAMES S. BROWN CHIEF OPERATING OFFICER On Tuesday, February 26, 2013 Yates received an email response from your office on how to proceed with this release. Yates was told that further delineation/excavation would have to be performed in sections 1 and 6, as neither section showed decreasing chloride levels or chloride levels less than 1000 ppm. Section 1 occurred on the pad and plant growth will not be hindered. Also, this section of caliche will be removed once the well is plugged and abandoned. Section 6 occurred off the pad and three feet of soils have been excavated (to the depth of the cemented barrier). Three feet of clean backfill in this section would be enough to establish root development of vegetation in the area and is a common, accepted method used by BLM and industry in immobilizing chlorides. Yates does not feel that further delineation/excavation is required because of the cemented barrier and the depth to ground water (405' per NMOSE and 305' per Trend Map). Further delineation/excavation in sections 1 and 6 will decrease the effectiveness of this cemented barrier that has formed over time. Excavation of the area would create a higher risk of conduits if any future releases were to occur in this same area.

You also gave the option to install borings to meet the same criteria. We feel that this option would also create a higher risk of conduits if any future release were to occur in this same area.

The response we were given also stated that the Recommended Remediation Action Level (RRAL) for chlorides is 1000 ppm. In the current "Guidelines for Remediation of Leaks, Spills and Release" dated August 13, 1993 issued by NMOCD, there is no RRAL listed for chlorides. We do not feel that we can be held to a RRAL that does not exist in the guidelines we have been given to follow for spill clean-up.

Yates would like a reconsideration to be made on the closure of this release based off of the facts that (1) depth to groundwater is greater than 100' and (2) a naturally formed petrocalcic barrier is present. Further, based off these two facts, Yates does not feel there is a threat to human health, the environment or groundwater.

Yates is open to discussing the matter further so that this issue can be resolved in a reasonable and acceptable manner for both Yates and NMOCD. I can be reached at (575) 748-4111 or by email at <u>acannon@yatespetroleum.com</u>.

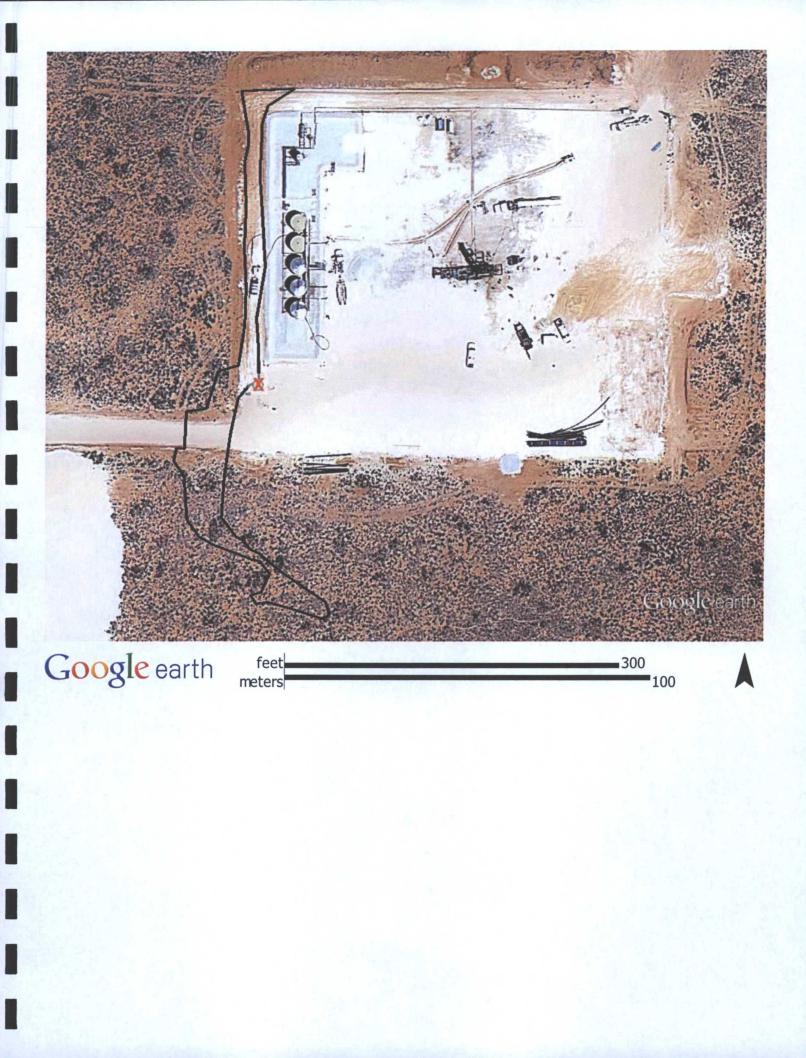
Thank You,

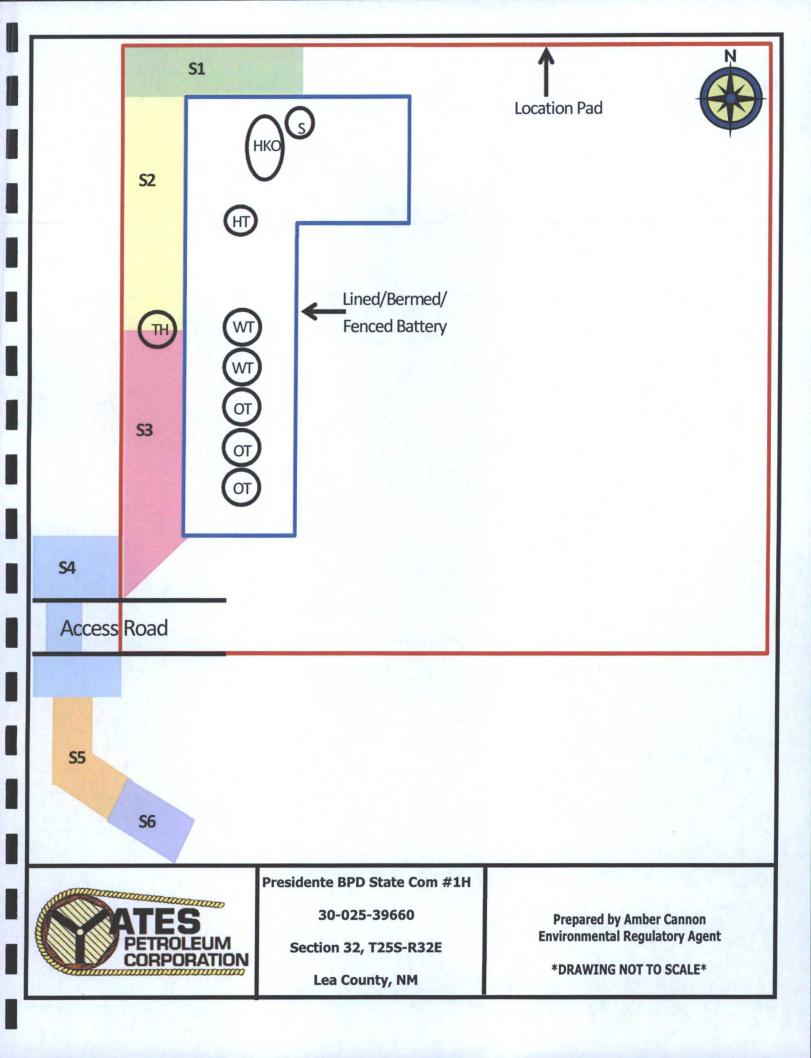
mber Cannon

Amber Cannon Environmental Regulatory Agent Yates Petroleum Corporation

Enclosure(s):

