YATES PETROLEUM CORPORATION
105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

October 10, 2011

Mr. Mike Bratcher
NMOCD District II
811 South First Street
Artesia, NM 88210

Re: Loving AIB State #1
30-015-22889
Section 16, T23S-R28E
Eddy County, New Mexico

Dear Mr. Bratcher:

Yates Petroleum Corporation is submitting the enclosed work plan for the above captioned well. The plan is being submitted in response to the C-141 report for the release that occurred on July 17, 2011.

If there are no objections with the scope of work described in the plan, Yates will have a contractor begin work on or after the week of October 17, 2011.

If you have any questions call me at (575) 748-4111

Thank you.

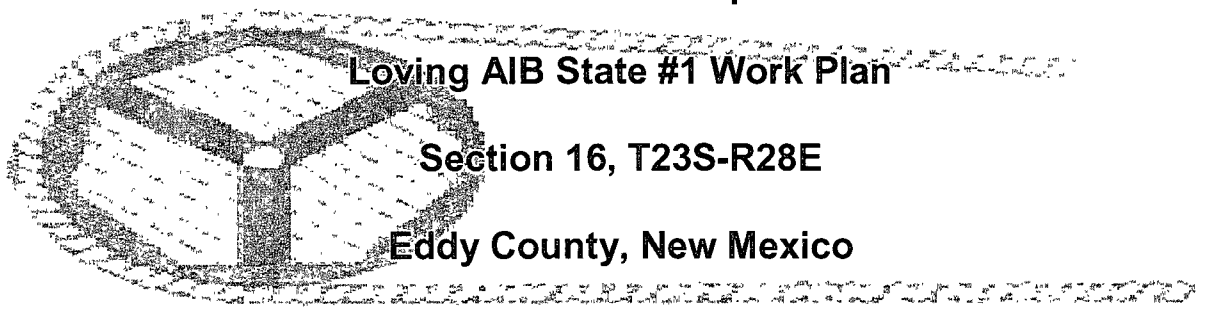
YATES PETROLEUM CORPROATION

Amber Cannon

Amber Cannon
Environmental Regulatory Agent

Enclosure(s)

Yates Petroleum Corporation



Loving AIB State #1 Work Plan

Section 16, T23S-R28E

Eddy County, New Mexico

October 10, 2011

I. Location

The well is located approximately 16 miles southeast of Carlsbad, NM off of County Road 31, as represented by the attached Loving, NM, USGS Quadrangle Map.

II. Background

On July 22, 2011, Yates submitted to the NMOCD District II office a Form C-141 for a release of 50 B/PW with no produced water recovered. The total affected area is approximately 50 feet by 50 feet. Initial delineation samples were taken 8/4/2011 for TPH/BTEX/Chlorides and sent to an NMOCD approved laboratory coming back with high chloride results. Further chloride delineation samples were taken 8/29/2011 and sent to an NMOCD approved laboratory. All sample results are enclosed for review.

III. Surface and Ground Water

Area surface geology is Cenozoic. The nearest groundwater of record is listed on the New Mexico Office of the State Engineer (Section 16, T23S-R28E) shows depth to groundwater approximately 55 feet making the site ranking for this site a twenty (20).

The ranking for this site is twenty (20) based on the as following:

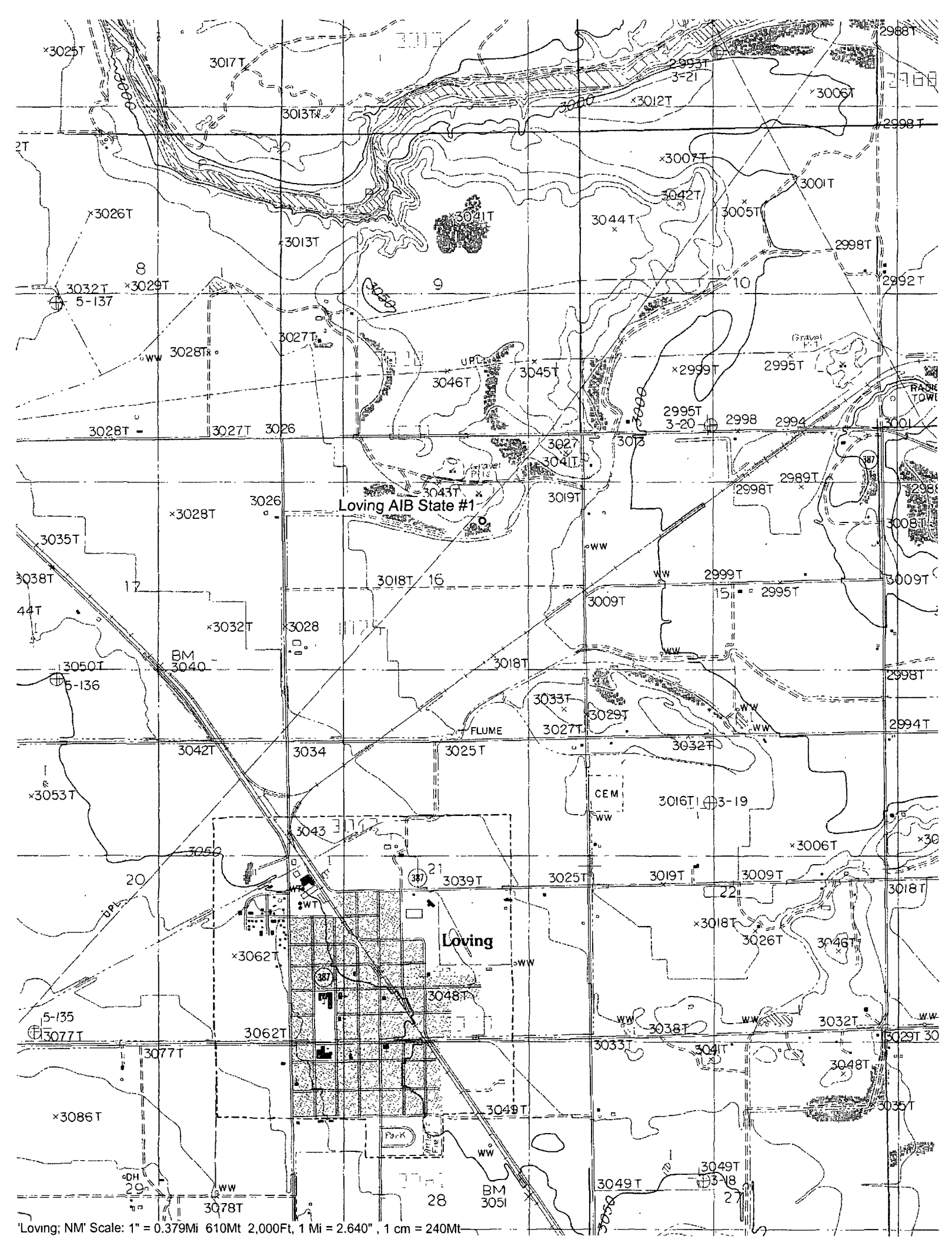
Depth to ground water	< 50'
Wellhead Protection Area	> 1000'
Distance to surface water body	> 1000'

