

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S.P. YATES
CHAIRMAN EMERITUS

JOHN A. YATES
CHAIRMAN OF THE BOARD

PEYTON YATES
PRESIDENT

FRANK YATES, JR.
EXECUTIVE VICE PRESIDENT

JOHN A. YATES, JR.
SENIOR VICE PRESIDENT

July 5, 2007

Mr. Chris Williams
NMOCD District I
1625 French Drive
Hobbs, NM 88240

RE: 1RP-⁹¹²~~872~~
Kiwi AKX State #8
30-025-31889
Section 16, T22S-R32E
Lea County, New Mexico

Dear Mr. Williams,

Enclosed please find a Form C-141, Final Report for the above captioned site regarding the release on May 29, 2006 (800 B/PW with 0 B/PW recovered), contained within the bermed pad area and a portion between the facility and the lease road. Samples have been taken (June 19, 2007) and sent to an OCD approved laboratory for analysis (please see attached analytical reports and sample diagram). Site ranking is zero (0), with the depth to ground water > 100' (approximately 310'). Based on the analytical results, Yates Petroleum Corporation requests no further remediation and site closure.

If you have any questions, please call me at 505-748-4217.

Thank you.

YATES PETROLEUM CORPORATION

Robert Asher
Environmental Regulatory Agent

/rca
Enclosure(s)



RANDY G. PATTERSON
VICE PRESIDENT

DAVID L. LANNING
ASSISTANT VICE PRESIDENT

DENNIS G. KINSEY
TREASURER

District I
1625 N Frerich Dr, Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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

Form C-141
Revised October 10, 2003

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

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

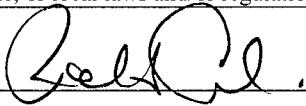

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 TH Street	Telephone No. 505-748-1471	
Facility Name Kiwi AKX State #8	API Number 30-025-31889	Facility Type Battery
Surface Owner State	Mineral Owner State	Lease No. VB-134

LOCATION OF RELEASE

Unit Letter F	Section 16	Township 22S	Range 32E	Feet from the 1980	North/South Line North	Feet from the 2310	East/West Line West	County Lea
------------------	---------------	-----------------	--------------	-----------------------	---------------------------	-----------------------	------------------------	---------------

