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

April 15, 2011

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

Re: Mimosa Federal SWD #3Y
2RP-643
30-015-~~32896~~ 29123
Section 25, T17S-R25E
Eddy County, New Mexico

RECEIVED
APR 15 2011
NMOCD ARTESIA

Dear Mr. Bratcher:

Yates Petroleum Corporation would like to submit the following work plan for the above captioned location. The plan is being submitted in response to the C-141 report dated March 9, 2011.

If there are no objections with the scope of work described in the plan, Yates will begin work after the week of April 25, 2011.

If you have any questions call me at (575) 748-4217

Thank you.

YATES PETROLEUM CORPROATION

Robert Asher
Environmental Regulatory Agent

Enclosure(s)

Yates Petroleum Corporation

Mimosa Federal SWD #3Y Work Plan

Section 4, T20S-R24E

Eddy County, New Mexico

April 15, 2011

I. Location

The battery is located approximately 27 miles south-southwest of Artesia, NM, approximately 2.5 miles west of Rock Daisy Road, as represented by the attached Foster Ranch; NM, USGS Quadrangle Map.

II. Background

On March 9, 2011, Yates submitted to the NMOCD District II office a Form C-141 for a release of 20 barrels of oil with no oil recovered. This release occurred 2/02/2011. The total affected area outside the battery is approximately 30 feet by 500 feet.

III. Surface and Ground Water

Area surface geology is Paleozoic. The nearest groundwater of record is listed on the New Mexico Office of the State Engineers web site shows the depth to groundwater is approximately 268 feet (Unit Letter D, Section 3, T20S-R24E), but there is a draw 500' to the west making the site ranking for this site a ten (10). The closest watercourse in the area is dry and intermittent, except for infrequent flows in response to major precipitation events.

The ranking for this site is ten (10) based on the as following:

Depth to ground water	> 100'
Wellhead Protection Area	> 1000'
Distance to surface water body	200' - 1000'

