

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



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

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DEC 07 2007
OCD-ARTESIA

December 7, 2007

Mr. Mike Bratcher
NMOCD District II
1301 West Grand
Artesia, NM 88210

Re: Unocal AH U Federal #1
30-015-26698
Section 1, T22S-R31E
Eddy County, New Mexico

Dear Mr. Bratcher:

Enclosed, is a sample diagram for the above location. Yates Petroleum Corporation has excavated soils and conducted sampling to determine extent of contamination. Based on analytical results being within NMOCD Guidelines and the site ranking is zero (0), Yates would like to request the results be accepted by the OCD. Upon your approval, Yates would submit a Final Report, C-141 and analytical information to your office for final approval. If you would prefer a sampling event can be scheduled before final approval is granted.

If you have any questions call me at (505) 748-4217

Thank you.

YATES PETROLEUM CORPROATION

Robert Asher
Environmental Regulatory Agent

Analytical Report 292981

for

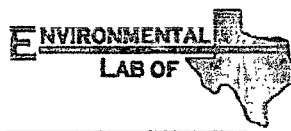
Yates Petroleum Corporation

Project Manager: Robert Asher

Unocal AH U Federal #1

30-015-26698

19-NOV-07



12600 West I-20 East Odessa, Texas 79765

A Xenco Laboratories Company

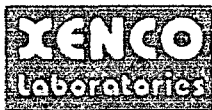
Texas certification numbers:

Houston, TX T104704215

Florida certification numbers:

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

Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America
Midland - Corpus Christi - Atlanta



19-NOV-07

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

Reference: XENCO Report No: **292981**
Unocal AH U Federal #1
Project Address: Eddy 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 292981. 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. 292981 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, II

Odessa Laboratory Manager

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

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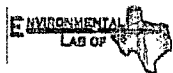


Sample Cross Reference 292981

Yates Petroleum Corporation, Artesia, NM

Unocal AH U Federal #1

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
GS/Comp-001	S	Nov-13-07 10:59	1' - 1' ft	292981-001
GS/Comp-002	S	Nov-13-07 11:17	2' - 2' ft	292981-002
GS/Comp-003	S	Nov-13-07 11:35	3' - 3' ft	292981-003



Certificate of Analysis Summary 292981

Yates Petroleum Corporation, Artesia, NM

Project Name: Unocal AH U Federal #1

Project Id: 30-015-26698

Contact: Robert Asher

Project Location: Eddy County

Date Received in Lab: Wed Nov-14-07 09:38 am


Report Date: 19-NOV-07

Project Manager: Brent Barron, II

Analysis Requested	Lab Id:	292981-001	292981-002	292981-003			
	Field Id:	GS/Comp-001	GS/Comp-002	GS/Comp-003			
	Depth:	1'-1' ft	2'-2' ft	3'-3' ft			
	Matrix:	SOIL	SOIL	SOIL			
	Sampled:	Nov-13-07 10:59	Nov-13-07 11:17	Nov-13-07 11:35			
BTEX by EPA 8021B	Extracted:	Nov-14-07 13:30	Nov-14-07 13:30	Nov-14-07 13:30			
	Analyzed:	Nov-14-07 14:35	Nov-14-07 14:52	Nov-14-07 15:08			
	Units/RL:	mg/kg RL	mg/kg RL	mg/kg RL			
Benzene		ND 0.0011	ND 0.0011	ND 0.0012			
Toluene		ND 0.0021	ND 0.0022	ND 0.0023			
Ethylbenzene		ND 0.0011	ND 0.0011	ND 0.0012			
m,p-Xylenes		ND 0.0021	ND 0.0022	ND 0.0023			
o-Xylene		ND 0.0011	ND 0.0011	ND 0.0012			
Xylenes, Total		ND	ND	ND			
Total BTEX		ND	ND	ND			
Percent Moisture	Extracted:	Nov-14-07 11:00	Nov-14-07 11:00	Nov-14-07 11:06			
	Analyzed:						
	Units/RL:	% RL	% RL	% RL			
Percent Moisture		6.10 1.00	10.4 1.00	14.6 1.00			
TPH by SW 8015B	Extracted:	Nov-14-07 14:00	Nov-14-07 14:00	Nov-14-07 14:00			
	Analyzed:	Nov-16-07 02:32	Nov-16-07 02:58	Nov-16-07 03:25			
	Units/RL:	mg/kg RL	mg/kg RL	mg/kg RL			
C6-C10 Gasoline Range Hydrocarbons		ND 16.0	ND 16.7	ND 17.6			
C10-C28 Diesel Range Hydrocarbons		35.0 16.0	20.7 16.7	29.5 17.6			
Total TPH		35	20.7	29.5			
Total Chloride by EPA 325.3	Extracted:	Nov-15-07 12:15	Nov-15-07 12:15	Nov-15-07 12:15			
	Analyzed:						
	Units/RL:	mg/kg RL	mg/kg RL	mg/kg RL			
Chloride		3170 5.32	6650 5.58	847 5.85			

