

December 6, 2012

Mr. Mike Bratcher
Oil Conservation Division
Artesia, NM

Re: Dayton Water Line
30-015-25677
Section 28, T18S-R26E
Eddy County, New Mexico



Dear Mr. Bratcher:

Yates Petroleum Corp. would like to submit for your consideration the enclosed work plan for the above captioned well. The plan is being submitted in response to the C-141 report dated November 26, 2012.

If you have any questions call me at 575-748-4311

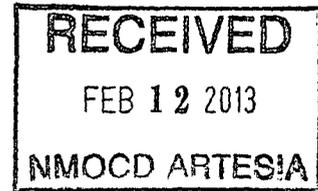
Thank you.

Yates Petroleum Corporation

Jeremy Haass
Environmental Regulatory Agent

Enclosure(s):

Diagram of Spill Area
Summary of Analytical Report
Analytical Report H202868



Yates Petroleum Corporation
Dayton Water Line Closure Report
Section 28, T18S-R26E
Eddy County, New Mexico
December 4, 2012

I. Location

East Side of Lake Rd. between Kincaid Ranch Rd. and Dayton Rd.

II. Background

On November 20, 2012 a release occurred of 85 B/PW of which 80 B/PW was recovered. Yates submitted a C-141 on November 26, 2012 to the NMOCD District II office. The total affected area was 20 yards x 5 yards. Initial delineation samples were taken (11/28/12) and sent to an NMOCD approved laboratory (11/29/12 results enclosed).

III. Surface and Ground Water

Area surface geology is Cenozoic. The nearest Depth to Groundwater record listed on the New Mexico Office of the State Engineer (Section 28, T18S-R26E) shows depth of groundwater to be approximately 90 feet making the site ranking for this site a ten (10). Watercourses in the area are dry 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	> 1000'

IV. Soils

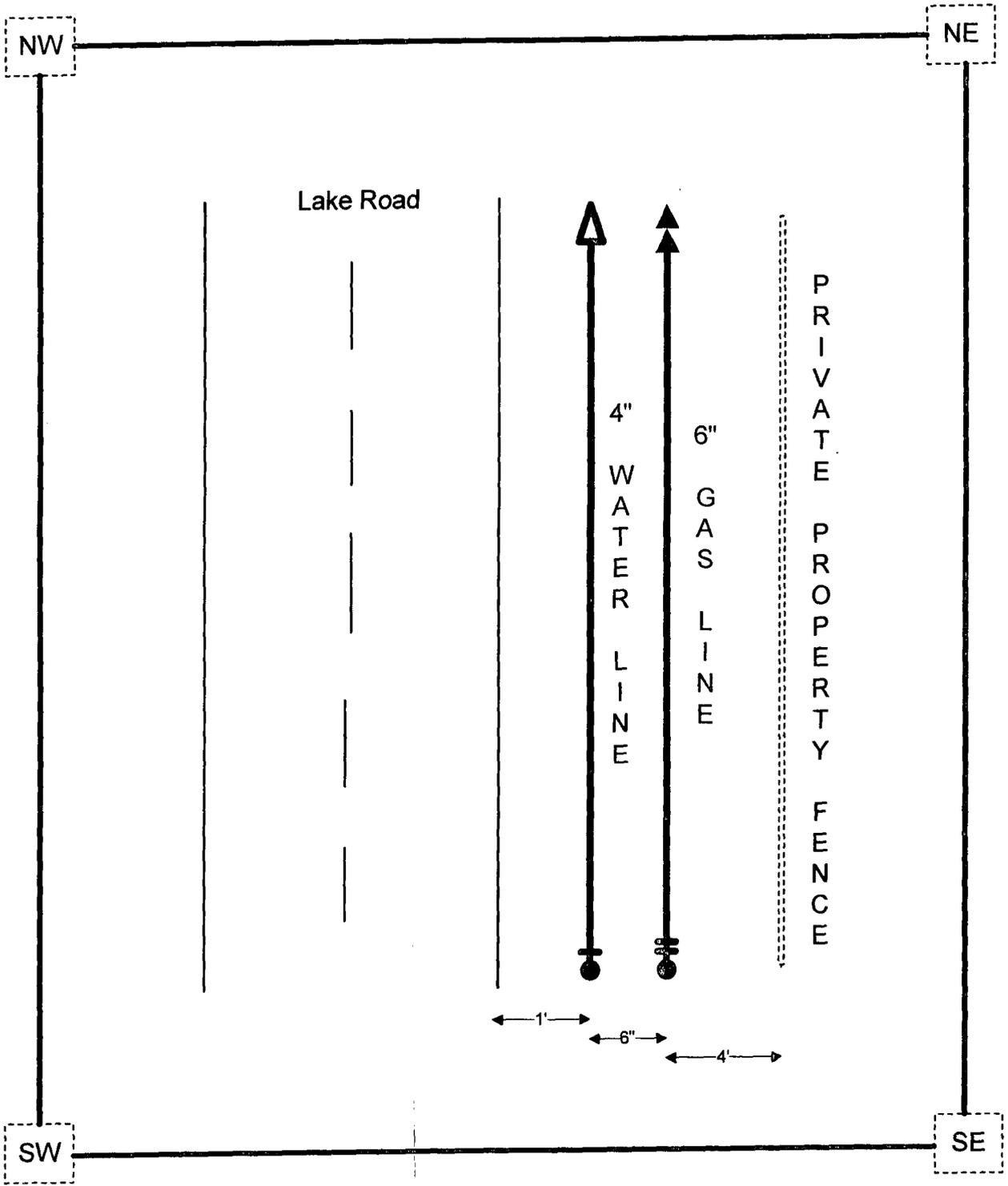
The area consists of soils that are caliche and interspersed with clay seams providing a low permeability barrier to retard vertical percolation of contaminants into the subsurface.