- 1. Final C-141
- 2. Release Diagram
- 3. Table summarizing Analytical Reports
- 4. Analytical Reports
- 5. NRCS Web Soil Survey
- 6. Email Communications





Presidente BPD State Com #1H

F	IND	IND	IND	IND		Comproved	01112012		0000
2		5			n d	Comp/Auger	6/11/2012	Release area	SP-P"
ND		ND	ND	ND	6"	Comp/Auger	6/11/2012	Release area	S5-6"
ND	100	ND	ND	ND	o,"	Comp/Auger	6/11/2012	Release area	S4-6"
ND		ND	ND	ND	6"	Comp/Auger	6/11/2012	Release area	S3-6"
ND	~	ND	ND	ND	6"	Comp/Auger	6/11/2012	Release area	S2-6"
ND		ND	ND	ND	6"	Comp/Auger	6/11/2012	Release area	S1-6"
0 TOTAL	0	R	GRO DRO	BTEX	Depth	Sample Type	Sample Date	Sample Area	Analytical Report- H201352

Excavated	8,800	NIA	NIA	NIA	NIA	3'	Grab/Backhoe	6/28/2012	Release area	S6-3'
Excavated	7,200	N/A	NIA	NIA	N/A	2'	Grab/Backhoe	6/28/2012	Release area	S6-2'
Excavated	5,120	N/A	NIA	NIA	NIA	1'	Grab/Backhoe	6/28/2012	Release area	S6-1'
Excavated	4,480	N/A	NIA	N/A	NIA	ų	Grab/Backhoe	6/28/2012	Release area	S5-3'
Excavated	6,880	N/A	NIA	NIA	N/A	2'	Grab/Backhoe	6/28/2012	Release area	S5-2'
Excavated	6,530	N/A	NIA	N/A	NIA	1'	Grab/Backhoe	6/28/2012	Release area	S5-1'
Excavated	1,740	NIA	NIA	NIA	N/A	ų	Grab/Backhoe	6/28/2012	Release area	S4-3'
Excavated	6,240	N/A	NIA	NIA	N/A	2'	Grab/Backhoe	6/28/2012	Release area	S4-2'
Excavated	4,040	N/A	NIA	NIA	N/A	1'	Grab/Backhoe	6/28/2012	Release area	S4-1'
	240	NIA	NIA	N/A	N/A	2'	Grab/Backhoe	6/28/2012	Release area	S3-2'
	96	NIA	N/A	NIA	N/A	1'	Grab/Backhoe	6/28/2012	Release area	S3-1'
	944	N/A	NIA	NIA	NIA	S.	Grab/Backhoe	6/28/2012	Release area	S2-3'
	2,080	N/A	N/A	NIA	NIA	2'	Grab/Backhoe	6/28/2012	Release area	S2-2'
Excavated	8,400	NIA	N/A	NIA	NIA	1	Grab/Backhoe	6/28/2012	Release area	S2-1'
Excavated	14,700	N/A	NIA	NIA	NIA	·1	Grab/Backhoe	6/28/2012	Release area	S1-1'
	Chlorides	TOTAL	GRO DRO	GRO	BTEX	Depth	Sample Type	Sample Date	Sample Area	Analytical Report- H201466

Site Ranking is ZERO (0). Depth to Ground Water >100' (approx. 405', Section 21-26S-32E, per NMOSE).

All results are ppm.Chlorides for documentation.

Released: 250 B/PW; Recovered: 220 B/PW. Release Date: 6/5/2012



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

June 19, 2012

AMBER CANNON Yates Energy Petroleum Corp 105 S 4th Street Artesia, NM 88210

RE: PRESIDENTE BPD STATE COM #1H

Enclosed are the results of analyses for samples received by the laboratory on 06/14/12 12:10.

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,

Celeg D. Keine

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:	06/14/2012	Sampling Date:	06/11/2012
Reported:	06/19/2012	Sampling Type:	Soil
Project Name:	PRESIDENTE BPD STATE COM #1H	Sampling Condition:	Cool & Intact
Project Number:	30-025-39660	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NM		

Sample ID: S1 - 6" (H201352-01)

BTEX 8021B	mg/	kg	Analyze	d By: ZZZ	-			N	
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	06/18/2012	ND	1.93	96.5	2.00	7.45	
Toluene*	<0.050	0.050	06/18/2012	ND	1.94	97.1	2.00	6.42	
Ethylbenzene*	<0.050	0.050	06/18/2012	ND	1.96	98.2	2.00	6.95	
Total Xylenes*	<0.150	0.150	06/18/2012	ND	5.91	98.6	6.00	6.73	
Surrogate: 4-Bromofluorobenzene (PIL	112 %	6 89.4-120	5	1. 1. 1.	e ^r The				
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	06/15/2012	ND	185	92.4	200	1.98	

ND

194

97.2

200

3.12

06/15/2012

Surrogate: 1-Chlorooctane	84.2 %	65.2-140
Surrogate: 1-Chlorooctadecane	105 %	63.6-154

<10.0

10.0

Cardinal Laboratories

DRO >C10-C28

*=Accredited Analyte

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Celey D.Keine

Celey D. Keene, Lab Director/Quality Manager



<10.0

<10.0

87.6%

107 %

10.0

10.0

65.2-140

63.6-154

Analytical Results For:

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

06/11/2012
Soil
Cool & Intact
Jodi Henson

Sample ID: S2 - 6" (H201352-02)

BTEX 8021B	mg/	kg	Analyze	d By: ZZZ					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	06/18/2012	ND	1.93	96.5	2.00	7.45	
Toluene*	<0.050	0.050	06/18/2012	ND	1.94	97.1	2.00	6.42	
Ethylbenzene*	<0.050	0.050	06/18/2012	ND	1.96	98.2	2.00	6.95	
Total Xylenes*	<0.150	0.150	06/18/2012	ND	5.91	98.6	6.00	6.73	
Surrogate: 4-Bromofluorobenzene (PIL	112 9	89.4-126		16.4					
TPH 8015M	mg/	kg	Analyze	d By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier

ND

ND

185

194

92.4

97.2

200

200

1.98

3.12

06/15/2012

06/15/2012

Carling		a second h	
Cardina	Lac	orat	ories

GRO C6-C10

DRO >C10-C28

Surrogate: 1-Chlorooctane

Surrogate: 1-Chlorooctadecane

*=Accredited Analyte

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Celey D. Keine

Celey D. Keene, Lab Director/Quality Manager

Page 3 of 9

Analytical Results For:

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

Received:	06/14/2012	Sampling Date:	06/11/2012
Reported:	06/19/2012	Sampling Type:	Soil
Project Name:	PRESIDENTE BPD STATE COM #1H	Sampling Condition:	Cool & Intact
Project Number:	30-025-39660	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NM		

Sample ID: S3 - 6" (H201352-03)