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 user 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.
- * Outside XENCO'S scope of NELAC Accreditation

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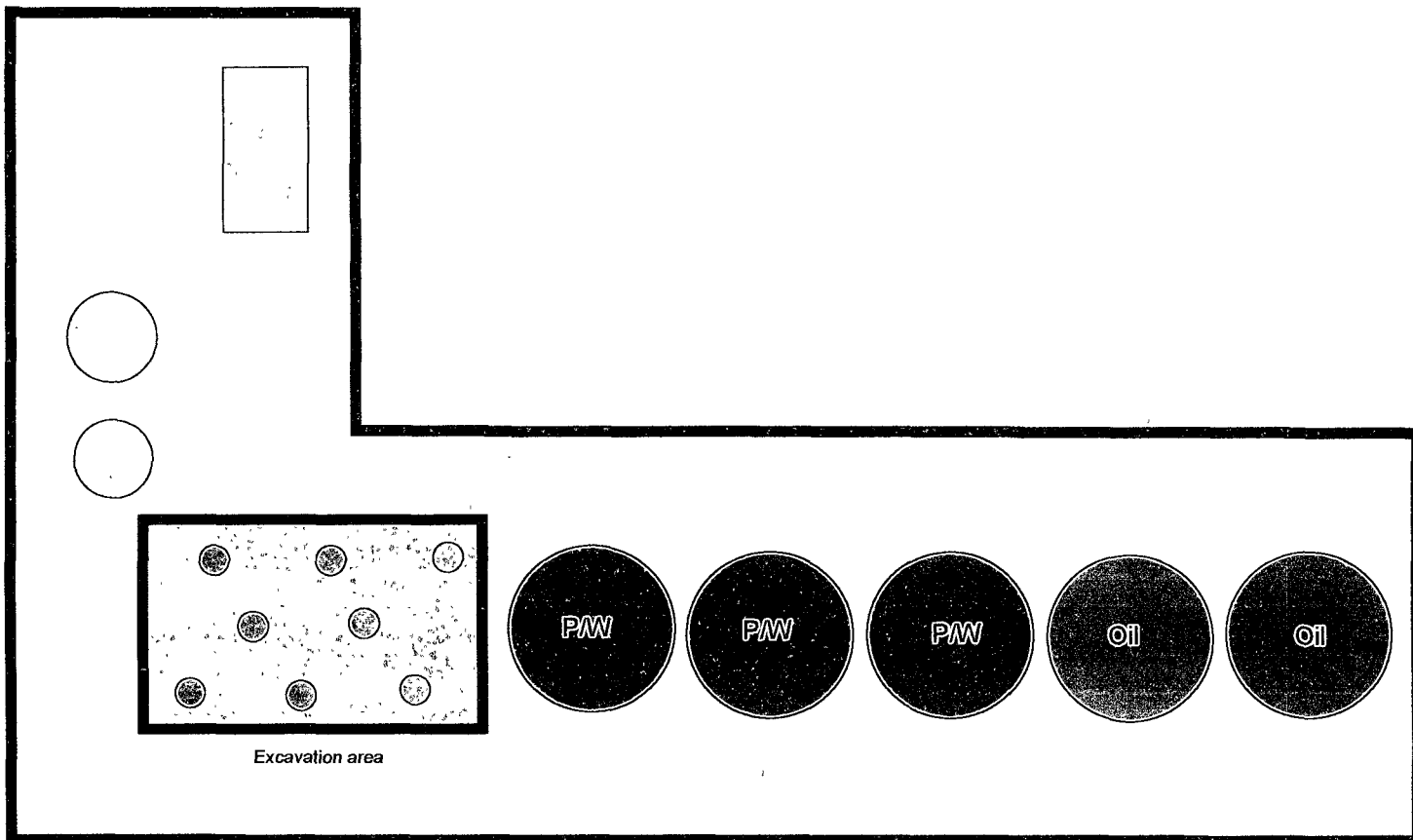
11381 Mcadowglen Lane Suite L Houston, Tx 77082-2647
9701 Harry Hines Blvd . Dallas, TX 75220
5332 Blackberry Drive, Suite 104, San Antonio, TX 78238
2505 N. Falkenburg Rd . Tampa, FL 33619
5757 NW 158th St. Miami Lakes, FL 33014