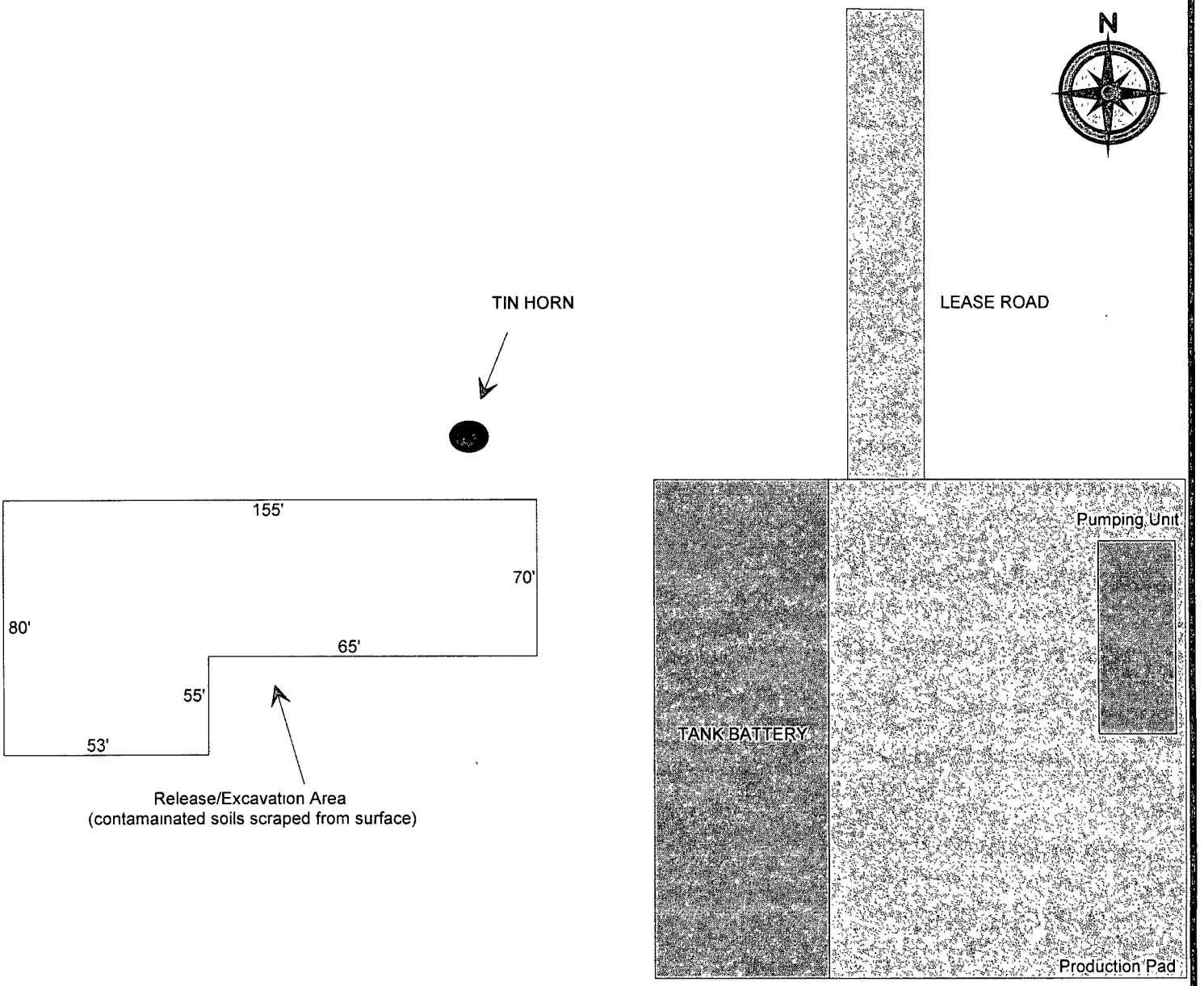
IV. Soils

The area consists of soils that are sand/caliche and interspersed with clay seams providing a low permeability barrier to retard vertical percolation of contaminants into the subsurface.

V. Scope of Work

Based on analytical results, Yates Petroleum Corporation will have a contractor excavate four (4) feet of impacted soils (total excavation will be 70' long X 65' wide and 80' long X 53' wide X 4' deep), impacted soils will be taken to an NMOCD approved facility for disposal. Upon approval from NMOCD, Yates will then fill the excavation with fresh, clean soils. Yates will re-seed the location to re-establish vegetation using BLM Seed Mixture #3; however due to it being so late in the year, Yates will complete the re-seeding of the location in the summer of 2012.


Loving AIB State #1
Loving
3025T
3017T
3013T
3012T
3006T
2998T
3007T
3001T
3042T
3021T
3044T
3005T
3026T
3013T
3032T
5-137
3029T
3027T
3028T
3046T
3045T
2999T
2995T
3-20
2998
2994
3026
3027T
3041T
3043T
3019T
2989T
3035T
3038T
3018T
16
3009T
2999T
2995T
44T
3032T
3028
3050T
BM
3040
5-136
3033T
3029T
FLUME
3027T
3032T
3042T
3034
3025T
2994T
3053T
CEM
3016T
3-19
3043
3039T
3019T
3009T
3018T
3062T
3026T
3046T
3048T
5-135
3077T
3062T
3032T
3038T
3033T
3041T
3086T
3049T
3035T
3051
3049T
3-18
3078T
29
28
27
'Loving; NM' Scale: 1" = 0.379Mi 610Mt 2,000Ft, 1 Mi = 2.640" , 1 cm = 240Mt



YATES PETROLEUM CORPORATION

Loving AIB State #1

30-015-22889

Section 16, T23S-R28E

Eddy County, NM

SAMPLE DIAGRAM(Not to Scale)