Latitude 32.39337 Longitude 103.68028

NATURE OF RELEASE

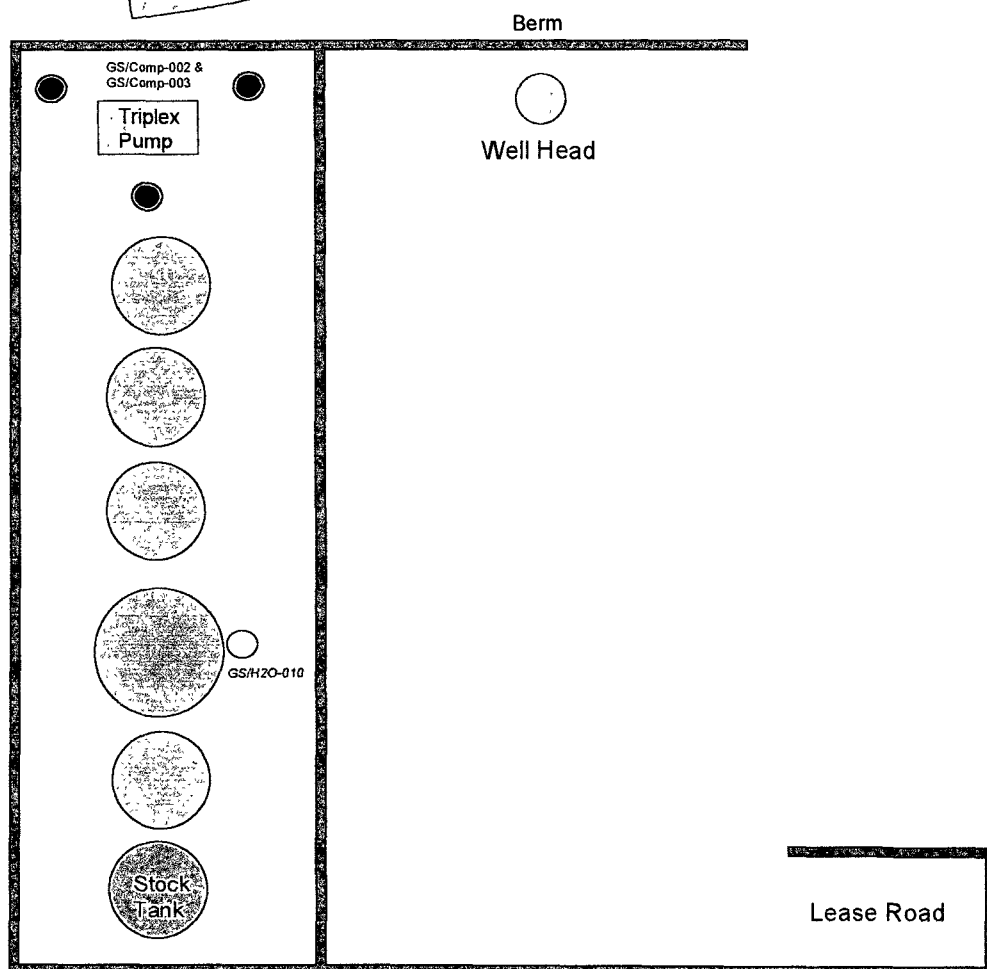
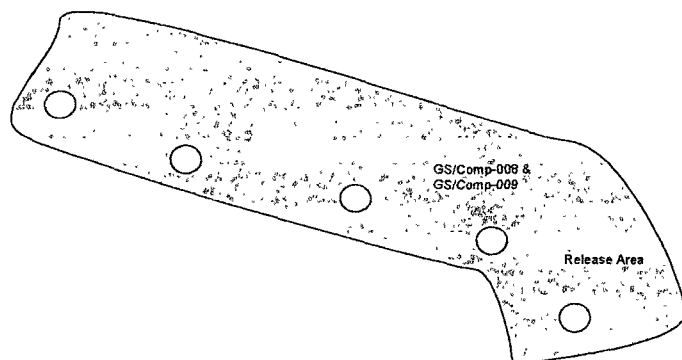
Type of Release Produced Water	Volume of Release 800 B/PW	Volume Recovered 0 B/PW
Source of Release Water Gathering Line	Date and Hour of Occurrence 5/29/2006 - AM	Date and Hour of Discovery 5/29/2006 - AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Pat Caperton, OCD District I	
By Whom? Jerry Fanning, Yates Petroleum Corporation	Date and Hour 5/30/2006, 9:30 AM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse N/A	
If a Watercourse was Impacted, Describe Fully.* N/A		
Describe Cause of Problem and Remedial Action Taken * A swedge on the discharge side of the triplex pump corroded and broke off. Shut valves, stopped leak. Swedge was repaired.		
Describe Area Affected and Cleanup Action Taken.* An approximate area was the dike area in which the pump was sitting, the area between the SWD facility and the lease road. Depth to Ground Water: >100'; Wellhead Protection Area: No; Distance to Surface Water Body: >1000'; SITE RANKING IS 0. With enclosed information, Yates Petroleum Corporation is requesting 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		
Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Approved by District Supervisor: 	
Title: Environmental Regulatory Agent	Approval Date: <u>7/26/07</u>	Expiration Date: <u>9/26/07</u>
E-mail Address: boba@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Thursday, July 05, 2007	Phone: 505-748-1471	

* Attach Additional Sheets If Necessary

Sample ID	Sample Date	Sample Type	Depth	BTEX	Chlorides	TPH (GRO)	TPH (DRO)	TPH (TOTAL)
GS/Comp-002	6/19/2007	Grab	1'	ND	1590	ND	ND	ND
GS/Comp-003	6/19/2007	Grab	2'	ND	788	ND	ND	ND
GS/Comp-008	6/19/2007	Grab	1'	ND	235	ND	ND	ND
GS/Comp-008	6/19/2007	Grab	2'	ND	2340	ND	ND	ND
GS/H2O-010	6/19/2007	Grab	N/A	N/A	218,000	N/A	N/A	N/A



Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 310'). All results are ppm.