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



Pump Jack

Berm



Sample ID	Sample Date	Sample Type	Depth	BTEX	TPH (GRO)	TPH (DRO)	TPH (TOTAL)	Chlorides
CS/Comp-001	11/13/2007	Grab/Auger	1'	ND	ND	35.0	35	3,170
CS/Comp-004	11/13/2007	Grab/Auger	2'	ND	ND	20.7	20.7	6,650
CS/Comp-004	11/13/2007	Grab/Auger	3'	ND	ND	29.5	29.5	847

Site Ranking is Zero (0). Depth to Ground Water > 100' (approx. 110')

Analytical testing performed at Environmental Lab of Texas. All results are ppm.



Unocal AH U Federal #1
Section 1, T22S-R31E
Eddy County, NM

EXHIBIT
Sample Diagram (Not to Scale)
Prepared by Robert Asher
Environmental Regulatory Agent
December 7, 2007

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



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

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SENIOR VICE PRESIDENT

June 21, 2007

Mr. Mike Bratcher
NMOCD District II
1301 W. Grand Ave.
Artesia, NM 88210

RE: Unocal AH U Federal #1
30-015-26698
Section 1, T22S-R31E
Eddy County, New Mexico

Dear Mr. Bratcher,

Enclosed please find a Form C-141, Final Report for the above captioned site regarding the release on April 5, 2007 (10 bbls of crude oil with 9 bbls recovered). Contaminated soils have been excavated and taken to an OCD approved land facility. Samples were taken for delineation on June 11, 2007 (hand augered). Samples were 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 110'). Based on the remediation work (excavation of contaminated soils) and the analytical reports, Yates Petroleum Corporation requests 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)

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

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

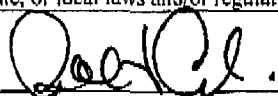
Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 105 South 4th Street, Artesia, NM 88210	Telephone No. 505-748-1471	
Facility Name Unocal AH U Federal #1	API Number 30-015-26698	Facility Type Battery
Surface Owner Federal	Mineral Owner Federal	Lease No. NM-43556

LOCATION OF RELEASE

Unit Letter B	Section 1	Township 22S	Range 31E	Feet from the 660	North/South Line North	Feet from the 1980	East/West Line East	County Eddy
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Latitude 32.42585 Longitude 103.72889