Xenco Laboratories# 425337 & 425338 & 426916
Report Date: 8/18/2011 & 9/8/2011

Prepared by Amber Cannon
Environmental Regulatory Agent

LOVING AIB STATE #1

Analytical Report-425337 & 425338	Sample Area	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TOTAL	Chlorides
Comp-00.5	Release Area	8/4/2011	Comp/Auger	6"	ND	ND	ND	ND	73,900
Comp-01.0	Release Area	8/4/2011	Comp/Auger	1'	0.00121	ND	ND	ND	74,200
Comp-02.0	Release Area	8/4/2011	Comp/Auger	2'	ND	ND	ND	ND	81,600
Analytical Report-426916	Sample Area	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TOTAL	Chlorides
Grab-03.0	Release Area	8/29/2011	Grab/Backhoe	3'					13,600
Grab-05.0	Release Area	8/29/2011	Grab/Backhoe	5'					2,110
Grab-06.0	Release Area	8/29/2011	Grab/Backhoe	6'					12,300
Grab-07.0	Release Area	8/29/2011	Grab/Backhoe	7'					523
Grab-08.0	Release Area	8/29/2011	Grab/Backhoe	8'					3,130
Grab-09.0	Release Area	8/29/2011	Grab/Backhoe	9'					1,040
Grab-10.0	Release Area	8/29/2011	Grab/Backhoe	10'					2,160
Grab-11.0	Release Area	8/29/2011	Grab/Backhoe	11'					921
Grab-12.0	Release Area	8/29/2011	Grab/Backhoe	12'					931

Site Ranking is TWENTY (20). Depth to Ground Water <50' (approx. 55', Section 16-23S-28E, per NMOSE).

All results are ppm.Chlorides for documentation.

Released: 50 B/PW; Recovered: 0 B/PW. Release Date: 7/17/2011

Analytical Report 425337

for

Yates Petroleum Corporation

Project Manager: Amber Cannon

Loving AIB State # 1

30-015-22889

18-AUG-11

Collected By: Client

Celebrating 20 Years of commitment to excellence in Environmental Testing Services

12600 West I-20 East Odessa, Texas 79765

Xenco-Houston (EPA Lab code: TX00122):
Texas (T104704215-10-6-TX), Arizona (AZ0765), Arkansas (08-039-0), Connecticut (PH-0102), Florida (E871002)
Illinois (002082), Indiana (C-TX-02), Iowa (392), Kansas (E-10380), Kentucky (45), Louisiana (03054)
New Hampshire (297408), New Jersey (TX007), New York (11763), Oklahoma (9218), Pennsylvania (68-03610)
Rhode Island (LAO00312), USDA (S-44102)

Xenco-Atlanta (EPA Lab Code: GA00046):
Florida (E87429), North Carolina (483), South Carolina (98015), Utah (AALI1), West Virginia (362), Kentucky (85)
Louisiana (04176), USDA (P330-07-00105)

Xenco-Miami (EPA Lab code: FL01152): Florida (E86678), Maryland (330)
Xenco-Tampa Mobile (EPA Lab code: FL01212): Florida (E84900)
Xenco-Odessa (EPA Lab code: TX00158): Texas (T104704400-TX)
Xenco-Dallas (EPA Lab code: TX01468): Texas (T104704295-TX)
Xenco Phoenix (EPA Lab Code: AZ00901): Arizona(AZ0757)
Xenco-Phoenix Mobile (EPA Lab code: AZ00901): Arizona (AZM757)
Xenco Tucson (EPA Lab code:AZ000989): Arizona (AZ0758)

18-AUG-11

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

Reference: XENCO Report No: **425337**
Loving AIB State # 1
Project Address: Eddy County

Amber Cannon:

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 425337. 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. 425337 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

Sample Cross Reference 425337

Yates Petroleum Corporation, Artesia, NM

Loving AIB State # 1

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
Comp-00.5	S	08-04-11 10:13	6 - 6 In	425337-001
Comp-01.0	S	08-04-11 10:26	1 - 1 ft	425337-002
Comp-02.0	S	08-04-11 10:42	2 - 2 ft	425337-003

CASE NARRATIVE

Client Name: Yates Petroleum Corporation
Project Name: Loving AIB State # 1

Project ID:	*30-015-22889*	*Report Date:*	*18-AUG-11*
Work Order Number:	*425337*	*Date Received:*	*08/09/2011*

Sample receipt non conformances and comments:
None

Sample receipt non conformances and comments per sample:

None

Analytical non nonformances and comments:

Batch: LBA-866807 TPH By SW8015B Mod
SW8015B_NM

Batch 866807, 1-Chlorooctane, o-Terphenyl recovered above QC limits . Matrix interferences is suspected; data not confirmed by re-analysis
Samples affected are: 425337-003.

Batch: LBA-867107 BTEX by EPA 8021B
SW8021BM

Batch 867107, o-Xylene recovered below QC limits in the Matrix Spike and Matrix Spike Duplicate. Benzene, Ethylbenzene, Toluene, m_p-Xylenes recovered below QC limits in the Matrix Spike Duplicate.
Samples affected are: 425337-001.
The Laboratory Control Sample for Toluene, Benzene, o-Xylene, Ethylbenzene, m_p-Xylenes is within laboratory Control Limits

Certificate of Analysis Summary 425337

Yates Petroleum Corporation, Artesia, NM

Project Name: Loving AIB State # 1

Project Id: 30-015-22889
Contact: Amber Cannon
Project Location: Eddy County

Date Received in Lab: Tue Aug-09-11 10 15 am
Report Date: 18-AUG-11
Project Manager: Brent Barron II

Analysis Requested											
	Lab Id:	425337-001		425337-002		425337-003					
	Field Id:	Comp-00 5		Comp-01.0		Comp-02.0					
	Depth:	6-6 In		1-1 ft		2-2 ft					
	Matrix:	SOIL		SOIL		SOIL					
	Sampled:	Aug-04-11 10 13		Aug-04-11 10:26		Aug-04-11 10:42					
BTEX by EPA 8021B	*Extracted:*	Aug-11-11 10 40		Aug-11-11 10.47		Aug-11-11 10:47					
	Analyzed:	Aug-12-11 11:45		Aug-11-11 17:13		Aug-11-11 17:36					
	Units/RL:	mg/kg	RL	mg/kg	RL	mg/kg	RL				
Benzene		ND	0 00107	ND	0 00108	ND	0 00109				
Toluene		ND	0 00213	ND	0 00215	ND	0 00218				
Ethylbenzene		ND	0 00107	0 00121	0 00108	ND	0 00109				
m_p-Xylenes		ND	0 00213	ND	0 00215	ND	0 00218				
o-Xylene		ND	0 00107	ND	0 00108	ND	0 00109				
Total Xylenes		ND	0 00107	ND	0 00108	ND	0 00109				
Total BTEX		ND	0 00107	0 00121	0 00108	ND	0 00109				
Percent Moisture	*Extracted:*										
	Analyzed:	Aug-09-11 15:35		Aug-09-11 15.35		Aug-09-11 15 35					
	Units/RL:	%	RL	%	RL	%	RL				
Percent Moisture		7 02	1 00	7.90	1 00	8.92	1.00				
TPH By SW8015B Mod	*Extracted:*	Aug-09-11 14 45		Aug-09-11 14:45		Aug-09-11 14 45					
	Analyzed:	Aug-09-11 21.06		Aug-09-11 21.33		Aug-09-11 22:00					
	Units/RL:	mg/kg	RL	mg/kg	RL	mg/kg	RL				
C6-C10 Gasoline Range Hydrocarbons		ND	14 9	ND	15 1	ND	15.0				
C10-C28 Diesel Range Hydrocarbons		ND	14.9	ND	15 1	ND	15.0				
Total TPH		ND	14 9	ND	15.1	ND	15 0				

Brent Barron II
Odessa Laboratory Manager

Final 1.000

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 affect the recovery of the spike concentration. This condition could also affect 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 quantiation limit and above the detection limit.