BTEX 8021B	mg/	/kg	Analyze	d By: ZZZ					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	06/18/2012	ND	1.93	96.5	2.00	7.45	
Toluene*	<0.050	0.050	06/18/2012	ND	1.94	97.1	2.00	6.42	
Ethylbenzene*	<0.050	0.050	06/18/2012	ND	1.96	98.2	2.00	6.95	
Total Xylenes*	<0.150	0.150	06/18/2012	ND	5.91	98.6	6.00	6.73	
Surrogate: 4-Bromofluorobenzene (PIL	111 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	06/18/2012	ND	180	89.9	200	3.86	
DRO >C10-C28	<10.0	10.0	06/18/2012	ND	183	91.3	200	7.90	
Surrogate: 1-Chlorooctane	90.3	% 65.2-14	0	De Shine					
Surrogate: 1-Chlorooctadecane	107 9	63.6-15	4						

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*=Accredited Analyte

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Celey D. Keine

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:	06/14/2012	Sampling Date:	06/11/2012
Reported:	06/19/2012	Sampling Type:	Soil
Project Name:	PRESIDENTE BPD STATE COM #1H	Sampling Condition:	Cool & Intact
Project Number:	30-025-39660	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NM		

Sample ID: S4 - 6" (H201352-04)

BTEX 8021B	mg/	/kg	Analyze	d By: ZZZ					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	06/18/2012	ND	1.93	96.5	2.00	7.45	
Toluene*	<0.050	0.050	06/18/2012	ND	1.94	97.1	2.00	6.42	
Ethylbenzene*	<0.050	0.050	06/18/2012	ND	1.96	98.2	2.00	6.95	
Total Xylenes*	<0.150	0.150	06/18/2012	ND	5.91	98.6	6.00	6.73	
Surrogate: 4-Bromofluorobenzene (PIL	111 9	89.4-12	6						
TPH 8015M	mg/	kg	Analyzed By: MS		2.				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	06/18/2012	ND	180	89.9	200	3.86	
DRO >C10-C28	<10.0	10.0	06/18/2012	ND	183	91.3	200	7.90	
Surrogate: 1-Chlorooctane	92.8	% 65.2-14	0						
Surrogate: 1-Chlorooctadecane	107 9	63.6-15	4						

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*=Accredited Analyte

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Celeg D. Kune

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

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

Analytical Results For:

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

Received:	06/14/2012	Sampling Date:	06/11/2012
Reported:	06/19/2012	Sampling Type:	Soil
Project Name:	PRESIDENTE BPD STATE COM #1H	Sampling Condition:	Cool & Intact
Project Number:	30-025-39660	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NM		

Sample ID: S5 - 6" (H201352-05)

BTEX 8021B	mg,	/kg	Analyze	d By: ZZZ					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	< 0.050	0.050	06/18/2012	ND	1.93	96.5	2.00	7.45	
Toluene*	< 0.050	0.050	06/18/2012	ND	1.94	97.1	2.00	6.42	
Ethylbenzene*	<0.050	0.050	06/18/2012	ND	1.96	98.2	2.00	6.95	
Total Xylenes*	<0.150	0.150	06/18/2012	ND	5.91	98.6	6.00	6.73	
Surrogate: 4-Bromofluorobenzene (PIL	111 9	89.4-12	6						
TPH 8015M	mg/	/kg	Analyze	Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	06/18/2012	ND	180	89.9	200	3.86	
DRO >C10-C28	<10.0	10.0	06/18/2012	ND	183	91.3	200	7.90	

Surrogate: 1-Chlorooctane95.2 %65.2-140Surrogate: 1-Chlorooctadecane109 %63.6-154

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Page 6 of 9

Analytical Results For:

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

Received:	06/14/2012	Sampling Date:	06/11/2012
Reported:	06/19/2012	Sampling Type:	Soil
Project Name:	PRESIDENTE BPD STATE COM #1H	Sampling Condition:	Cool & Intact
Project Number:	30-025-39660	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NM		

Sample ID: S6 - 6" (H201352-06)

BTEX 8021B	mg/	kg	Analyze	ed By: ZZZ					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	06/18/2012	ND	1.93	96.5	2.00	7.45	
Toluene*	<0.050	0.050	06/18/2012	ND	1.94	97.1	2.00	6.42	
Ethylbenzene*	<0.050	0.050	06/18/2012	ND	1.96	98.2	2.00	6.95	
Total Xylenes*	<0.150	0.150	06/18/2012	ND	5.91	98.6	6.00	6.73	
Surrogate: 4-Bromofluorobenzene (PIL	112 9	89.4-12	6					_	
TPH 8015M	mg/	kg	Analyze	ed By: MS	and a				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	06/18/2012	ND	180	89.9	200	3.86	
DRO >C10-C28	<10.0	10.0	06/18/2012	ND	183	91.3	200	7.90	
Surrogate: 1-Chlorooctane	93.2 9	65.2-14	0						
Surrogate: 1-Chlorooctadecane	107 9	63.6-15-	4						

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*=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 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 incidential 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. Keine

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 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

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Celey D. Kune

Celey D. Keene, Lab Director/Quality Manager

Page 8 of 9



June 19, 2012

AMBER CANNON Yates Energy Petroleum Corp 105 S 4th Street Artesia, NM 88210

RE: PRESIDENTE BPD STATE COM #1H

Enclosed are the results of analyses for samples received by the laboratory on 06/14/12 12:10.

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 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,

Celey D. Keine

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:	06/14/2012	Sampling Date:	06/11/2012
Reported:	06/19/2012	Sampling Type:	Soil
Project Name:	PRESIDENTE BPD STATE COM #1H	Sampling Condition:	Cool & Intact
Project Number:	30-025-39660	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NM		

Sample ID: S1 - 6" (H201352-01)

Chloride, SM4500CI-B	mg/	/kg	Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	14200	16.0	06/18/2012	ND	416	104	400	0.00	

Sample ID: S2 - 6" (H201352-02)

Chloride, SM4500CI-B	mg,	/kg	Analyze	d By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	8200	16.0	06/18/2012	ND	416	104	400	0.00	

Sample ID: S3 - 6" (H201352-03)

Chloride, SM4500CI-B	mg/	kg	Analyze	d By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	17800	16.0	06/19/2012	ND	416	104	400	0.00	

Sample ID: S4 - 6" (H201352-04)

Chloride, SM4500CI-B	mg,	/kg	Analyze	d By: AP		1.	the second	1. 19	Survey .
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	7860	16.0	06/19/2012	ND	416	104	400	0.00	

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Celeg D. Keine

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:	06/14/2012	Sampling Date:	06/11/2012
Reported:	06/19/2012	Sampling Type:	Soil
Project Name:	PRESIDENTE BPD STATE COM #1H	Sampling Condition:	Cool & Intact
Project Number:	30-025-39660	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NM		

Sample ID: S5 - 6" (H201352-05)

Chloride, SM4500CI-B	mg,	/kg	Analyze	d By: AP				1.1.1	
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	6000	16.0	06/19/2012	ND	416	104	400	0.00	

Sample ID: S6 - 6" (H201352-06)

Chloride, SM4500CI-B mg/kg Analyzed By: AP

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	5920	16.0	06/19/2012	ND	416	104	400	0.00	

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Celey D. Keine

Celey D. Keene, Lab Director/Quality Manager

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

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

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Celey D. Keine

Celey D. Keene, Lab Director/Quality Manager

Page 4 of 5

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CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

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

July 02, 2012

AMBER CANNON Yates Energy Petroleum Corp 105 S 4th Street Artesia, NM 88210

RE: PRESIDENTE BPD STATE COM #1H

Enclosed are the results of analyses for samples received by the laboratory on 06/29/12 11:55.