NATURE OF RELEASE

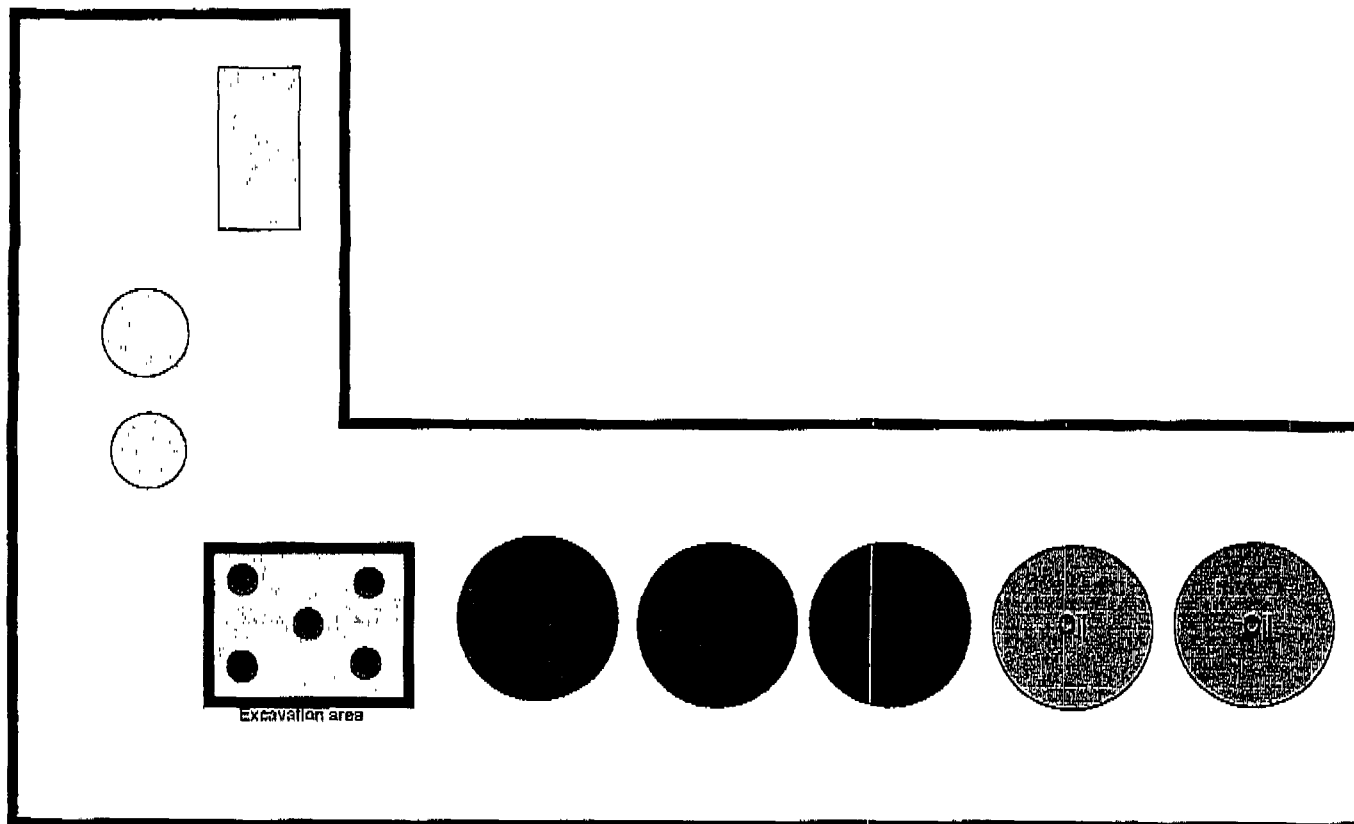
Type of Release Crude Oil	Volume of Release 10 B/O	Volume Recovered 9 B/O
Source of Release Circulating Pump	Date and Hour of Occurrence 4/5/2007 AM	Date and Hour of Discovery 4/5/2007 AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? NA	
By Whom? N/A	Date and Hour N/A	
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 * Bleeder valve on circulation pump was left open. Bleeder valve closed, vacuum truck called.		
Describe Area Affected and Cleanup Action Taken.* Area approximately 35' X 15' all contained inside berm, vacuum truck picked up free fluid, vertical and horizontal delineation will be made and corrective action taken. Depth to Ground Water: >100', Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on enclosed information, 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.		
Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Approved by District Supervisor:	
Title: Environmental Regulatory Agent	Approval Date:	Expiration Date:
E-mail Address: boba@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Thursday, June 21, 2007 Phone: 505-748-4217		

