

Bratcher, Mike, EMNRD

From: Amber Cannon [ACannon@yatespetroleum.com]
Sent: Wednesday, May 23, 2012 4:26 PM
To: Bratcher, Mike, EMNRD
Subject: 5/23/2012 Meeting

Mike,

I just wanted to send a quick summary of our conversation this afternoon about the Cigarillo SWD #1 and the Achen Frey DM Battery.

Cigarillo SWD #1

Closure would be accepted based off the recent discovery that the release occurred on top of an area where an old drilling pit was buried. The elevated chloride levels we found in this area during our delineation process is a result of an old buried drilling pit and not from our release. From our release we lost 13 barrels of produced water, and it covered an extensive area. The other sections sampled from this release didn't show these same elevated chloride levels at the same depths, further supporting the elevated chlorides would be from the pit. You asked that in Yates' closure letter of this release we use language about this pit. Yates will use language about the pit in our closure letter when it is submitted to NMOCD.

Achen Frey DM

When I originally sampled this release, I divided it into four different sections. After sample results came back, the two sections of concern are one (1) and four (4). Section one (1) has been excavated through 5' due to TPH/BTEX levels over the RRAL's. Further samples were taken at 6', 7' and 8'. Samples at 6' and 7' came back within limits, however, the 8' sample showed a significant increase in TPH/BTEX levels. Yates returned to this location this afternoon and obtained samples at 9' and 10'. We feel that the 8' sample could have been cross contaminated and will have a better idea of this assumption once the results for 9' and 10' come back. Samples will be sent to the laboratory tomorrow. When we have results we will be able to determine if more soils need to be excavated.

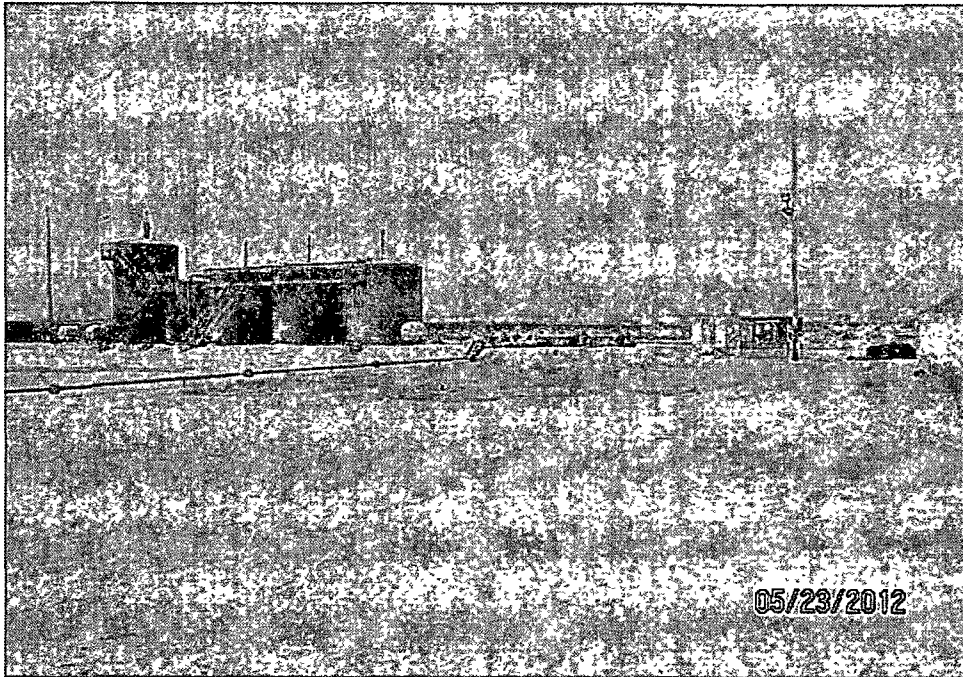
You were concerned with the chloride levels of section four (4) at 5' and requested that Yates take a 6' sample to see if there is more decrease in these levels. Yates returned to the site this afternoon and we were able to obtain this requested 6' sample. Sample will be sent to the laboratory tomorrow.

I greatly appreciate the time you took out of your busy schedule to discuss these two sites with me this afternoon. If you can think of anything else I might have left out, please let me know.