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.

JN A combination of the "N" and the "J" qualifier. The analysis indicates that the analyte is "tentatively identified" and the associated numerical value may not be consistent with the amount actually present in the environmental sample.

BRL Below Reporting Limit.

RL Reporting Limit

MDL Method Detection Limit **SDL** Sample Detection Limit **LOD** Limit of Detection

PQL Practical Quantitation Limit **MQL** Method Quantitation Limit **LOQ** Limit of Quantitation

DL Method Detection Limit

NC Non-Calculable

+ Outside XENCO's scope of NELAC Accreditation.

XENCO-Environmental Lab of Texas

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

12600 West I-20 East
Odessa, Texas 79765

Phone: 432-563-1800
Fax: 432-563-1713

Project Manager: Amber Cannon

Company Name: Yates Petroleum Corporation

Company Address: 105 South 4th Street

City/State/Zip: Artesia, NM 88210

Telephone No: 575-748-4111 Fax No: 575-748-4585

Sampler Signature: Amber Cannon e-mail: acannon@yatespetroleum.com

Project Name: Loving AIB State #1

Project #: 30-015-22889

Project Loc: Eddy County

PO #: 1032020

Report Format: [X] Standard [ ] TRRP [ ] NPDES

(lab use only)
ORDER #: 425337 / 425338

LAB # (lab use only)	FIELD CODE	Beginning Depth	Ending Depth	Date Sampled	Time Sampled	Field Filtered	Total # of Containers	Preservation & # of Containers: Ice	HNO3	HCl	H2SO4	NaOH	Na2S2O3	None	Other (Specify)	Matrix: DW=Drinking Water SL=Sludge GW = Groundwater S=Soil/Solid NP=Non-Potable Specify Other	Analyze For: TPH 418.1	TPH 8015M	TPH TX 1005	TPH TX 1006	Cations (Ca, Mg, Na, K)	Anions (Cl, SO4, Alkalinity)	SAR / ESP / CEC	Metals As Ag Ba Cd Cr Pb Hg Se (TCLP / TOTAL)	Volatiles	Semivolatiles	BTEX 8021B/5030 or BTEX 8260	RCI	N O R M	Chlorides	RUSH TAT (Pre-Schedule) 24, 48, 72 hrs	Standard TAT
01	Comp-00.5	6"	6"	8/4/2011	10:13 AM		1	X								S	X									X			X		X
02	Comp-01.0	1'	1'	8/4/2011	10:26 AM		1	X								S	X									X			X		X
03	Comp-02.0	2'	2'	8/4/2011	10:42 AM		1	X								S	X									X			X		X

PLEASE PUT CHLORIDES
ON SEPARATE REPORT

Special Instructions: **TPH: 8015B, BTEX: 8021B & Chlorides.** Please show BTEX results as mg/kg. Thank you.

Relinquished by	Date	Time	Received by	Date	Time
Amber Cannon	08/08/11	11 32 AM			
Relinquished by	Date	Time	Received by.	Date	Time
Relinquished by Fedex	Date	Time	Received by ELOT Andrea Elam	Date 8.9.11	Time 10:15

Laboratory Comments:

Sample Containers Intact?	Y N
VOCs Free of Headspace?	Y N
Labels on container(s)	Y N
Custody seals on container(s)	Y N
Custody seals on cooler(s)	Y N
Sample Hand Delivered by Sampler/Client Rep ?	Y N
by Courier? UPS DHL FedEx Lone Star	
Temperature Upon Receipt	4079455 2.1 °C

Final 1.000

XENCO Laboratories	Document Title: Sample Receipt Checklist
Atlanta, Boca Raton, Corpus Christi, Dallas	Document No.: SYS-SRC
Houston, Miami, Odessa, Philadelphia	Revision/Date: No. 01, 5/27/2010
Phoenix, San Antonio, Tampa	Effective Date: 6/1/2010 Page 1 of 1

Prelogin / Nonconformance Report - Sample Log-In

Client: Yates Petroleum

Date/Time: 8.9.11 10.15

Lab ID #: 425337 / 425338

Initials: AE

Sample Receipt Checklist

1. Samples on ice?	Blue	(Water)	No	
2. Shipping container in good condition?	(Yes)	No	None	
3. Custody seals intact on shipping container (cooler) and bottles?	(Yes)	No	N/A	
4. Chain of Custody present?	(Yes)	No		
5. Sample instructions complete on chain of custody?	(Yes)	No		
6. Any missing / extra samples?	Yes	(No)		
7. Chain of custody signed when relinquished / received?	(Yes)	No		
8. Chain of custody agrees with sample label(s)?	(Yes)	No		
9. Container labels legible and intact?	(Yes)	No		
10. Sample matrix / properties agree with chain of custody?	(Yes)	No		
11. Samples in proper container / bottle?	(Yes)	No		
12. Samples properly preserved?	(Yes)	No	N/A	
13. Sample container intact?	(Yes)	No		
14. Sufficient sample amount for indicated test(s)?	(Yes)	No		
15. All samples received within sufficient hold time?	(Yes)	No		
16. Subcontract of sample(s)?	(Yes)	No	N/A	Xenco-Houston
17. VOC sample have zero head space?	(Yes)	No	N/A	

18. Cooler 1 No.		Cooler 2 No.		Cooler 3 No.		Cooler 4 No.		Cooler 5 No.	
lbs	2.1 °C	lbs	°C	lbs	°C	lbs	°C	lbs	°C

Nonconformance Documentation

Contact:_____ Contacted by:_____ Date/Time:_____

Regarding: _____

_____

Corrective Action Taken: _____

_____

_____

_____

Check all that apply: ☐Cooling process has begun shortly after sampling event and out of temperature condition acceptable by NELAC 5.5.8.3.1.a.1.