* Attach Additional Sheets If Necessary



Pump Jack

Berm



Sample ID	Sample Date	Sample Type	Depth	TEX	TPH (GRO)	TPH (DRO)	TPH (TOTAL)
6/11/2007	6/11/2007	Grab/Auger	12"	ND	ND	21.7	21.7
6/11/2007	6/11/2007	Grab/Auger	24"	ND	ND	ND	ND

Site Ranking is Zero (0). Depth to Ground Water > 100' (approx. 110')

Analytical testing performed at Environmental Lab of Texas All results are ppm.



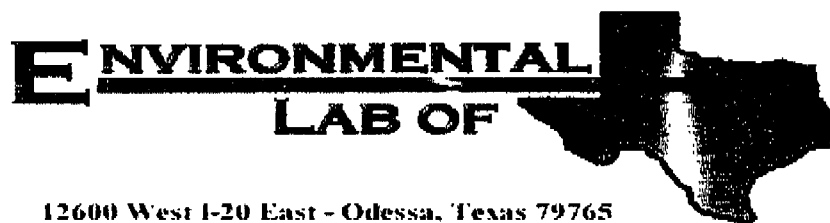
Unocal AH U Federal #1

Section 1, T22S-R31E

Eddy County, NM

EXHIBIT
Sample Diagram (Not to Scale)

Prepared by Robert Asher
Environmental Regulatory Agent
June 21, 2007



12600 West I-20 East - Odessa, Texas 79765

A Xenco Laboratories Company

Analytical Report

Prepared for:

Robert Asher

Yates Petroleum Corp.

105 S. Fourth St.

Artesia, NM 88210

Project: Unocal AHU Federal # 1

Project Number: 30-015-26698

Location: Eddy County

Lab Order Number: 7F14007

Report Date: 06/21/07

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

Project: Unocal AH U Federal # 1
Project Number: 30-015-26698
Project Manager: Robert Asher

Fax: (505) 748-4662

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
GS/ Comp-001	7F14007-01	Soil	06/11/07 14:27	06-14-2007 10:45
GS/ Comp-002	7F14007-02	Soil	06/11/07 14:44	06-14-2007 10:45

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

Project: Unocal AII U Federal # 1
Project Number: 30-015-26698
Project Manager: Robert Asher

Fax: (505) 748-4662

Organics by GC
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
GS/ Comp-001 (7F14007-01) Soil									
Benzene	ND	0.00200	mg/kg dry	2	BF72011	06/20/07	06/20/07	EPA 8021B	
Toluene	ND	0.00200	"	"	"	"	"	"	
Ethylbenzene	ND	0.00200	"	"	"	"	"	"	
Xylene (p/m)	ND	0.00200	"	"	"	"	"	"	
Xylene (o)	ND	0.00200	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		133 %	75-125	"	"	"	"	"	S-04
Surrogate: 4-Bromofluorobenzene		120 %	75-125	"	"	"	"	"	
Carbon Ranges C6-C10	ND	10.0	mg/kg dry	1	BF71505	06/15/07	06/15/07	EPA 8015B	
Carbon Ranges >C10-C28	21.7	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	21.7	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		84.4 %	70-130	"	"	"	"	"	
Surrogate: 1-Chlorooctadecane		84.8 %	70-130	"	"	"	"	"	
GS/ Comp-002 (7F14007-02) Soil									
Benzene	ND	0.00200	mg/kg dry	2	BF72011	06/20/07	06/20/07	EPA 8021B	
Toluene	ND	0.00200	"	"	"	"	"	"	
Ethylbenzene	ND	0.00200	"	"	"	"	"	"	
Xylene (p/m)	ND	0.00200	"	"	"	"	"	"	
Xylene (o)	ND	0.00200	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		109 %	75-125	"	"	"	"	"	
Surrogate: 4-Bromofluorobenzene		97.6 %	75-125	"	"	"	"	"	
Carbon Ranges C6-C10	ND	10.0	mg/kg dry	1	BF71505	06/15/07	06/15/07	EPA 8015B	
Carbon Ranges >C10-C28	ND	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		81.4 %	70-130	"	"	"	"	"	
Surrogate: 1-Chlorooctadecane		82.2 %	70-130	"	"	"	"	"	