Kiwi AKX State #8
Section 16, T22S-R32E
Lea County, NM

EXHIBIT
Sample Diagram (Not to Scale)

Prepared by Robert Asher
Environmental Regulatory Agent
July 5, 2007

Analytical Report 284653

for

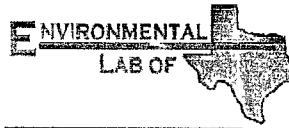
Yates Petroleum Corporation

Project Manager: Robert Asher

Kiwi AKX State # 8

30-025-31889

05-JUL-07



12600 West I-20 East Odessa, Texas 79765

A Xenco Laboratories Company

NELAC certification numbers:

Houston, TX E871002 - Miami, FL E86678 - Tampa, FL E86675

Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America



05-JUL-07

Project Manager: **Robert Asher**
Yates Petroleum Corporation
105 South Fourth St
Artesia, NM 88210

Reference: XENCO Report No: **284653**
Kiwi AKX State # 8
Project Address: Lea County

Robert Asher:

We are reporting to you the results of the analyses performed on the samples received under the project name referenced above and identified with the XENCO Report Number 284653. All results being reported under this Report Number apply to the samples analyzed and properly identified with a Laboratory ID number. Subcontracted analyses are identified in this report with either the NELAC certification number of the subcontract lab in the analyst ID field, or the complete subcontracted report attached to this report.

Unless otherwise noted in a Case Narrative, all data reported in this Analytical Report are in compliance with NELAC standards. Estimation of data uncertainty for this report is found in the quality control section of this report unless otherwise noted. Should insufficient sample be provided to the laboratory to meet the method and NELAC Matrix Duplicate and Matrix Spike requirements, then the data will be analyzed, evaluated and reported using all other available quality control measures.

The validity and integrity of this report will remain intact as long as it is accompanied by this letter and reproduced in full, unless written approval is granted by XENCO Laboratories. This report will be filed for at least 5 years in our archives after which time it will be destroyed without further notice, unless otherwise arranged with you. The samples received, and described as recorded in Report No. 284653 will be filed for 60 days, and after that time they will be properly disposed without further notice, unless otherwise arranged with you. We reserve the right to return to you any unused samples, extracts or solutions related to them if we consider so necessary (e.g., samples identified as hazardous waste, sample sizes exceeding analytical standard practices, controlled substances under regulated protocols, etc).

We thank you for selecting XENCO Laboratories to serve your analytical needs. If you have any questions concerning this report, please feel free to contact us at any time.

Respectfully,

Brent Barron

Odessa Laboratory Director

Recipient of the Prestigious Small Business Administration Award of Excellence in 1994.

Certified and approved by numerous States and Agencies.

A Small Business and Minority Status Company that delivers SERVICE and QUALITY

Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America



Sample Cross Reference 284653



Yates Petroleum Corporation, Artesia, NM

Kiwi AKX State # 8

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
GS/Comp-001	S	Jun-19-07 10:00	1 - 1 ft	284653-001
GS/Comp-002	S	Jun-19-07 10:20	1 - 1 ft	284653-002
GS/Comp-003	S	Jun-19-07 10:32	2 - 2 ft	284653-003
GS/Comp-004	S	Jun-19-07 10:52	1 - 1 ft	284653-004
GS/Comp-005	S	Jun-19-07 11:10	2 - 2 ft	284653-005
GS/Comp-006	S	Jun-19-07 11:29	1 - 1 ft	284653-006
GS/Comp-007	S	Jun-19-07 11:48	2 - 2 ft	284653-007
GS/Comp-008	S	Jun-19-07 12:07	1 - 2 ft	284653-008
GS/Comp-009	S	Jun-19-07 12:20	2 - 2 ft	284653-009
GS/H2O-010	W	Jun-19-07 12:30		284653-010