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 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

CARDINAL Laboratories

Analytical Results For:

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

Received:	06/29/2012	Sampling Date:	06/28/2012
Reported:	07/02/2012	Sampling Type:	Soil
Project Name:	PRESIDENTE BPD STATE COM #1H	Sampling Condition:	** (See Notes)
Project Number:	30-025-39660	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NM		

Sample ID: S1 - 1' (H201466-01)

Chloride, SM4500CI-B	mg/	kg	Analyze	d By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	14700	16.0	07/02/2012	ND	400	100	400	3.92	

Sample ID: S2 - 1' (H201466-02)

Chloride, SM4500CI-B	mg	/kg	Analyze	d By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	8400	16.0	07/02/2012	ND	400	100	400	3.92	

Sample ID: S2 - 2' (H201466-03)

Chloride, SM4500CI-B	mg,	/kg	Analyze	d By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	2080	16.0	07/02/2012	ND	400	100	400	3.92	

Sample ID: S2 - 3' (H201466-04)

Chloride, SM4500CI-B	mg,	/kg	Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	944	16.0	07/02/2012	ND	400	100	400	3.92	

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Celey D. Kere

Celey D. Keene, Lab Director/Quality Manager

Laboratories

Analytical Results For:

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

Received:	06/29/2012	Sampling Date:	06/28/2012	
Reported:	07/02/2012	Sampling Type:	Soil	
Project Name:	PRESIDENTE BPD STATE COM #1H	Sampling Condition:	** (See Notes)	
Project Number:	30-025-39660	Sample Received By:	Jodi Henson	
Project Location:	LEA COUNTY, NM			

Sample ID: S3 - 1' (H201466-05)

Chloride, SM4500CI-B	mg,	kg	Analyze	d By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	96.0	16.0	07/02/2012	ND	400	100	400	3.92		

Sample ID: S3 - 2' (H201466-06) Chloride SM4500CI-B

Chloride, SM4500CI-B	mg,	/kg	Analyze	d By: AP	1				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	240	16.0	07/02/2012	ND	416	104	400	8.00	

d Day AD

Sample ID: S4 - 1' (H201466-07)

Chloride, SM4500CI-B	mg	/kg	Analyze	d By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	4040	16.0	07/02/2012	ND	416	104	400	8.00	

Sample ID: S4 - 2' (H201466-08)

Chloride, SM4500CI-B	mg/	mg/kg		Analyzed By: AP					1.000
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	6240	16.0	07/02/2012	ND	416	104	400	8.00	
Sample ID: S4 - 3' (H2014	466-09)								
Chloride, SM4500CI-B	mg	kg	Analyze	d By: AP					

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	1740	16.0	07/02/2012	ND	416	104	400	8.00	

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Celeg D. Keine

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

Analytical Results For:

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

Received:	06/29/2012	Sampling Date:	06/28/2012	
Reported:	07/02/2012	Sampling Type:	Soil	
Project Name:	PRESIDENTE BPD STATE COM #1H	Sampling Condition:	** (See Notes)	
Project Number:	30-025-39660	Sample Received By:	Jodi Henson	
Project Location:	LEA COUNTY, NM			

Sample ID: S5 - 1' (H201466-10)

Chloride, SM4500CI-B	mg,	/kg	Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	6530	16.0	07/02/2012	ND	416	104	400	8.00	

Sample ID: S5 - 2' (H201466-11)

Chloride, SM4500CI-B	mg,	/kg	Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	6880	16.0	07/02/2012	ND	416	104	400	8.00	

Sample ID: S5 - 3' (H201466-12)

Chloride, SM4500Cl-B	mg,	/kg	Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	4480	16.0	07/02/2012	ND	416	104	400	8.00	

Sample ID: S6 - 1' (H201466-13)

Chloride, SM4500CI-B	mg,	mg/kg		Analyzed By: AP					Sec.
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	5120	16.0	07/02/2012	ND	416	104	400	8.00	
Sample ID: S6 - 2' (H2014	466-14)								
Chloride, SM4500CI-B	mg,	/kg	Analyze	d By: AP					

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	7200	16.0	07/02/2012	ND	416	104	400	8.00	

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Celey D.Kune

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

06/29/2012	Sampling Date:	06/28/2012
07/02/2012	Sampling Type:	Soil
PRESIDENTE BPD STATE COM #1H	Sampling Condition:	** (See Notes)
30-025-39660	Sample Received By:	Jodi Henson
LEA COUNTY, NM		
	07/02/2012 PRESIDENTE BPD STATE COM #1H 30-025-39660	07/02/2012Sampling Type:PRESIDENTE BPD STATE COM #1HSampling Condition:30-025-39660Sample Received By:

Sample ID: S6 - 3' (H201466-15)

Chile the Children of D

Chloride, SM4500CI-B	mg/	kg	Analyze	d By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	8800	16.0	07/02/2012	ND	416	104	400	8.00	

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Celey D. Keine

Celey D. Keene, Lab Director/Quality Manager

Page 5 of 8

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

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

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Celey D. Keine

Celey D. Keene, Lab Director/Quality Manager

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In th Street Project Loc: Lea County NM 88210 PO #: 1032020 A111 or 575-513-8799 Fax No: Po mat: 1032020 A111 or 575-513-8799 Fax No: Report Format: X Standard 17RP A0 eA AA E-mail: acannon@yatespetroleum.com Analyze For:	09	30-025-396	x#:	Projec	I							c	poratio	pleum Cor	Yates Petro



32° 5' 57"

32° 5' 9"

Mexico
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County
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	MAP L	MAP LEGEND		MAP INFORMATION
Area of In	Area of Interest (AOI)	8	Very Stony Spot	Map Scale: 1:10,600 if printed on A size (8.5" \times 11") sheet.
	Area of Interest (AOI)	*	Wet Spot	The soil surveys that comprise your AOI were mapped at 1:20,000.
Soils	Soil Map Units	 Snorial 	 Other Snarial Line Features 	Please rely on the bar scale on each map sheet for accurate map measurements.
Special	Special Point Features	2	Gully	0
	Borrow Pit	1	Short Steep Slope	vee soil survey urc. http://websoilsurvey.ncs.usda.gov Coordinate System: UTM Zone 13N NAD83
*	Clay Spot	Political Features	Other eatures	This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.
•	Closed Depression	•	Cities	Soil Survey Area: Lea County New Mexico
X	Gravel Pit		PLSS Township and	
*	Gravelly Spot		Range PLSS Section	Date(s) aerial images were photographed: Data not available.
0	Landfill			The orthophoto or other base map on which the soil lines were
7	Lava Flow	water reatures	streams and Canals	compiled and digitized probably differs from the background
THE THE	Marsh or swamp	Transportation	ation	of map unit boundaries may be evident.
*	Mine or Quarry	‡	Rails	
0	Miscellaneous Water	\$	Interstate Highways	
۲	Perennial Water	\$	US Routes	
>	Rock Outcrop	\$	Major Roads	
+	Saline Spot	\$	Local Roads	
×	Sandy Spot			
#	Severely Eroded Spot			
\$	Sinkhole			
Ş	Slide or Slip			
R	Sodic Spot			
555	Spoil Area			
0	Stony Spot			

3/18/2013 Page 2 of 3

Natural Resources Conservation Service

NSDA

Web Soil Survey National Cooperative Soil Survey

Map Unit Legend

	Lea County, New Mexico (NN	1025)	
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
BE	Berino-Cacique loamy fine sands association	82.8	15.1%
MF	Maljamar and palomas fine sands, 0 to 3 percent slopes	178.8	32.5%
РТ	Pyote loamy fine sand	208.5	37.9%
TF	Tonuco loamy fine sand	79.8	14.5%
Totals for Area of Inter	est	549.8	100.0%