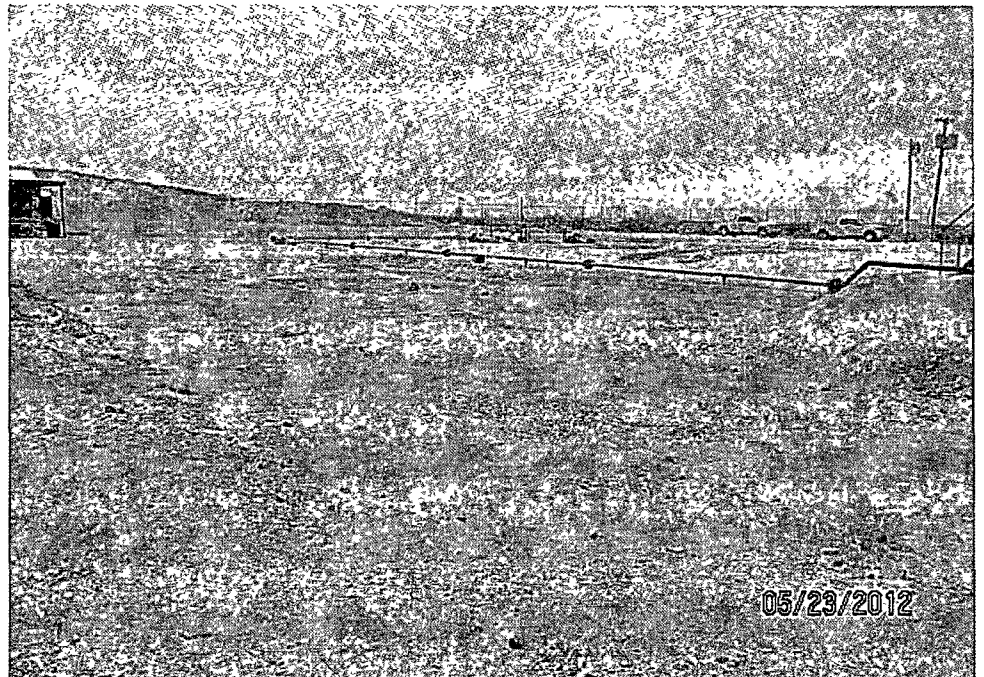
Thanks,

Amber Cannon

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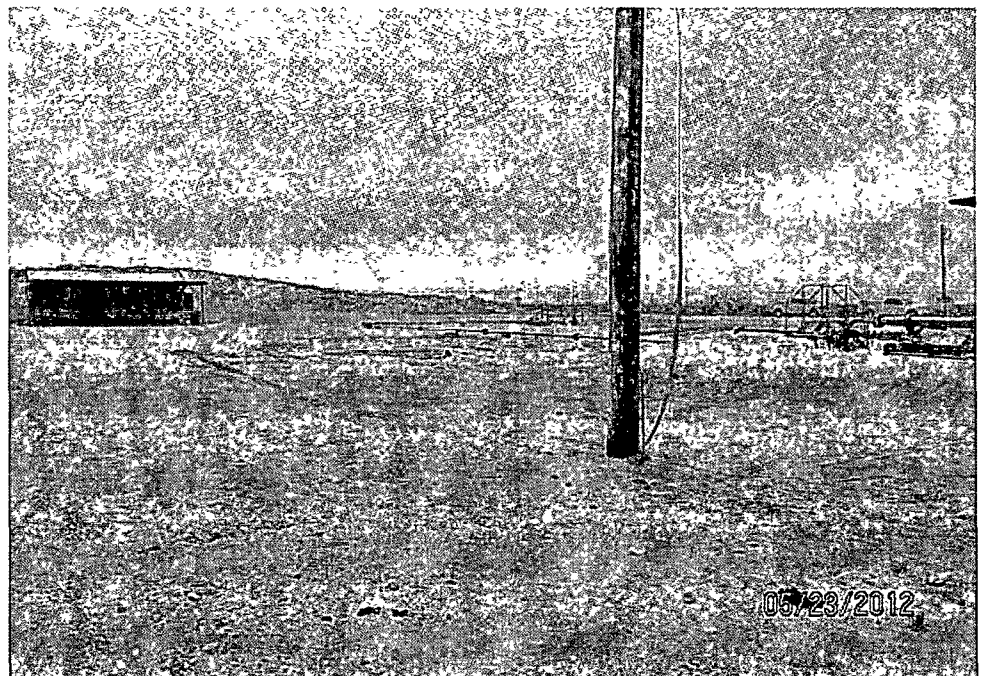
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Cigarillo SW 849
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