☐Initial and Backup Temperature confirm out of temperature conditions

☐Client understands and would like to proceed with analysis

Analytical Report 425338

for

Yates Petroleum Corporation

Project Manager: Amber Cannon

Loving AIB State # 1

30-015-22889

18-AUG-11

Collected By: Client

Celebrating 20 Years of commitment to excellence in Environmental Testing Services

12600 West I-20 East Odessa, Texas 79765

Xenco-Houston (EPA Lab code: TX00122):
Texas (T104704215-10-6-TX), Arizona (AZ0765), Arkansas (08-039-0), Connecticut (PH-0102), Florida (E871002)
Illinois (002082), Indiana (C-TX-02), Iowa (392), Kansas (E-10380), Kentucky (45), Louisiana (03054)
New Hampshire (297408), New Jersey (TX007), New York (11763), Oklahoma (9218), Pennsylvania (68-03610)
Rhode Island (LAO00312), USDA (S-44102)

Xenco-Atlanta (EPA Lab Code: GA00046):
Florida (E87429), North Carolina (483), South Carolina (98015), Utah (AALI1), West Virginia (362), Kentucky (85)
Louisiana (04176), USDA (P330-07-00105)

Xenco-Miami (EPA Lab code: FL01152): Florida (E86678), Maryland (330)
Xenco-Tampa Mobile (EPA Lab code: FL01212): Florida (E84900)
Xenco-Odessa (EPA Lab code: TX00158): Texas (T104704400-TX)
Xenco-Dallas (EPA Lab code: TX01468): Texas (T104704295-TX)
Xenco Phoenix (EPA Lab Code: AZ00901): Arizona(AZ0757)
Xenco-Phoenix Mobile (EPA Lab code: AZ00901): Arizona (AZM757)
Xenco Tucson (EPA Lab code:AZ000989): Arizona (AZ0758)

18-AUG-11

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

Reference: XENCO Report No: **425338**
Loving AIB State # 1
Project Address: Eddy County

Amber Cannon:

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 425338. 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. 425338 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

Sample Cross Reference 425338

Yates Petroleum Corporation, Artesia, NM

Loving AIB State # 1

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
Comp-00.5	S	08-04-11 10:13	6 - 6 In	425338-001
Comp-01.0	S	08-04-11 10:26	1 - 1 ft	425338-002
Comp-02.0	S	08-04-11 10:42	2 - 2 ft	425338-003

CASE NARRATIVE

Client Name: Yates Petroleum Corporation
Project Name: Loving AIB State # 1

Project ID:	*30-015-22889*	*Report Date:*	*18-AUG-11*
Work Order Number:	*425338*	*Date Received:*	*08/09/2011*

Sample receipt non conformances and comments:
None

Sample receipt non conformances and comments per sample:

None

Analytical non nonformances and comments:

Batch: LBA-867226 Inorganic Anions by EPA 300/300.1
E300

Batch 867226, Chloride recovered below QC limits in the Matrix Spike and Matrix Spike Duplicate.
Samples affected are: 425338-001, -003, -002.
The Laboratory Control Sample for Chloride is within laboratory Control Limits

Certificate of Analysis Summary 425338

Yates Petroleum Corporation, Artesia, NM

Project Name: Loving AIB State # 1

Project Id: 30-015-22889
Contact: Amber Cannon
Project Location: Eddy County

Date Received in Lab: Tue Aug-09-11 10.15 am
Report Date: 18-AUG-11
Project Manager: Brent Barron II

Analysis Requested											
	Lab Id:	425338-001		425338-002		425338-003					
	Field Id:	Comp-00 5		Comp-01.0		Comp-02.0					
	Depth:	6-6 In		1-1 ft		2-2 ft					
	Matrix:	SOIL		SOIL		SOIL					
	Sampled:	Aug-04-11 10:13		Aug-04-11 10:26		Aug-04-11 10·42					
Inorganic Anions by EPA 300/300.1 SUB: E871002	*Extracted:*	Aug-14-11 12 04		Aug-14-11 12·22		Aug-14-11 12 40					
	Analyzed:	Aug-14-11 12:04		Aug-14-11 12 22		Aug-14-11 12·40					
	Units/RL:	mg/kg	RL	mg/kg	RL	mg/kg	RL				
Chloride		73900 D	538	74200 D	543	81600 D	549				
Percent Moisture	*Extracted:*										
	Analyzed:	Aug-09-11 15.35		Aug-09-11 15·35		Aug-09-11 15 35					
	Units/RL:	%	RL	%	RL	%	RL				
Percent Moisture		7 02	1 00	7.90	1.00	8 92	1.00				

Brent Barron II
Odessa Laboratory Manager

Final 1.000

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 affect the recovery of the spike concentration. This condition could also affect 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 quantiation limit and above the detection limit.

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.

JN A combination of the "N" and the "J" qualifier. The analysis indicates that the analyte is "tentatively identified" and the associated numerical value may not be consistent with the amount actually present in the environmental sample.

BRL Below Reporting Limit.

RL Reporting Limit

MDL Method Detection Limit **SDL** Sample Detection Limit **LOD** Limit of Detection

PQL Practical Quantitation Limit **MQL** Method Quantitation Limit **LOQ** Limit of Quantitation

DL Method Detection Limit

NC Non-Calculable

+ Outside XENCO's scope of NELAC Accreditation.

XENCO-Environmental Lab of Texas

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

12600 West I-20 East
Odessa, Texas 79765

Phone: 432-563-1800
Fax: 432-563-1713

Project Manager: Amber Cannon

Company Name: Yates Petroleum Corporation

Company Address: 105 South 4th Street

City/State/Zip: Artesia, NM 88210

Telephone No: 575-748-4111 Fax No: 575-748-4585

Sampler Signature: Amber Cannon e-mail: acannon@yatespetroleum.com

Project Name: Loving AIB State #1

Project #: 30-015-22889

Project Loc: Eddy County

PO #: 1032020

Report Format: [x] Standard [ ] TRRP [ ] NPDES

(lab use only)
ORDER #: 425337 / 425338

LAB # (lab use only)	FIELD CODE	Beginning Depth	Ending Depth	Date Sampled	Time Sampled	Field Filtered	Total # of Containers	Preservation & # of Containers: Ice	HNO3	HCl	H2SO4	NaOH	Na2S2O3	None	Other (Specify)	Matrix: DW=Drinking Water SL=Sludge GW=Groundwater S=Soil/Solid NP=Non-Potable Specify Other	Analyze For: TPH 418.1	TPH 8015M	TPH TX 1005	TPH TX 1006	Cations (Ca, Mg, Na, K)	Anions (Cl, SO4, Alkalinity)	SAR / ESP / CEC	Metals: As Ag Ba Cd Cr Pb Hg Se (TCLP)	Metals: As Ag Ba Cd Cr Pb Hg Se (TOTAL)	Volatiles	Semivolatiles	BTEX 8021B/5030 or BTEX 8260	RCI	GRO	DRO	Chlorides			RUSH TAT (Pre-Schedule) 24, 48, 72 hrs	Standard TAT
01	Comp-00.5	6"	6"	8/4/2011	10:13 AM		1	X								S	X											X				X				X
02	Comp-01.0	1'	1'	8/4/2011	10:26 AM		1	X								S	X											X				X				X
03	Comp-02.0	2'	2'	8/4/2011	10:42 AM		1	X								S	X											X				X				X

PLEASE PUT CHLORIDES
ON SEPARATE REPORT

Special Instructions: **TPH: 8015B, BTEX: 8021B & Chlorides.** Please show BTEX results as mg/kg. Thank you.