Certificate of Analysis Summary 284653

Yates Petroleum Corporation, Artesia, NM

Project Name: Kiwi AKX State # 8



Project Id: 30-025-31889

Contact: Robert Asher

Project Location: Lea County

Date Received in Lab: Thu Jun-21-07 09:40 am

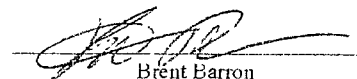
Report Date: 05-JUL-07

Project Manager: Brent Barron, II

Analysis Requested	Lab Id:	284653-001	284653-002	284653-003	284653-004	284653-005	284653-006
	Field Id:	GS/Comp-001	GS/Comp-002	GS/Comp-003	GS/Comp-004	GS/Comp-005	GS/Comp-006
	Depth:	1-1 ft	1-1 ft	2-2 ft	1-1 ft	2-2 ft	1-1 ft
	Matrix:	SOIL	SOIL	SOIL	SOIL	SOIL	SOIL
	Sampled:	Jun-19-07 10 00	Jun-19-07 10 20	Jun-19-07 10 32	Jun-19-07 10 52	Jun-19-07 11 10	Jun-19-07 11 29
BTEX by EPA 8021B	Extracted:	Jun-26-07 14 40	Jun-26-07 14 40	Jun-26-07 14 40	Jun-26-07 14 40	Jun-26-07 14 40	Jun-26-07 14 40
	Analyzed:	Jun-28-07 16 19	Jun-27-07 14 32	Jun-27-07 14 52	Jun-27-07 15 13	Jun-27-07 15 34	Jun-27-07 15 54
	Units/RL:	mg/kg RL	mg/kg RL	mg/kg RL	mg/kg RL	mg/kg RL	mg/kg RL
Benzene		ND 0.0265	ND 0.0021	ND 0.0021	ND 0.0021	ND 0.0022	ND 0.0021
Toluene		ND 0.0265	ND 0.0021	ND 0.0021	ND 0.0021	ND 0.0022	ND 0.0021
Ethylbenzene		ND 0.0265	ND 0.0021	ND 0.0021	ND 0.0021	ND 0.0022	ND 0.0021
m,p-Xylene		ND 0.0529	ND 0.0042	ND 0.0042	ND 0.0042	ND 0.0043	ND 0.0043
o-Xylene		ND 0.0265	ND 0.0021	ND 0.0021	ND 0.0021	ND 0.0022	ND 0.0021
Total Xylenes		ND	ND	ND	ND	ND	ND
Total BTEX		ND	ND	ND	ND	ND	ND
Inorganic Anions by EPA 300	Extracted:						
	Analyzed:	Jun-22-07 18 24	Jun-22-07 18 44	Jun-22-07 19 04	Jun-22-07 19 24	Jun-22-07 19 44	Jun-22-07 20 04
	Units/RL:	mg/kg RL	mg/kg RL	mg/kg RL	mg/kg RL	mg/kg RL	mg/kg RL
Chloride		108 0.529	1590 0.520	788 0.520	411 0.523	1500 0.540	2590 0.537
Percent Moisture	Extracted:						
	Analyzed:	Jun-21-07 16 00	Jun-21-07 15 55	Jun-21-07 15 50	Jun-21-07 15 45	Jun-21-07 15 40	Jun-21-07 15 35
	Units/RL:	% RL	% RL	% RL	% RL	% RL	% RL
Percent Moisture		5.54	3.86	3.79	4.48	7.46	6.89
TPH by SW 8015B	Extracted:	Jun-22-07 09 27	Jun-22-07 09 29	Jun-22-07 09 31	Jun-22-07 09 33	Jun-22-07 09 35	Jun-22-07 09 37
	Analyzed:	Jun-23-07 07 26	Jun-23-07 07 51	Jun-23-07 08 16	Jun-23-07 08 41	Jun-23-07 09 06	Jun-23-07 09 30
	Units/RL:	mg/kg RL	mg/kg RL	mg/kg RL	mg/kg RL	mg/kg RL	mg/kg RL
C6-C10 Gasoline Range Hydrocarbons		ND 26.5	ND 26.0	ND 26.0	ND 26.2	ND 27.0	ND 26.8
C10-C28 Diesel Range Hydrocarbons		ND 20.5	ND 26.0	ND 26.0	ND 26.2	ND 27.0	ND 26.8

This analytical report and the entire data package it represents, has been made for your exclusive and confidential use. The interpretations and results expressed throughout this analytical report represent the best judgment of XENCO Laboratories. XENCO Laboratories assumes no responsibility and makes no warranty to the end use of the data hereby presented. Our liability is limited to the amount invoiced for this work, or der unless otherwise agreed to in writing.