Lea County, New Mexico

TF—Tonuco loamy fine sand

Map Unit Setting

Landscape: Uplands Elevation: 3,190 to 3,900 feet Mean annual precipitation: 10 to 13 inches Mean annual air temperature: 59 to 62 degrees F Frost-free period: 190 to 205 days

Map Unit Composition

Tonuco and similar soils: 85 percent

Description of Tonuco

Setting

Landform: Plains, ridges Landform position (two-dimensional): Shoulder Landform position (three-dimensional): Rise Down-slope shape: Linear, convex Across-slope shape: Linear Parent material: Eolian deposits derived from sedimentary rock

Properties and qualities

Slope: 0 to 3 percent
Depth to restrictive feature: 6 to 20 inches to petrocalcic
Drainage class: Excessively drained
Capacity of the most limiting layer to transmit water (Ksat): Very low to moderately low (0.00 to 0.06 in/hr)
Depth to water table: More than 80 inches
Frequency of flooding: None
Frequency of ponding: None
Calcium carbonate, maximum content: 2 percent
Gypsum, maximum content: 1 percent
Maximum salinity: Nonsaline (0.0 to 2.0 mmhos/cm)
Sodium adsorption ratio, maximum: 2.0
Available water capacity: Very low (about 1.6 inches)

Interpretive groups

Farmland classification: Not prime farmland Land capability (nonirrigated): 7e Hydrologic Soil Group: D Ecological site: Sandy 12-17" PZ (R077DY046TX)

Typical profile

0 to 12 inches: Loamy fine sand 12 to 17 inches: Loamy fine sand

17 to 27 inches: Cemented material

Data Source Information

Soil Survey Area: Lea County, New Mexico Survey Area Data: Version 9, Dec 9, 2008



Amber Cannon

From:	Amber Cannon	
Sent:	Thursday, January 03, 2013 2:45	PM
To:	Leking, Geoffrey R, EMNRD	
Cc:	Bob Asher	
Subject:	Meeting	
Importance:	High	
Tracking:	Recipient	Read
	Leking, Geoffrey R, EMNRD	
	Bob Asher	Read: 1/3/2013 2:46 PM

Good afternoon Mr. Leking,

I would like to set up a time to be able to come speak to you in person about a release in your district I am currently working on. Would you have time one day next week (1/7-1/11) for me to come over and speak with you? Please let me know the time and date that you would be available. I look forward to hearing back from you.

Thanks,

Amber Cannon

Environmental Regulatory Agent Yates Petroleum Corporation Office: (575) 748-4111 Cell: (575)-513-8799

Amber Cannon

From: To: Sent: Subject:

Leking, Geoffrey R, EMNRD <GeoffreyR.Leking@state.nm.us> Amber Cannon Friday, January 04, 2013 7:04 AM Read: Meeting

Your message was read on Friday, January 04, 2013 7:04:24 AM (GMT-07:00) Mountain Time (US & Canada).

Amber Cannon

From:	Amber Cannon	
Sent:	Monday, January 14, 2013 1:59 PM	M
То:	Leking, Geoffrey R, EMNRD; E. L. C	Gonzales (elidiol.gonzales@state.nm.us)
Cc:	Bob Asher	
Subject:	FW: Meeting	
Importance:	High	
Tracking:	Recipient	Read
	Leking, Geoffrey R, EMNRD	
	E. L. Gonzales (elidiol.gonzales@state.nm.	us)
	Bob Asher	Read: 1/14/2013 2:07 PM

Mr. Leking,

I am checking in with you about the email below that I sent on January 3rd. I have yet to receive a response from you. I would really like to get a time set up to come and meet with you.

Thanks, Amber

From: Amber Cannon Sent: Thursday, January 03, 2013 2:45 PM To: Leking, Geoffrey R, EMNRD Cc: Bob Asher Subject: Meeting Importance: High

Good afternoon Mr. Leking,

I would like to set up a time to be able to come speak to you in person about a release in your district I am currently working on. Would you have time one day next week (1/7-1/11) for me to come over and speak with you? Please let me know the time and date that you would be available. I look forward to hearing back from you.

Thanks,

Amber Cannon

Environmental Regulatory Agent Yates Petroleum Corporation Office: (575) 748-4111 Cell: (575)-513-8799

From: To: Sent: Subject:

Leking, Geoffrey R, EMNRD <GeoffreyR.Leking@state.nm.us> Amber Cannon Monday, January 14, 2013 2:18 PM Read: Meeting

Your message was read on Monday, January 14, 2013 2:18:09 PM (GMT-07:00) Mountain Time (US & Canada).

From: Sent: To: Cc: Subject: Leking, Geoffrey R, EMNRD <GeoffreyR.Leking@state.nm.us> Monday, January 14, 2013 2:45 PM Amber Cannon; Gonzales, Elidio L, EMNRD Bob Asher RE: Meeting

Amber

My apologies. I am currently open the rest of the week, but will need to go out in the field at some point. If you would like to come over at 9:00 AM tomorrow 1/15, that would be fine. Otherwise let me know when you would like to come and chat. Thank you.

Geoffrey Leking Environmental Specialist NMOCD-Hobbs 1625 N. French Drive Hobbs, NM 88240 Office: (575) 393-6161 Ext. 113 Cell: (575) 399-2990 email: geoffreyr.leking@state.nm.us

From: Amber Cannon [mailto:ACannon@yatespetroleum.com] Sent: Monday, January 14, 2013 1:59 PM To: Leking, Geoffrey R, EMNRD; Gonzales, Elidio L, EMNRD Cc: Bob Asher Subject: FW: Meeting Importance: High

Mr. Leking,

I am checking in with you about the email below that I sent on January 3rd. I have yet to receive a response from you. I would really like to get a time set up to come and meet with you.

Thanks, Amber

From: Amber Cannon Sent: Thursday, January 03, 2013 2:45 PM To: Leking, Geoffrey R, EMNRD Cc: Bob Asher Subject: Meeting Importance: High

Good afternoon Mr. Leking,

I would like to set up a time to be able to come speak to you in person about a release in your district I am currently working on. Would you have time one day next week (1/7-1/11) for me to come over and speak with you? Please let me know the time and date that you would be available. I look forward to hearing back from you.

Thanks,

Amber Cannon

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From: Sent: To: Subject: Amber Cannon Monday, January 14, 2013 3:21 PM 'Leking, Geoffrey R, EMNRD' RE: Meeting

Tomorrow will work, but could we make the time closer to 10?

Amber

From: Leking, Geoffrey R, EMNRD [mailto:GeoffreyR.Leking@state.nm.us]
Sent: Monday, January 14, 2013 2:45 PM
To: Amber Cannon; Gonzales, Elidio L, EMNRD
Cc: Bob Asher
Subject: RE: Meeting

Amber

My apologies. I am currently open the rest of the week, but will need to go out in the field at some point. If you would like to come over at 9:00 AM tomorrow 1/15, that would be fine. Otherwise let me know when you would like to come and chat. Thank you.