Environmental Lab of Texas

A Xenco Laboratories Company

The results in this report apply to the samples analyzed in accordance with the samples received in the laboratory. This analytical report must be reproduced in its entirety, with written approval of Environmental Lab of Texas

Page 2 of 8

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

Project: Unocal AIU Federal # 1
Project Number: 30-015-26698
Project Manager: Robert Asher

Fax: (505) 748-4662

Notes and Definitions

S-04 The surrogate recovery for this sample is outside of established control limits due to a sample matrix effect.

M8 The MS and/or MSD were below the acceptance limits. See Blank Spike (LCS).

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

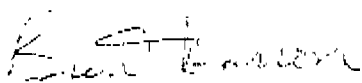
RPD Relative Percent Difference

LCS Laboratory Control Spike

MS Matrix Spike

Dup Duplicate

Report Approved By:



Date:

6/21/2007

Brent Barron, Laboratory Director/Corp. Technical Director
Coley D. Keene, Org. Tech Director
Raland K. Tuttle, Laboratory Consultant

James Mathis, QA/QC Officer
Jeanne Mo Murrey, Inorg Tech Director

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If you have received this material in error, please notify us immediately at 432-563-1800.

Environmental Lab of Texas

A Xenco Laboratories Company

The results in this report apply to the samples analyzed in accordance with the samples received in the laboratory. This analytical report must be reproduced in its entirety, with written approval of Environmental Lab of Texas

Page 8 of 8

Environmental Lab of Texas

Variance/ Corrective Action Report- Sample Log-In

Client: Yates
 Date/ Time: 6-14-07 10:45
 Lab ID #: 7F14007
 Initials: EL

Sample Receipt Checklist

Client Initials

#1 Temperature of container/ cooler?	<u>Yes</u>	No	<u>0.5</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 Seals 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 ELDT?	<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

Bratcher, Mike, EMNRD

From: Sherry Bonham [sherryb@YPCNM.COM]
Sent: Thursday, October 18, 2007 3:21 PM
To: Bratcher, Mike, EMNRD
Cc: Jerry Fanning
Subject: Unocal AHU Federal 1 Battery30-015-04500 10/18/07 Spill Date

Mike,

This e-mail is a follow up to the October 18, 2007 phone call notification regarding the spill at the Unocal AHU Federal 1 .

Operator: Yates Petroleum Corporation
Site: Unocal AHU Federal 1 Battery Section 1—Township 22S—Range 31E Unit
Letter: B
Incident Date: October 18, 2007
Incident Time: 10:00 AM
Estimated Release: Approximately 100 Barrels Produced Water
Recovered: Approximately 65 Barrels Produced Water at time of report

Notified by: Sherry Bonham
Yates Petroleum Corporation

Notification Date and Time: Mike Bratcher via Voice Mail
October 18, 2007 3:07 PM

Thanks, Mike. Should you have any questions, please don't hesitate to contact me at sherryb@ypcnm.com 505.748.4162, or 505.513.1529

Sherry Bonham

This inbound email has been scanned by the MessageLabs Email Security System.

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10/19/2007