Relinquished by	Date	Time	Received by	Date	Time
Amber Cannon	08/08/11	11 32 AM			
Relinquished by	Date	Time	Received by:	Date	Time
Relinquished by: Fedex	Date	Time	Received by ELOT: Andrea Elam	Date: 8.9.11	Time: 10:15

Laboratory Comments:

Sample Containers Intact?	Y
VOCs Free of Headspace?	Y
Labels on container(s)	Y
Custody seals on container(s)	N
Custody seals on cooler(s)	Y
Sample Hand Delivered by Sampler/Client Rep ?	N
by Courier? UPS DHL FedEx Lone Star	N

4029455

Temperature Upon Receipt: 2.1 °C

Final 1.000

XENCO Laboratories	Document Title: Sample Receipt Checklist
Atlanta, Boca Raton, Corpus Christi, Dallas	Document No.: SYS-SRC
Houston, Miami, Odessa, Philadelphia	Revision/Date: No. 01, 5/27/2010
Phoenix, San Antonio, Tampa	Effective Date: 6/1/2010 Page 1 of 1

Prelogin / Nonconformance Report - Sample Log-In

Client: Yates Petroleum

Date/Time: 8.9.11 10.15

Lab ID #: 425337 / 425338

Initials: AE

Sample Receipt Checklist

1. Samples on ice?	Blue	Water	No	
2. Shipping container in good condition?	Yes	No	None	
3. Custody seals intact on shipping container (cooler) and bottles?	Yes	No	N/A	
4. Chain of Custody present?	Yes	No		
5. Sample instructions complete on chain of custody?	Yes	No		
6. Any missing / extra samples?	Yes	No		
7. Chain of custody signed when relinquished / received?	Yes	No		
8. Chain of custody agrees with sample label(s)?	Yes	No		
9. Container labels legible and intact?	Yes	No		
10. Sample matrix / properties agree with chain of custody?	Yes	No		
11. Samples in proper container / bottle?	Yes	No		
12. Samples properly preserved?	Yes	No	N/A	
13. Sample container intact?	Yes	No		
14. Sufficient sample amount for indicated test(s)?	Yes	No		
15. All samples received within sufficient hold time?	Yes	No		
16. Subcontract of sample(s)?	Yes	No	N/A	Xenco-Houston
17. VOC sample have zero head space?	Yes	No	N/A	

18. Cooler 1 No.		Cooler 2 No.		Cooler 3 No.		Cooler 4 No.		Cooler 5 No.	
lbs	2.1 °C	lbs	°C	lbs	°C	lbs	°C	lbs	°C

Nonconformance Documentation

Contact: _____ Contacted by: _____ Date/Time: _____

Regarding: _____

Corrective Action Taken: _____

Check all that apply:
- ☐ Cooling process has begun shortly after sampling event and out of temperature condition acceptable by NELAC 5.5.8.3.1.a.1.
- ☐ Initial and Backup Temperature confirm out of temperature conditions
- ☐ Client understands and would like to proceed with analysis

Analytical Report 426916

for

Yates Petroleum Corporation

Project Manager: Amber Cannon

Loving AIB State #1

30-015-22889

08-SEP-11

Collected By: Client

Celebrating 20 Years of commitment to excellence in Environmental Testing Services

12600 West I-20 East Odessa, Texas 79765

Xenco-Houston (EPA Lab code: TX00122):
Texas (T104704215-10-6-TX), Arizona (AZ0765), Arkansas (08-039-0), Connecticut (PH-0102), Florida (E871002)
Illinois (002082), Indiana (C-TX-02), Iowa (392), Kansas (E-10380), Kentucky (45), Louisiana (03054)
New Hampshire (297408), New Jersey (TX007), New York (11763), Oklahoma (9218), Pennsylvania (68-03610)
Rhode Island (LAO00312), USDA (S-44102)

Xenco-Atlanta (EPA Lab Code: GA00046):
Florida (E87429), North Carolina (483), South Carolina (98015), Utah (AALI1), West Virginia (362), Kentucky (85)
Louisiana (04176), USDA (P330-07-00105)

Xenco-Miami (EPA Lab code: FL01152): Florida (E86678), Maryland (330)
Xenco-Tampa Mobile (EPA Lab code: FL01212): Florida (E84900)
Xenco-Odessa (EPA Lab code: TX00158): Texas (T104704400-TX)
Xenco-Dallas (EPA Lab code: TX01468): Texas (T104704295-TX)
Xenco Phoenix (EPA Lab Code: AZ00901): Arizona(AZ0757)
Xenco-Phoenix Mobile (EPA Lab code: AZ00901): Arizona (AZM757)
Xenco Tucson (EPA Lab code:AZ000989): Arizona (AZ0758)

08-SEP-11

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

Reference: XENCO Report No: **426916**
Loving AIB State #1
Project Address: Eddy County

Amber Cannon:

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 426916. 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. 426916 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

Sample Cross Reference 426916

Yates Petroleum Corporation, Artesia, NM

Loving AIB State #1

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
Grab 03.0	S	08-29-11 09:10	3 - 3 ft	426916-001
Grab 05.0	S	08-29-11 09:15	5 - 5 ft	426916-002
Grab 06.0	S	08-29-11 09:20	6 - 6 ft	426916-003
Grab 07.0	S	08-29-11 09:25	7 - 7 ft	426916-004
Grab 08.0	S	08-29-11 09:30	8 - 8 ft	426916-005
Grab 09.0	S	08-29-11 09.35	9 - 9 ft	426916-006
Grab 10.0	S	08-29-11 09:40	10 - 10 ft	426916-007
Grab 11.0	S	08-29-11 09:45	11 - 11 ft	426916-008
Grab 12.0	S	08-29-11 09:50	12 - 12 ft	426916-009

CASE NARRATIVE

Client Name: Yates Petroleum Corporation
Project Name: Loving AIB State #1

Project ID:	*30-015-22889*	*Report Date:*	*08-SEP-11*
Work Order Number:	*426916*	*Date Received:*	*09/01/2011*

Sample receipt non conformances and comments:

None

Sample receipt non conformances and comments per sample:

None

Certificate of Analysis Summary 426916

Yates Petroleum Corporation, Artesia, NM

Project Name: Loving AIB State #1

Project Id: 30-015-22889
Contact: Amber Cannon
Project Location: Eddy County

Date Received in Lab: Thu Sep-01-11 11.55 am
Report Date: 08-SEP-11
Project Manager: Brent Barron II

Analysis Requested													
	Lab Id:	426916-001		426916-002		426916-003		426916-004		426916-005		426916-006	
	Field Id:	Grab 03 0		Grab 05 0		Grab 06.0		Grab 07 0		Grab 08 0		Grab 09 0	
	Depth:	3-3 ft		5-5 ft		6-6 ft		7-7 ft		8-8 ft		9-9 ft	
	Matrix:	SOIL		SOIL		SOIL		SOIL		SOIL		SOIL	
	Sampled:	Aug-29-11 09.10		Aug-29-11 09 15		Aug-29-11 09 20		Aug-29-11 09 25		Aug-29-11 09 30		Aug-29-11 09 35	
Anions by E300	*Extracted:*												
	Analyzed:	Sep-02-11 11 00		Sep-02-11 11 00		Sep-02-11 11:00		Sep-07-11 19 40		Sep-02-11 11 00		Sep-02-11 11 00	
	Units/RL:	mg/kg	RL	mg/kg	RL	mg/kg	RL	mg/kg	RL	mg/kg	RL	mg/kg	RL
Chloride		13600	183	2110	23.4	12300	179	523	4 55	3130	44.9	1040	22.7
Percent Moisture	*Extracted:*												
	Analyzed:	Sep-01-11 12.20		Sep-01-11 12.20		Sep-01-11 12:20		Sep-01-11 12:20		Sep-01-11 12.20		Sep-01-11 12 20	
	Units/RL:	%	RL	%	RL	%	RL	%	RL	%	RL	%	RL
Percent Moisture		8 04	1.00	10 3	1 00	6 08	1 00	7.66	1.00	6 50	1 00	7 55	1 00

Brent Barron II
Odessa Laboratory Manager

Final 1.000

Certificate of Analysis Summary 426916

Yates Petroleum Corporation, Artesia, NM

Project Name: Loving AIB State #1

Project Id: 30-015-22889
Contact: Amber Cannon
Project Location: Eddy County

Date Received in Lab: Thu Sep-01-11 11:55 am
Report Date: 08-SEP-11
Project Manager: Brent Barron II

Analysis Requested												
	Lab Id:	426916-007		426916-008		426916-009						
	Field Id:	Grab 10.0		Grab 11 0		Grab 12.0						
	Depth:	10-10 ft		11-11 ft		12-12 ft						
	Matrix:	SOIL		SOIL		SOIL						
	Sampled:	Aug-29-11 09 40		Aug-29-11 09 45		Aug-29-11 09:50						
Anions by E300	*Extracted:*											
	Analyzed:	Sep-02-11 11 00		Sep-02-11 11 00		Sep-02-11 11:00						
	Units/RL:	mg/kg	RL	mg/kg	RL	mg/kg	RL					
Chloride		2160	45 2	921	46 6	931	24 1					
Percent Moisture	*Extracted:*											
	Analyzed:	Sep-01-11 12:20		Sep-01-11 12.20		Sep-01-11 12 20						
	Units/RL:	%	RL	%	RL	%	RL					
Percent Moisture		7 15	1 00	9.93	1 00	12.9	1.00					

Brent Barron II
Odessa Laboratory Manager

Final 1 000

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 affect the recovery of the spike concentration. This condition could also affect 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 quantiation limit and above the detection limit.

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.

JN A combination of the "N" and the "J" qualifier. The analysis indicates that the analyte is "tentatively identified" and the associated numerical value may not be consistent with the amount actually present in the environmental sample.

BRL Below Reporting Limit.

RL Reporting Limit

MDL Method Detection Limit **SDL** Sample Detection Limit **LOD** Limit of Detection

PQL Practical Quantitation Limit **MQL** Method Quantitation Limit **LOQ** Limit of Quantitation

DL Method Detection Limit

NC Non-Calculable

+ Outside XENCO's scope of NELAC Accreditation.

XENCO-Environmental Lab of Texas

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

12600 West I-20 East
Odessa, Texas 79765

Phone: 432-563-1800
Fax: 432-563-1713

Project Manager: Amber Cannon
Project Name: **Loving AIB State #1**

Company Name: Yates Petroleum Corporation
Project #: 30-015-22889

Company Address: 105 South 4th Street
Project Loc: Eddy County

City/State/Zip: Artesia, NM 88210
PO #: 1032020

Telephone No: 575-748-4111
Fax No: 575-748-4585
Report Format: [x] Standard [ ] TRRP [ ] NPDES

Sampler Signature: Amber Cannon
e-mail: acannon@yatespetroleum.com

(lab use only)
ORDER #: 426916

LAB # (lab use only)	FIELD CODE	Beginning Depth	Ending Depth	Date Sampled	Time Sampled	Field Filtered	Total # of Containers	Preservation & # of Containers: Ice	HNO_3	HCl	H_2SO_4	NaOH	$Na_2S_2O_3$	None	Other (Specify)	Matrix: DW=Drinking Water SL=Sludge GW = Groundwater S=Soil/Solid NP=Non-Potable Specify Other	Analyze For: TCLP TPH 418.1	TCLP 8015M	TCLP TPH TX 1005	TCLP TX 1006	TOTAL Cations (Ca, Mg, Na, K)	TOTAL Anions (Cl, SO4, Alkalinity)	TOTAL SAR / ESP / CEC	TOTAL Metals As Ag Ba Cd Cr Pb Hg Se	TOTAL Volatiles	TOTAL Semivolatiles	TOTAL BTEX 8021B/5030 or BTEX 8260	TOTAL RCI	TOTAL N O R M	TOTAL Chlorides	RUSH TAT (Pre-Schedule) 24, 48, 72 hrs	Standard TAT
001	Grab 03.0	3'	3'	8/29/2011	9:10 AM		1									S														X		X
002	Grab 05 0	5'	5'	8/29/2011	9:15 AM		1									S														X		X
003	Grab 06.0	6'	6'	8/29/2011	9.20 AM		1									S														X		X
004	Grab 07.0	7'	7'	8/29/2011	9:25 AM		1									S														X		X
005	Grab 08.0	8'	8'	8/29/2011	9.30 AM		1									S														X		X
006	Grab 09.0	9'	9'	8/29/2011	9:35 AM		1									S														X		X
007	Grab 10.0	10'	10'	8/29/2011	9:40 AM		1									S														X		X
008	Grab 11.0	11'	11'	8/29/2011	9:45 AM		1									S														X		X
009	Grab 12 0	12'	12'	8/29/2011	9:50 AM		1									S														X		X