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From: Amber Cannon [mailto:ACannon@yatespetroleum.com] Sent: Monday, January 14, 2013 1:59 PM To: Leking, Geoffrey R, EMNRD; Gonzales, Elidio L, EMNRD Cc: Bob Asher Subject: FW: Meeting Importance: High

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Thanks, Amber

From: Amber Cannon Sent: Thursday, January 03, 2013 2:45 PM To: Leking, Geoffrey R, EMNRD Cc: Bob Asher Subject: Meeting Importance: High

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Amber Cannon

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From: Sent: To: Subject: Leking, Geoffrey R, EMNRD <GeoffreyR.Leking@state.nm.us> Monday, January 14, 2013 3:27 PM Amber Cannon RE: Meeting

Amber

That would be fine. See you at 1000.

Geoffrey Leking Environmental Specialist NMOCD-Hobbs 1625 N. French Drive Hobbs, NM 88240 Office: (575) 393-6161 Ext. 113 Cell: (575) 399-2990 email: geoffreyr.leking@state.nm.us

From: Amber Cannon [mailto:ACannon@yatespetroleum.com] Sent: Monday, January 14, 2013 3:21 PM To: Leking, Geoffrey R, EMNRD Subject: RE: Meeting

Tomorrow will work, but could we make the time closer to 10?

Amber

From: Leking, Geoffrey R, EMNRD [mailto:GeoffreyR.Leking@state.nm.us] Sent: Monday, January 14, 2013 2:45 PM To: Amber Cannon; Gonzales, Elidio L, EMNRD Cc: Bob Asher Subject: RE: Meeting

Amber

My apologies. I am currently open the rest of the week, but will need to go out in the field at some point. If you would like to come over at 9:00 AM tomorrow 1/15, that would be fine. Otherwise let me know when you would like to come and chat. Thank you.

Geoffrey Leking Environmental Specialist NMOCD-Hobbs 1625 N. French Drive Hobbs, NM 88240 Office: (575) 393-6161 Ext. 113 Cell: (575) 399-2990

email: geoffreyr.leking@state.nm.us

From: Amber Cannon [mailto:ACannon@yatespetroleum.com] Sent: Monday, January 14, 2013 1:59 PM To: Leking, Geoffrey R, EMNRD; Gonzales, Elidio L, EMNRD Cc: Bob Asher Subject: FW: Meeting Importance: High

Mr. Leking,

I am checking in with you about the email below that I sent on January 3rd. I have yet to receive a response from you. I would really like to get a time set up to come and meet with you.

Thanks, Amber

From: Amber Cannon Sent: Thursday, January 03, 2013 2:45 PM To: Leking, Geoffrey R, EMNRD Cc: Bob Asher Subject: Meeting Importance: High

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Amber Cannon

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From: Sent: To: Subject: Amber Cannon Monday, January 14, 2013 3:56 PM Bob Asher FW: Meeting

FYI...I am going to meet with Geoffrey tomorrow at 10.

Amber

From: Leking, Geoffrey R, EMNRD [mailto:GeoffreyR.Leking@state.nm.us] Sent: Monday, January 14, 2013 3:27 PM To: Amber Cannon Subject: RE: Meeting

Amber

That would be fine. See you at 1000.

Geoffrey Leking Environmental Specialist NMOCD-Hobbs 1625 N. French Drive Hobbs, NM 88240 Office: (575) 393-6161 Ext. 113 Cell: (575) 399-2990 email: geoffreyr.leking@state.nm.us

From: Amber Cannon [mailto:ACannon@yatespetroleum.com] Sent: Monday, January 14, 2013 3:21 PM To: Leking, Geoffrey R, EMNRD Subject: RE: Meeting

Tomorrow will work, but could we make the time closer to 10?

Amber

From: Leking, Geoffrey R, EMNRD [mailto:GeoffreyR.Leking@state.nm.us]
Sent: Monday, January 14, 2013 2:45 PM
To: Amber Cannon; Gonzales, Elidio L, EMNRD
Cc: Bob Asher
Subject: RE: Meeting

Amber

My apologies. I am currently open the rest of the week, but will need to go out in the field at some point. If you would like to come over at 9:00 AM tomorrow 1/15, that would be fine. Otherwise let me know when you would like to come and chat. Thank you.

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From: Amber Cannon [mailto:ACannon@yatespetroleum.com] Sent: Monday, January 14, 2013 1:59 PM To: Leking, Geoffrey R, EMNRD; Gonzales, Elidio L, EMNRD Cc: Bob Asher Subject: FW: Meeting Importance: High

Mr. Leking,

I am checking in with you about the email below that I sent on January 3rd. I have yet to receive a response from you. I would really like to get a time set up to come and meet with you.

Thanks, Amber

From: Amber Cannon Sent: Thursday, January 03, 2013 2:45 PM To: Leking, Geoffrey R, EMNRD Cc: Bob Asher Subject: Meeting Importance: High

Good afternoon Mr. Leking,

I would like to set up a time to be able to come speak to you in person about a release in your district I am currently working on. Would you have time one day next week (1/7-1/11) for me to come over and speak with you? Please let me know the time and date that you would be available. I look forward to hearing back from you.

Thanks,

Amber Cannon

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From: Sent: To: Subject: Attachments: Amber Cannon Friday, January 18, 2013 11:38 AM Leking, Geoffrey R, EMNRD Presidente BPD #1H Follow-Up PresidenteDiagram.xlsx

Mr. Leking,

This is a follow-up from our meeting we had on Tuesday January 15th at our office about the Presidente BPD State Com #1H.

I gave you a summary of my current soil analysis results. During the course of my sampling, we found a very hard caliche layer anywhere from a depth of 1'-3' (the layer was found at different footage in each section sampled). We were not able to delineate samples further as the backhoe could not break through this hard layer and prevented us from getting more delineation. Yates has excavated 1' from Sections 1 - 2, 6" from Section 3, and 3' from Sections 4-6.

Due to the distance to groundwater 405' (per NMOSE) and 305' (per NMOCD Trend Map), Yates asked the question what are we are trying to protect?

We also made the suggestion that we could clean up the excavation in order for you to make a site visit and inspect this hard layer that we found. You said that you might be interested in this and would let me know.

Only 30 bbls of Produced water was actually lost in this release and it covered an area of approximately 10' by 200'.

Also attached to this email is a simple site diagram. If you have any questions about it, please let me know.

At the end of our meeting you told me that you were going to review other releases of this nature and get me an answer as to what you would like to see done. This answer should be given to Yates from you by Tuesday January 22nd.

I appreciate the time that you took from your schedule this last Tuesday to discuss this site. I look forward to hearing back from you.

Thanks,

Amber Cannon

Environmental Regulatory Agent Yates Petroleum Corporation Office: (575) 748-4111 Cell: (575)-513-8799

From:Leking, Geoffrey R, EMNRD <GeoffreyR.Leking@state.nm.us>Sent:Wednesday, January 23, 2013 11:47 AMTo:Amber CannonSubject:Soil RRALs for 1) ground water at depth 2) massive caliche encountered

Amber

I am still working on these. I have to go out in the field this afternoon. Let me get back to you tomorrow. Thanks.

 From:
 Ar

 Sent:
 W

 To:
 'Le

 Subject:
 RE

Amber Cannon Wednesday, January 23, 2013 3:25 PM 'Leking, Geoffrey R, EMNRD' RE: Soil RRALs for 1) ground water at depth 2) massive caliche encountered

Alright, thanks for the update.