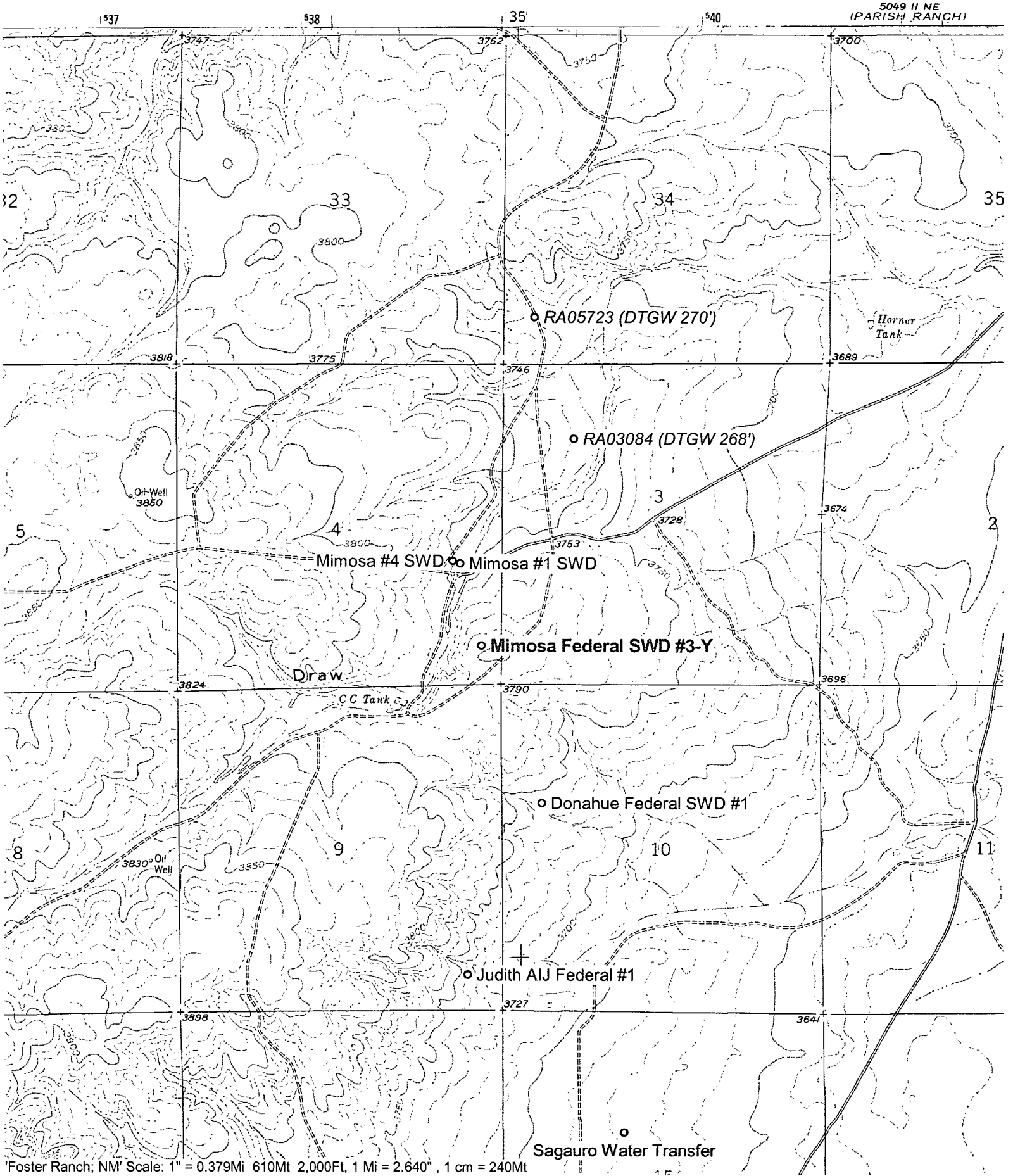
IV. Soils

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

V. Scope of Work

As of this date the release area has had two (2) applications of microblaze sprayed on the vegetation and ground. Samples were taken on April 5, 2011 (results and a sample diagram are enclosed) and results indicated Total TPH on Comp-00.5 A at 1020 ppm and Comp-00.5 B at 1750ppm above the 1000 ppm limit for the site ranking of ten (10). Because of the distance to the draw, Yates would like to remediate the release area in-place by means of alternating two applications of nitrogen fertilizer and one application of microblaze over a period of ninety days starting with the first application of fertilizer (1/4 lb per square yard) on May 1, 2011. A microblaze application on June 1, 2011 and the second application of fertilizer on July 1, 2011. Yates will sample the release area at the end of each month; samples will be tested for TPH & BTEX. If results for TPH & BTEX are under RRAL's at the end of the 90 day period, a Final Report, C-141 will be submitted to the NMOCD requesting closure or further fertilizer/microblaze applications until RRAL's are within site ranking levels.

ERIOR



'Foster Ranch; NM' Scale: 1" = 0.379Mi 610Mt 2,000Ft, 1 Mi = 2.640" , 1 cm = 240Mt

New Mexico Office of the State Engineer
Wells with Well Log Information

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters) (in feet)