Since 1990 Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America


Brent Barron
Odessa Laboratory Director



Certificate of Analysis Summary 284653

Yates Petroleum Corporation, Artesia, NM

Project Name: Kiwi AKX State # 8



Project Id: 30-025-31889

Contact: Robert Asher

Project Location: Lea County

Date Received in Lab: Thu Jun-21-07 09:40 am

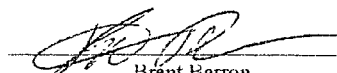
Report Date: 05-JUL-07

Project Manager: Brent Barron, II

<i>Analysis Requested</i>	<i>Lab Id.</i>	284653-007	284653-008	284653-009	284653-010		
	<i>Field Id:</i>	GS/Comp-007	GS/Comp-008	GS/Comp-009	GS/H2O-010		
	<i>Depth:</i>	2-2 ft	1-2 ft	2-2 ft			
	<i>Matrix:</i>	SOIL	SOIL	SOIL	WATER		
	<i>Sampled:</i>	Jun-19-07 11 48	Jun-19-07 12 07	Jun-19-07 12 20	Jun-19-07 12 30		
BTEX by EPA 8021B	<i>Extracted:</i>	Jun-26-07 14 40	Jun-26-07 14 40	Jun-26-07 14 40			
	<i>Analyzed:</i>	Jun-27-07 16 15	Jun-27-07 16 36	Jun-27-07 16 57			
	<i>Units/RL:</i>	mg/kg RL	mg/kg RL	mg/kg RL			
		ND 0 0022	ND 0 0021	ND 0 0022			
Benzene		ND 0 0022	ND 0 0021	ND 0 0022			
Toluene		ND 0 0022	ND 0 0021	ND 0 0022			
Ethylbenzene		ND 0 0022	ND 0 0021	ND 0 0022			
m,p-Xylene		ND 0 0044	ND 0 0042	ND 0 0043			
o-Xylene		ND 0 0022	ND 0 0021	ND 0 0022			
Total Xylenes		ND	ND	ND			
Total BTEX		ND	ND	ND			
Inorganic Anions by EPA 300	<i>Extracted:</i>	Jun-26-07 15 54	Jun-26-07 14 38	Jun-26-07 14 57	Jun-27-07 10 36		
	<i>Analyzed:</i>	Jun-26-07 15 54	Jun-26-07 14 38	Jun-26-07 14 57	Jun-27-07 10 36		
	<i>Units/RL:</i>	mg/kg RL	mg/kg RL	mg/kg RL	mg/L RL		
		2820 0 555	235 0 529	2340 0 544	218000 0 500		
Chloride		2820 0 555	235 0 529	2340 0 544	218000 0 500		
Percent Moisture	<i>Extracted:</i>	Jun-21-07 15 30	Jun-21-07 15 25	Jun-22-07 16 21			
	<i>Analyzed:</i>	Jun-21-07 15 30	Jun-21-07 15 25	Jun-22-07 16 21			
	<i>Units/RL:</i>	% RL	% RL	% RL			
		9 89	5 41	8 02			
Percent Moisture		9 89	5 41	8 02			
TPH by SW 8015B	<i>Extracted:</i>	Jun-22-07 09 39	Jun-22-07 09 41	Jun-22-07 09 43			
	<i>Analyzed:</i>	Jun-23-07 09 56	Jun-23-07 10 21	Jun-23-07 10 45			
	<i>Units/RL:</i>	mg/kg RL	mg/kg RL	mg/kg RL			
		ND 27 7	ND 26 4	ND 27 2			
C6-C10 Gasoline Range Hydrocarbons		ND 27 7	ND 26 4	ND 27 2			
C10-C28 Diesel Range Hydrocarbons		ND 27 7	ND 26 4	ND 27 2			

This analytical report and the entire data package it represents, has been made for your exclusive and confidential use. The interpretation and results expressed throughout this analytical report represent the best judgment of XENCO Laboratories. XENCO Laboratories assumes no responsibility and makes no warranty to the end use of the data hereby presented. Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