Special Instructions:

Relinquished by	Date	Time	Received by	Date	Time
Amber Cannon	08/31/11	3:30 PM			
Relinquished by	Date	Time	Received by	Date	Time
Relinquished by	Date	Time	Received by ELOT	Date	Time
Fedex			Andrea Elam	9-1-11	11:55

Laboratory Comments:

Sample Containers Intact?	N	N
VOCs Free of Headspace?	N	N
Labels on container(s)	N	N
Custody seals on container(s)	N	N
Custody seals on cooler(s)	N	N
Sample Hand Delivered		
by Sampler/Client Rep ?	Y	N

by Courier? UPS DHL (FedEx) Lone Star
4029455
Temperature Upon Receipt: 25.1 °C

Final 1 000

Prelogin / Nonconformance Report - Sample Log-In

Client: Yates
Date/Time: 9-1-11 11 55
Lab ID # : 426916
Initials: AM

Sample Receipt Checklist

1. Samples on ice?	Blue	Water	(No)	
2. Shipping container in good condition?	(Yes)	No	None	
3. Custody seals intact on shipping container (cooler) and bottles?	Yes	No	(N/A)	
4. Chain of Custody present?	(Yes)	No		
5. Sample instructions complete on chain of custody?	(Yes)	No		
6. Any missing / extra samples?	Yes	(No)		
7. Chain of custody signed when relinquished / received?	(Yes)	No		
8. Chain of custody agrees with sample label(s)?	(Yes)	No		
9. Container labels legible and intact?	(Yes)	No		
10. Sample matrix / properties agree with chain of custody?	(Yes)	No		
11. Samples in proper container / bottle?	(Yes)	No		
12. Samples properly preserved?	(Yes)	No	N/A	
13. Sample container intact?	(Yes)	No		
14. Sufficient sample amount for indicated test(s)?	(Yes)	No		
15. All samples received within sufficient hold time?	(Yes)	No		
16. Subcontract of sample(s)?	Yes	No	(N/A)	
17. VOC sample have zero head space?	Yes	No	(N/A)	

18. Cooler 1 No.		Cooler 2 No.		Cooler 3 No.		Cooler 4 No.		Cooler 5 No.	
lbs	25.1 °C	lbs	°C	lbs	°C	lbs	°C	lbs	°C

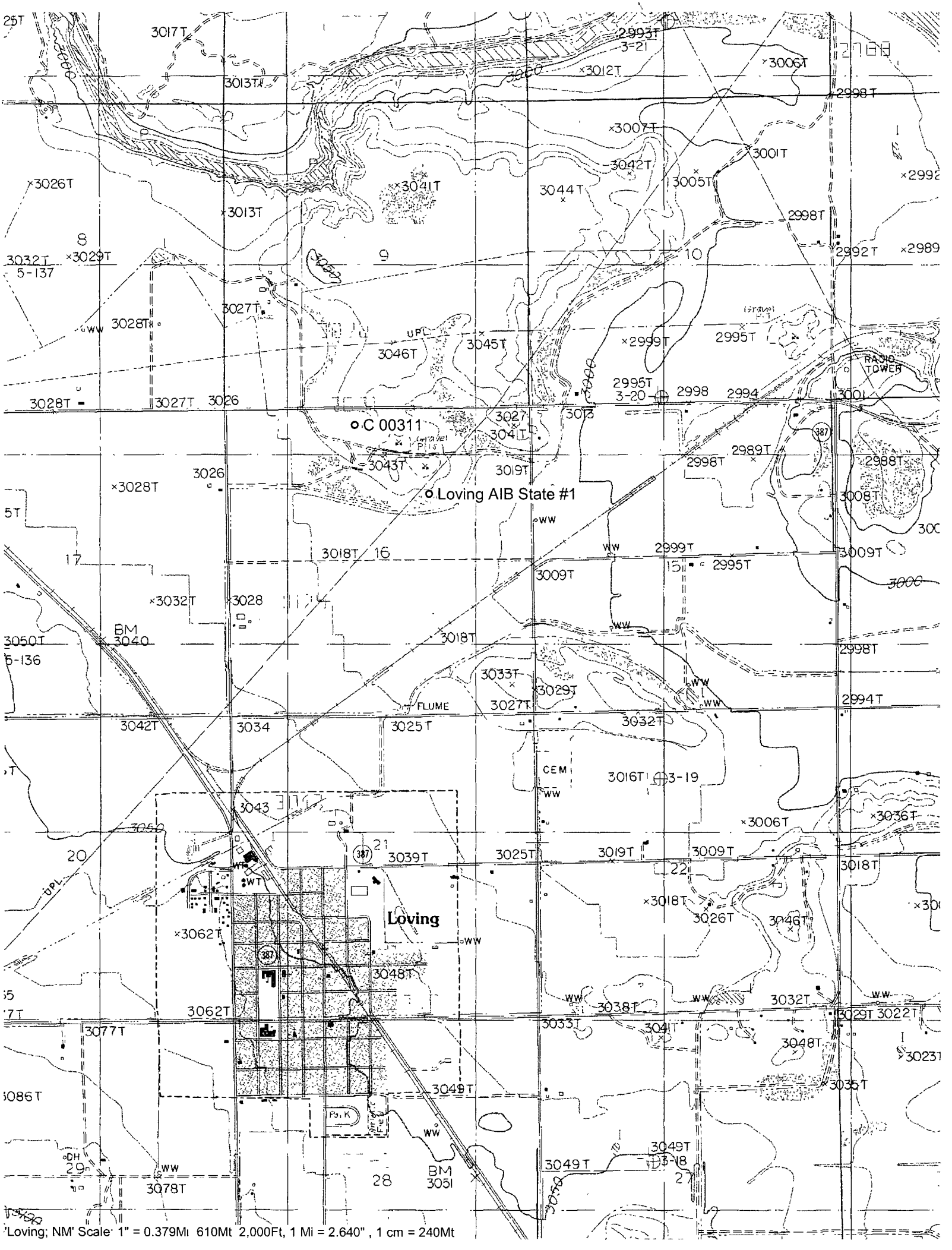
Nonconformance Documentation

Contact:_____ Contacted by:_____ Date/Time:_____

Regarding: _____

Corrective Action Taken: _____

Check all that apply:
- ☐ Cooling process has begun shortly after sampling event and out of temperature condition acceptable by NELAC 5.5.8.3.1.a.1.
- ☐ Initial and Backup Temperature confirm out of temperature conditions
- ☐ Client understands and would like to proceed with analysis



'Loving; NM' Scale· 1" = 0.379Mı 610Mt 2,000Ft, 1 Mi = 2.640" , 1 cm = 240Mt