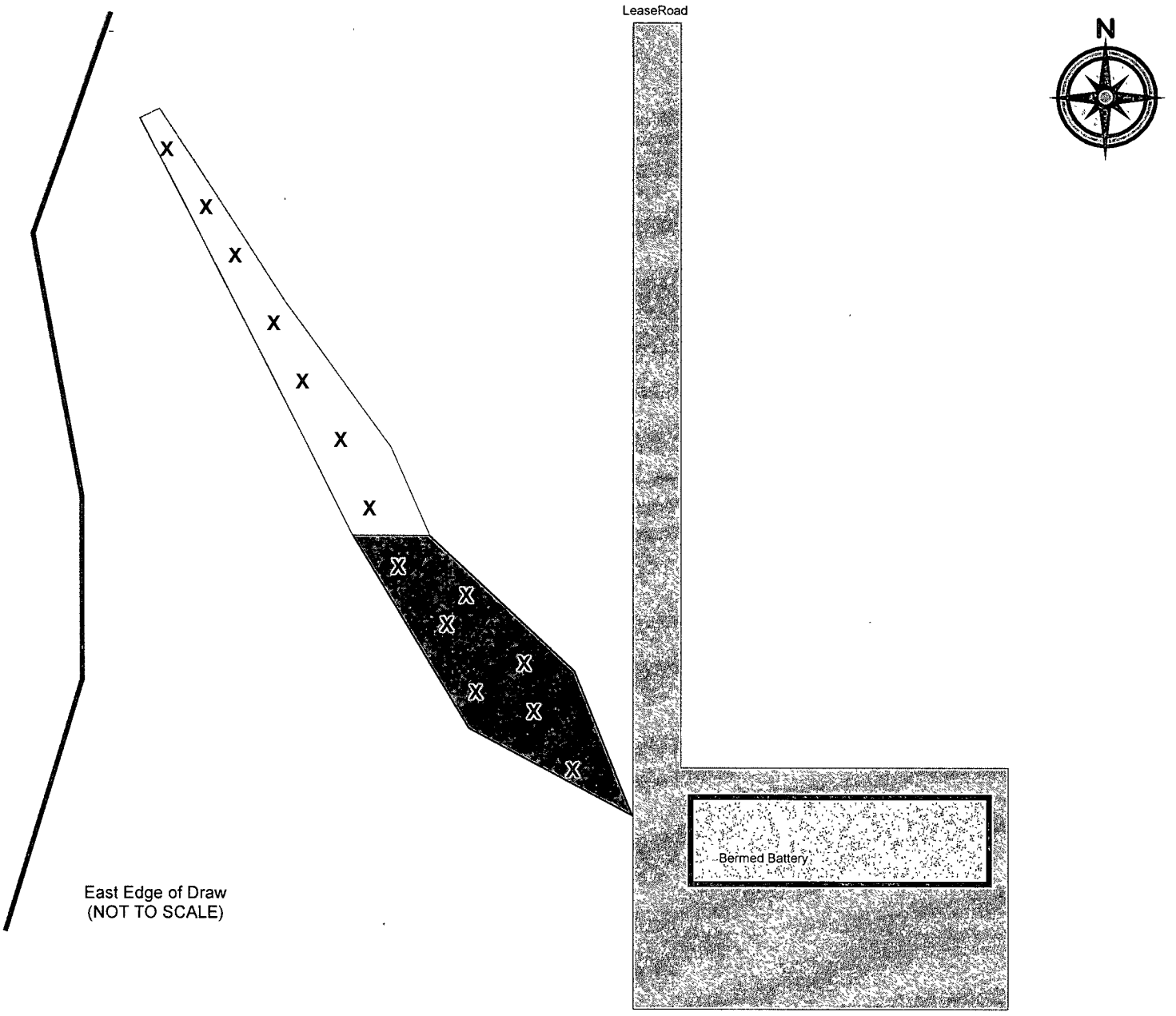
POD Number	Sub basin	Use	County	Source	q 6416	q 4	q	Sec	Twn	Rng	X	Y	Start Date	Finish Date	Log File Date	Depth Well	Depth Water
RA 02775		DOM	CH	Shallow	1	4	3	21	20S	24E	537899	3601986*	08/23/1951	09/03/1951	09/03/1951	140	31
RA 02906 CLW		DOM	CH	Shallow	3	4	2	14	20S	24E	541907	3604238*	02/24/1955	03/08/1955	05/24/1955	145	25
RA 03084		SAN	ED	Shallow			1	03	20S	24E	539366	3607752*	06/03/1953	06/12/1953	11/19/1953	330	268
RA 03085		STK	CH	Shallow			1	01	20S	24E	542613	3607799*	06/24/1953	07/06/1953	11/19/1953	465	300
RA 04502		STK	ED	Shallow		2	2	25	20S	24E	543656	3601480*	09/30/1961	10/15/1961	02/02/1962	300	268
RA 04502 REPAR		STK	ED	Shallow		2	2	25	20S	24E	543656	3601480*	09/30/1961	10/12/1961	02/02/1962	275	268
RA 04742		STK	ED	Shallow		3	3	13	20S	24E	542408	3603517*			12/14/1962	300	
RA 05146		OBS	ED	Shallow		1	2	14	20S	24E	541600	3604734*	04/23/1968	05/06/1968	05/17/1968	300	80
RA 05146		STK	ED	Shallow		1	2	14	20S	24E	541600	3604734*	04/23/1968	05/06/1968	05/17/1968	300	80
RA 05284		STK	ED	Shallow		1	2	01	20S	24E	543220	3607973*	09/28/1966	09/30/1966	10/04/1966	282	273
RA 05424		STK	ED	Shallow	4	2	3	22	20S	24E	539669	3602194*	11/15/1970	11/20/1970	01/11/1972	1000	400
RA 05478		STK	ED	Shallow	3	2	3	08	20S	24E	536272	3605389*	02/25/1969	03/07/1969	03/24/1969	550	500
RA 07771		STK	ED	Artesian	4	1	4	22	20S	24E	540073	3602194*	11/14/1989	11/30/1989	12/12/1989		