Amber

From: Leking, Geoffrey R, EMNRD [mailto:GeoffreyR.Leking@state.nm.us]
Sent: Wednesday, January 23, 2013 11:47 AM
To: Amber Cannon
Subject: Soil RRALs for 1) ground water at depth 2) massive caliche encountered

Amber

I am still working on these. I have to go out in the field this afternoon. Let me get back to you tomorrow. Thanks.

From: Sent: To: Cc: Subject: Amber Cannon Monday, January 28, 2013 4:52 PM Leking, Geoffrey R, EMNRD Bob Asher FW: Soil RRALs for 1) ground water at depth 2) massive caliche encountered

From: Amber Cannon
Sent: Monday, January 28, 2013 4:51 PM
To: Amber Cannon
Subject: RE: Soil RRALs for 1) ground water at depth 2) massive caliche encountered

Mr. Leking,

Just checking in with you about the above mentioned issue. I haven't received a response. Look forward to hearing from you.

Thanks, Amber

From: Amber Cannon
Sent: Wednesday, January 23, 2013 3:25 PM
To: 'Leking, Geoffrey R, EMNRD'
Subject: RE: Soil RRALs for 1) ground water at depth 2) massive caliche encountered

Alright, thanks for the update.

Amber

From: Leking, Geoffrey R, EMNRD [mailto:GeoffreyR.Leking@state.nm.us]
Sent: Wednesday, January 23, 2013 11:47 AM
To: Amber Cannon
Subject: Soil RRALs for 1) ground water at depth 2) massive caliche encountered

Amber

I am still working on these. I have to go out in the field this afternoon. Let me get back to you tomorrow. Thanks.

From: To: Sent: Subject: Leking, Geoffrey R, EMNRD <GeoffreyR.Leking@state.nm.us> Amber Cannon Tuesday, January 29, 2013 8:40 AM Read: Presidente BPD #1H Follow-Up

Your message was read on Tuesday, January 29, 2013 8:40:30 AM (GMT-07:00) Mountain Time (US & Canada).

From:	Amber Cannon		
Sent:	Wednesday, February 06, 2013 8:15 AM		
То:	Leking, Geoffrey R, EMNRD; E. L. Gonzales (elidiol.gonzales@state.nm.us)		
Cc:	Bob Asher; Lisa Norton ; Katie Parker		
Subject:	FW: Soil RRALs for 1) ground water at depth 2) massive caliche encountered		
Importance:	High		
Tracking:	Recipient	Read	
	Leking, Geoffrey R, EMNRD		
	E. L. Gonzales (elidiol.gonzales@state.nm.us)		
	Bob Asher	Read: 2/6/2013 8:16 AM	
	Lisa Norton		
	Katie Parker		

Mr. Leking,

At our meeting on January 15, 2013 in your office, you told me that Yates would receive a response on how to go forward with the release that happened at the President BPD State Com #1H by the following week (January 22, 2013).

On Wednesday, January 23, 2013 you sent me an email (can be found below) that you would get back with me the following day (24th).

As of Monday, January 28, 2013 I still hadn't received a response from you as to how to go forward with this release so I sent you an email asking for a response.

As of today, Wednesday February 6, 2013 I still haven't received a response. Could Yates please get a response as to how to go forward with this spill in order to get it successfully closed?

Thank you for your time, Amber Cannon

From: Amber Cannon Sent: Monday, January 28, 2013 4:52 PM To: Leking, Geoffrey R, EMNRD Cc: Bob Asher Subject: FW: Soil RRALs for 1) ground water at depth 2) massive caliche encountered

From: Amber Cannon Sent: Monday, January 28, 2013 4:51 PM To: Amber Cannon Subject: RE: Soil RRALs for 1) ground water at depth 2) massive caliche encountered

Mr. Leking,

Just checking in with you about the above mentioned issue. I haven't received a response. Look forward to hearing from you.

Thanks, Amber

From: Amber Cannon
Sent: Wednesday, January 23, 2013 3:25 PM
To: 'Leking, Geoffrey R, EMNRD'
Subject: RE: Soil RRALs for 1) ground water at depth 2) massive caliche encountered

Alright, thanks for the update.

Amber

From: Leking, Geoffrey R, EMNRD [mailto:GeoffreyR.Leking@state.nm.us]
Sent: Wednesday, January 23, 2013 11:47 AM
To: Amber Cannon
Subject: Soil RRALs for 1) ground water at depth 2) massive caliche encountered

Amber

I am still working on these. I have to go out in the field this afternoon. Let me get back to you tomorrow. Thanks.

From:Leking, Geoffrey R, EMNRD <GeoffreyR.Leking@state.nm.us>To:Amber CannonSent:Thursday, February 07, 2013 3:50 PMSubject:Read: Soil RRALs for 1) ground water at depth 2) massive caliche encountered

Your message was read on Thursday, February 07, 2013 3:50:17 PM (GMT-07:00) Mountain Time (US & Canada).

From:Leking, Geoffrey R, EMNRD <GeoffreyR.Leking@state.nm.us>To:Amber CannonSent:Friday, February 08, 2013 11:41 AMSubject:Read: Soil RRALs for 1) ground water at depth 2) massive caliche encountered

Your message was read on Friday, February 08, 2013 11:41:06 AM (GMT-07:00) Mountain Time (US & Canada).

From:	Amber Cannon		
Sent:	Monday, February 25, 2013 8:36 AM		
То:	Leking, Geoffrey R, EMNRD; E. L. Gonzales (elidiol.gonzales@state.nm.us); Sanchez, Daniel J., EMNRD (daniel.sanchez@state.nm.us)		
Cc:	Bob Asher; Lisa Norton ; Katie Parker		
Subject:	RE: Soil RRALs for 1) ground water at depth 2) massive caliche encountered		
Attachments:	PresidenteBPDStateCom1H_Sample Table_061112.xlsx		
Importance:	High		
Tracking:	Recipient	Read	
	Leking, Geoffrey R, EMNRD		
	E. L. Gonzales (elidiol.gonzales@state.nm.us)		
	Sanchez, Daniel J., EMNRD (daniel.sanchez@state.nm.us)		
	Bob Asher		
	Lisa Norton		
	Katie Parker	Read: 2/25/2013 8:40 AM	

Mr. Leking,

Do you have a response as to how Yates should proceed with the release at the Presidente BPD State Com #1H? We are at a standstill with moving forward on clean-up and/or backfill until I receive a response from you.

Just to refresh your mind about this site:

On June 5, 2012 Yates released 250 B/PW due to an 8" water line that busted due to extreme pressure. A vacuum truck was called in and they were able to recover 220 B/PW, the loss of the release was only 30 B/PW. The release covered an area of approximately 10' by 200'. The site was scraped and soil samples were taken for BTEX, GRO, DRO, TPH and Chlorides. BTEX, GRO, DRO, and TPH all came back as non-detect. However, chloride levels were elevated. I have attached my soil sample table summary (I gave you a copy on 1/15/13 when we met in your office). Yates Petroleum has excavated S1 through 1', S2 through 1', S3 through 6'', S4 through 3', S5 through 3' and S6 through 3'. All soils that were excavated were sent to a NMOCD approved disposal facility. Yates was not able to excavate or delineate samples (in any section) further due to an extremely hard caliche layer we encountered. The backhoe we had on site could not break through. Distance to groundwater is 405' per NMOSE and 305' per NMOCD trend map. We would like to know how NMOCD would suggest we move forward with this release. Are we going to be required to delineate further for chlorides? Or can we close this site and backfill? Yates feels that with the depth to groundwater that we would not impact groundwater. You had told me that you would have an answer to me by January 22, 2013 and we are still waiting.