Since 1990 Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America


Brent Barron
Odessa Laboratory Director



Flagging Criteria

- X** In our quality control review of the data a QC deficiency was observed and flagged as noted. MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to effect the recovery of the spike concentration. This condition could also effect the relative percent difference in the MS/MSD.
- B** A target analyte or common laboratory contaminant was identified in the method blank. Its presence indicates possible field or laboratory contamination.
- D** The sample(s) were diluted due to targets detected over the highest point of the calibration curve, or due to matrix interference. Dilution factors are included in the final results. The result is from a diluted sample.
- E** The data exceeds the upper calibration limit; therefore, the concentration is reported as estimated.
- F** RPD exceeded lab control limits.
- J** The target analyte was positively identified below the MQL and above the SQL.
- U** Analyte was not detected.
- L** The LCS data for this analytical batch was reported below the laboratory control limits for this analyte. The department supervisor and QA Director reviewed data. The samples were either reanalyzed or flagged as estimated concentrations.
- H** The LCS data for this analytical batch was reported above the laboratory control limits. Supporting QC Data were reviewed by the Department Supervisor and QA Director. Data were determined to be valid for reporting.
- K** Sample analyzed outside of recommended hold time.

Recipient of the Prestigious Small Business Administration Award of Excellence in 1994.

Certified and approved by numerous States and Agencies.

A Small Business and Minority Status Company that delivers SERVICE and QUALITY

Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America

11381 Meadowglen Lane Suite I, Houston, Tx 77082-2647
9701 Harry Hines Blvd , Dallas, TX 75220
5332 Blackberry Drive, Suite 104, San Antonio, TX 78238
2505 N. Falkenburg Rd., Tampa, FL 33619
5757 NW 158th St, Miami Lakes, FL 33014

Phone	Fax
(281) 589-0692	(281) 589-0695
(214) 902 0300	(214) 351-9139
(210) 509-3334	(201) 509-3335
(813) 620-2000	(813) 620-2033
(305) 823-8500	(305) 823-8555

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

Phone: 432-663-1800
Fax: 432-663-1713

Project Name: Klyn AKX State #8

Project # 30-925-31989

Project Loc Lea County

PD # 105632

Report Format ☒ Standard ☐ TRRP

e-mail bobai@ypcnr.com

[illegible]

Environmental Lab of Texas
Variance/ Corrective Action Report- Sample Log-In

Client: Yates
Date/ Time: 6/10/11 4:40
Lab ID #: 284653
Initials: AL

Sample Receipt Checklist

				Client Initials
#1	Temperature of container/ cooler?	<u>Yes</u>	No	<u>3.0</u> °C
#2	Shipping container in good condition?	<u>Yes</u>	No	
#3	Custody Seals intact on shipping container/ cooler?	<u>Yes</u>	No	Not Present
#4	Custody Seal's intact on sample bottles/ container?	<u>Yes</u>	No	Not Present
#5	Chain of Custody present?	<u>Yes</u>	No	
#6	Sample instructions complete of Chain of Custody?	<u>Yes</u>	No	
#7	Chain of Custody signed when relinquished/ received?	<u>Yes</u>	No	
#8	Chain of Custody agrees with sample label(s)?	<u>Yes</u>	No	ID written on Cont./ Lid
#9	Container label(s) legible and intact?	<u>Yes</u>	No	Not Applicable
#10	Sample matrix/ properties agree with Chain of Custody?	<u>Yes</u>	No	
#11	Containers supplied by ELOT?	<u>Yes</u>	No	
#12	Samples in proper container/ bottle?	<u>Yes</u>	No	See Below
#13	Samples properly preserved?	<u>Yes</u>	No	See Below
#14	Sample bottles intact?	<u>Yes</u>	No	
#15	Preservations documented on Chain of Custody?	<u>Yes</u>	No	
#16	Containers documented on Chain of Custody?	<u>Yes</u>	No	
#17	Sufficient sample amount for indicated test(s)?	<u>Yes</u>	No	See Below
#18	All samples received within sufficient hold time?	<u>Yes</u>	No	See Below
#19	Subcontract of sample(s)?	<u>Yes</u>	No	Not Applicable
#20	VOC samples have zero headspace?	<u>Yes</u>	No	Not Applicable

Variance Documentation

Contact _____ Contacted by _____ Date/ Time: _____

Regarding _____

Corrective Action Taken.

- Check all that Apply
- ☐ See attached e-mail/ fax
 - ☐ Client understands and would like to proceed with analysis
 - ☐ Cooling process had begun shortly after sampling event