Record Count: 13

PLSS Search:

Township: 20S **Range:** 24E

***UTM location was derived from PLSS - see Help**



Analytical Report-412343	Sample Area	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TOTAL
Comp-00.5 A	North 1/2	4/11/2011	Comp/Shovel	6"	0.1730	22.5	147	169.5
Comp-00.5 B	South 1/2	4/11/2011	Comp/Shovel	6"	1.8700	147	1600	1747

Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 480', per NMOSE).

All results are ppm. Chlorides results are for documentation. X - Sample Points

YATES PETROLEUM CORPORATION

Mimosa Federal SWD #3Y

30-015-29123

Section 4, T20S-R24E

Eddy County, NM

SAMPLE DIAGRAM (Not to Scale)

Xenco Report #: 412343
Report Date: 4/12/2011
Prepared by Robert Asher
Environmental Regulatory Agent

Analytical Report 412343

for

Yates Petroleum Corporation

Project Manager: Robert Asher

Mimosa Federal SWD # 3 Y

30-015-29123

12-APR-11

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 (AZ0738), 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-Corpus Christi (EPA Lab code: TX02613): Texas (T104704370)
Xenco-Boca Raton (EPA Lab Code: FL01273):
Florida(E86240),South Carolina(96031001), Louisiana(04154), Georgia(917)
North Carolina(444), Texas(T104704468-TX), Illinois(002295), Florida(E86349)

Xenco Phoenix (EPA Lab Code: AZ00901):
Arizona(AZ0757), Texas(104704435-10-2), Nevada(NAC-445A), DoD(65816)
Xenco-Phoenix Mobile (EPA Lab code: AZ00901): Arizona (AZM757)
Xenco Tucson (EPA Lab code:AZ000989): Arizona (AZ0758)

12-APR-11

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

Reference: XENCO Report No: **412343**
Mimosa Federal SWD # 3 Y
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 412343. 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. 412343 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 412343

Yates Petroleum Corporation, Artesia, NM

Mimosa Federal SWD # 3 Y

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
Comp-00.5 A	S	Apr-05-11 09:09	6 - 6 In	412343-001
Comp-00.5 B	S	Apr-05-11 09:27	6 - 6 In	412343-002

CASE NARRATIVE

Client Name: Yates Petroleum Corporation
Project Name: Mimosa Federal SWD # 3 Y

Project ID:	*30-015-29123*	*Report Date:*	*12-APR-11*
Work Order Number:	*412343*	*Date Received:*	*04/07/2011*

Sample receipt non conformances and Comments:

None

Sample receipt Non Conformances and Comments per Sample:

None

Analytical Non Conformances and Comments:

Batch: LBA-851512 BTEX by EPA 8021B
SW8021BM

Batch 851512, 1,4-Difluorobenzene recovered below QC limits . Matrix interferences is suspected; data confirmed by re-analysis
Samples affected are: 412343-002,412343-001.