A response would be greatly appreciated so that we may move forward.

Thanks for your time,

Amber Cannon

Environmental Regulatory Agent

Yates Petroleum Corporation Office: (575) 748-4111 Cell: (575)-513-8799

From: Amber Cannon
Sent: Wednesday, February 06, 2013 8:15 AM
To: Leking, Geoffrey R, EMNRD; E. L. Gonzales (elidiol.gonzales@state.nm.us)
Cc: Bob Asher; Lisa Norton ; Katie Parker
Subject: FW: Soil RRALs for 1) ground water at depth 2) massive caliche encountered
Importance: High

Mr. Leking,

At our meeting on January 15, 2013 in your office, you told me that Yates would receive a response on how to go forward with the release that happened at the President BPD State Com #1H by the following week (January 22, 2013).

On Wednesday, January 23, 2013 you sent me an email (can be found below) that you would get back with me the following day (24th).

As of Monday, January 28, 2013 I still hadn't received a response from you as to how to go forward with this release so I sent you an email asking for a response.

As of today, Wednesday February 6, 2013 I still haven't received a response. Could Yates please get a response as to how to go forward with this spill in order to get it successfully closed?

Thank you for your time, Amber Cannon

From: Amber Cannon
Sent: Monday, January 28, 2013 4:52 PM
To: Leking, Geoffrey R, EMNRD
Cc: Bob Asher
Subject: FW: Soil RRALs for 1) ground water at depth 2) massive caliche encountered

From: Amber Cannon Sent: Monday, January 28, 2013 4:51 PM To: Amber Cannon Subject: RE: Soil RRALs for 1) ground water at depth 2) massive caliche encountered

Mr. Leking,

Just checking in with you about the above mentioned issue. I haven't received a response. Look forward to hearing from you.

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Sent: Wednesday, January 23, 2013 3:25 PM
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Subject: RE: Soil RRALs for 1) ground water at depth 2) massive caliche encountered

Alright, thanks for the update.

Amber

From: Leking, Geoffrey R, EMNRD [mailto:GeoffreyR.Leking@state.nm.us]
Sent: Wednesday, January 23, 2013 11:47 AM
To: Amber Cannon
Subject: Soil RRALs for 1) ground water at depth 2) massive caliche encountered

Amber

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From:Leking, Geoffrey R, EMNRD <GeoffreyR.Leking@state.nm.us>To:Amber CannonSent:Monday, February 25, 2013 10:18 AMSubject:Read: Soil RRALs for 1) ground water at depth 2) massive caliche encountered

Your message was read on Monday, February 25, 2013 10:17:38 AM (GMT-07:00) Mountain Time (US & Canada).

From:	Leking, Geoffrey R, EMNRD <geoffreyr.leking@state.nm.us></geoffreyr.leking@state.nm.us>	
Sent:	Tuesday, February 26, 2013 10:41 AM	
То:	Amber Cannon; Gonzales, Elidio L, EMNRD; Sanchez, Daniel J., EMNRD	
Cc:	Bob Asher; Lisa Norton; Katie Parker	
Subject:	RE: Soil RRALs for 1) ground water at depth 2) massive caliche encountered	

Amber

Please excavate further at S1 and S6 to display decreasing trend and/or less than 1000 ppm (ideally 250 ppm). The concentration at S1 is 14 times the RRAL at current bottom depth of 1.0' and S6 displays an increasing trend with a bottom depth concentration that is almost 9 times the RRAL. Note: I am not requesting that you excavate at the locations where a decreasing trend is observed or the RRAL has been satisfied.

This approach is consistent with other sites with ground water at similar depths Caliche may be fractured or may become saturated even without the secondary porosity presented by fracturing, Many times very competent caliche when excavated with the assistance of a rock hammer or track hoe is displayed to be only a few to several feet thick and then less competent material is discovered. Fluid may also flow over a competent but limited extent of caliche and then find a preferential pathway (ie., more permeable pathway) and migrate vertically and horizontally.

The depth of ground water allows for using the decreasing trend scenario and the cleanup level scenario as a shallow ground water scenario would force the request to delineate vertically to 250 ppm.

Please contact me if you have any questions.

Thank you.

Geoffrey Leking Environmental Specialist NMOCD-Hobbs 1625 N. French Drive Hobbs, NM 88240 Office: (575) 393-6161 Ext. 113 Cell: (575) 399-2990 email: geoffreyr.leking@state.nm.us

From: Amber Cannon [mailto:ACannon@yatespetroleum.com]
Sent: Monday, February 25, 2013 8:36 AM
To: Leking, Geoffrey R, EMNRD; Gonzales, Elidio L, EMNRD; Sanchez, Daniel J., EMNRD
Cc: Bob Asher; Lisa Norton; Katie Parker
Subject: RE: Soil RRALs for 1) ground water at depth 2) massive caliche encountered
Importance: High

Mr. Leking,

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Just to refresh your mind about this site:

On June 5, 2012 Yates released 250 B/PW due to an 8"water line that busted due to extreme pressure. A vacuum truck was called in and they were able to recover 220 B/PW, the loss of the release was only 30 B/PW. The release covered an area of approximately 10' by 200'. The site was scraped and soil samples were taken for BTEX, GRO, DRO, TPH and Chlorides. BTEX, GRO, DRO, and TPH all came back as non-detect. However, chloride levels were elevated. I have attached my soil sample table summary (I gave you a copy on 1/15/13 when we met in your office). Yates Petroleum has excavated S1 through 1', S2 through 1', S3 through 6", S4 through 3', S5 through 3' and S6 through 3'. All soils that were excavated were sent to a NMOCD approved disposal facility. Yates was not able to excavate or delineate samples (in any section) further due to an extremely hard caliche layer we encountered. The backhoe we had on site could not break through. Distance to groundwater is 405' per NMOSE and 305' per NMOCD trend map. We would like to know how NMOCD would suggest we move forward with this release. Are we going to be required to delineate further for chlorides? Or can we close this site and backfill? Yates feels that with the depth to groundwater that we would not impact groundwater. You had told me that you would have an answer to me by January 22, 2013 and we are still waiting.

A response would be greatly appreciated so that we may move forward.

Thanks for your time,

Amber Cannon

Environmental Regulatory Agent Yates Petroleum Corporation Office: (575) 748-4111 Cell: (575)-513-8799

From: Amber Cannon
Sent: Wednesday, February 06, 2013 8:15 AM
To: Leking, Geoffrey R, EMNRD; E. L. Gonzales (<u>elidiol.gonzales@state.nm.us</u>)
Cc: Bob Asher; Lisa Norton ; Katie Parker
Subject: FW: Soil RRALs for 1) ground water at depth 2) massive caliche encountered
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From:	Leking, Geoffrey R, EMNRD <geoffreyr.leking@state.nm.us></geoffreyr.leking@state.nm.us>	
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То:	Amber Cannon; Gonzales, Elidio L, EMNRD; Sanchez, Daniel J., EMNRD	
Cc:	Bob Asher; Lisa Norton; Katie Parker	
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I forgot to state that you can also install borings to meet the same criteria as described in my previous email. Please contact me if you have any questions. Thank you.

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7

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Mr. Leking,

Thank you for your response. Yates will be discussing these options next week. I may have some questions for you after we have a chance for in-house discussion.

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