Certificate of Analysis Summary 412343

Yates Petroleum Corporation, Artesia, NM

Project Name: Mimosa Federal SWD # 3 Y

Project Id: 30-015-29123
Contact: Robert Asher
Project Location: Eddy County

Date Received in Lab: Thu Apr-07-11 09:45 am
Report Date: 12-APR-11
Project Manager: Brent Barron, II

Analysis Requested													
	Lab Id:	412343-001		412343-002									
	Field Id:	Comp-00.5 A		Comp-00 5 B									
	Depth:	6-6 In		6-6 In									
	Matrix:	SOIL		SOIL									
	Sampled:	Apr-05-11 09:09		Apr-05-11 09:27									
BTEX by EPA 8021B	*Extracted:*	Apr-11-11 08:47		Apr-11-11 08 47									
	Analyzed:	Apr-11-11 14 13		Apr-11-11 14.36									
	Units/RL:	mg/kg	RL	mg/kg	RL								
Benzene		0 00400	0 0010	0 00749	0 0010								
Toluene		0 00803	0.0020	0 309	0 0020								
Ethylbenzene		0 0217	0 0010	0 181	0.0010								
m_p-Xylenes		0 101	0.0020	1.03	0 0020								
o-Xylene		0 0386	0.0010	0 339	0 0010								
Total Xylenes		0 140	0 0010	1.37	0 0010								
Total BTEX		0 173	0.0010	1.87	0 0010								
Percent Moisture	*Extracted:*												
	Analyzed:	Apr-07-11 17:00		Apr-07-11 17·00									
	Units/RL:	%	RL	%	RL								
Percent Moisture		1.17	1.00	ND	1 00								
TPH By SW8015B Mod	*Extracted:*	Apr-07-11 10:30		Apr-07-11 10:30									
	Analyzed:	Apr-08-11 16:47		Apr-08-11 17:17									
	Units/RL:	mg/kg	RL	mg/kg	RL								
C6-C10 Gasoline Range Hydrocarbons		22.5	15 2	147	15.0								
C10-C28 Diesel Range Hydrocarbons		1000	15 2	1600	15.0								
Total TPH		1020	15.2	1750	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 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.

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

PQL Practical Quantitation Limit

* 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: Robert Asher
Project Name: **Mimosa Federal SWD #3Y**
Company Name: Yates Petroleum Corporation
Project #: 30-015-29123
Company Address: 105 South 4th Street
Project Loc: Eddy County
City/State/Zip: Artesia, NM 88210
PO #: 105832
Telephone No: 575-748-4217
Fax No: 575-748-4662
Report Format: [X] Standard [ ] TRRP [ ] NPDES
Sampler Signature:
e-mail: boba@yatespetroleum com

(lab use only)
ORDER #: 412343

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 SW = Surface Water Specify Other	Analyze For: TCLP/TOTAL: TPH 418.1 8015M 8015B	TPH TX 1005 TX 1006	Cations (Ca Mg Na K)	Anions (Cl SO4 Alkalinity)	SAR / ESP / CEC	Metals As Ag Ba Cd Cr Pb Hg Se	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 A	6"	6"	4/5/2011	9 09 AM		1	X								S	X							X						X
02	Comp-00.5 B	6"	6"	4/5/2011	9:27 AM		1	X								S	X							X						X

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

Relinquished by	Date	Time	Received by	Date	Time
Robert Asher RCN/4PC	04/06/11	3.17 PM			
Relinquished by	Date	Time	Received by	Date	Time
Relinquished by Fedex	Date	Time	Received by ELOT: Tony R. Hernandez	4/7	9:45

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	Y	N

by Sampler/Client Rep. ? by Courier? UPS DHL FedEx Lone Star
40ZC9.
Temperature Upon Receipt 4.1 °C

Prelogin / Nonconformance Report - Sample Log-In

Client: Yates
Date/Time: 4/7/11 9:45
Lab ID #: 412343
Initials: ZH

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	4 °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