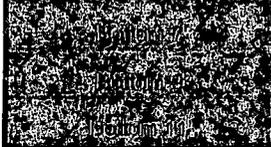
V. Scope of Work

Yates Petroleum Corp. had a contractor excavate 11' of impacted soil (total excavation was 20' x 5' x 11' deep), impacted soils were taken to an NMOCD approved facility for disposal. The area was then back filled and a 40 mil liner was placed just below the 4" water line (source of leak) and 6" gas line that run along the road, then a four foot cap was placed above the lines and liner. With Lake Rd. being in such a close proximity to the impacted area (1') if YPC were to continue to delineate the area using a backhoe or excavator it would have been necessary to bench back the walls of the excavation and that would require removing the road.- The other option would be to bring in a Core Sampling Rig and after speaking with Eddy County Road Department that would mean shutting down the road for an extended period of time. It is then in the opinion of both YPC and Mike Bratcher OCD District II Environmental Specialist that both of these options are impracticable and that laying the 40 mil liner under the pipes and above the impacted area will in conjunction with the black top road impede the movement of any Chlorides that might have been left in place. The analytical results that were included in this packet also show a dramatic and steady decrease as the samples got deeper.

YATES PETROLEUM CORPORATION

12/6/2012



Analytical Report: H202868	Sample Date	Depth	BTEX	GRO	DRO	TOTAL	Chlorides
	11/28/2012	7'	ND	ND	ND	ND	20800
	11/28/2012	9'	.182	ND	ND	ND	14200
	11/28/2012	11'	ND	ND	ND	ND	12400

North Wall	11/28/2012	7'	ND	ND	ND	ND	5200
South Wall	11/28/2012	7'	ND	ND	ND	ND	5200

Site Ranking is TEN (10). Depth to Ground Water <100' (approx. 90', per NMOSE).

All results are ppm. Chlorides for documentation.

Released: 85 B/PW; Recovered: 800 B/PW. Release Date: 11/20/2012





PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

November 29, 2012

JEREMY HAASS

Yates Energy Petroleum Corp

105 S 4th Street

Artesia, NM 88210

RE: DAYTON WATER LINE



Enclosed are the results of analyses for samples received by the laboratory on 11/28/12 14:55.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 Yates Energy Petroleum Corp
 JEREMY HAASS
 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

 Received: 11/28/2012
 Reported: 11/29/2012
 Project Name: DAYTON WATER LINE
 Project Number: 103-2636
 Project Location: EDDY COUNTY, NM

 Sampling Date: 11/28/2012
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: BOTTOM 7' (H202868-01)

BTEX 8021B			Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	11/28/2012	ND	1.78	89.0	2.00	25.1	
Toluene*	<0.050	0.050	11/28/2012	ND	2.38	119	2.00	2.75	
Ethylbenzene*	<0.050	0.050	11/28/2012	ND	2.57	128	2.00	7.65	
Total Xylenes*	<0.150	0.150	11/28/2012	ND	7.72	129	6.00	5.77	
Total BTEX	<0.300	0.300	11/28/2012	ND					

Surrogate: 4-Bromofluorobenzene (PIC) 124 % 89.4-126

Chloride, SM4500Cl-B			Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	20800	16.0	11/29/2012	ND	400	100	400	3.92	

TPH 8015M			Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	11/28/2012	ND	181	90.5	200	1.11	
DRO >C10-C28	<10.0	10.0	11/28/2012	ND	190	94.9	200	2.41	

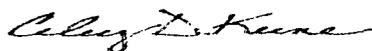
Surrogate: 1-Chlorooctane 86.1 % 65.2-140

Surrogate: 1-Chlorooctadecane 96.8 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 Yates Energy Petroleum Corp
 JEREMY HAASS
 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

Received:	11/28/2012	Sampling Date:	11/28/2012
Reported:	11/29/2012	Sampling Type:	Soil
Project Name:	DAYTON WATER LINE	Sampling Condition:	Cool & Intact
Project Number:	103-2636	Sample Received By:	Jodi Henson
Project Location:	EDDY COUNTY, NM		

Sample ID: BOTTOM 9' (H202868-02)

BTEX 8021B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	0.083	0.050	11/28/2012	ND	1.78	89.0	2.00	25.1		
Toluene*	0.099	0.050	11/28/2012	ND	2.38	119	2.00	2.75		
Ethylbenzene*	<0.050	0.050	11/28/2012	ND	2.57	128	2.00	7.65		
Total Xylenes*	<0.150	0.150	11/28/2012	ND	7.72	129	6.00	5.77		
Total BTEX	<0.300	0.300	11/28/2012	ND						

Surrogate: 4-Bromofluorobenzene (PIC) 121 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	14200	16.0	11/29/2012	ND	400	100	400	3.92		

TPH 8015M		mg/kg		Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<10.0	10.0	11/28/2012	ND	181	90.5	200	1.11		
DRO >C10-C28	<10.0	10.0	11/28/2012	ND	190	94.9	200	2.41		

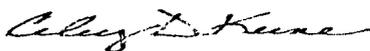
Surrogate: 1-Chlorooctane 81.1 % 65.2-140

Surrogate: 1-Chlorooctadecane 91.7 % 63.6-154

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 Yates Energy Petroleum Corp
 JEREMY HAASS
 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

Received:	11/28/2012	Sampling Date:	11/28/2012
Reported:	11/29/2012	Sampling Type:	Soil
Project Name:	DAYTON WATER LINE	Sampling Condition:	Cool & Intact
Project Number:	103-2636	Sample Received By:	Jodi Henson
Project Location:	EDDY COUNTY, NM		

Sample ID: BOTTOM 11' (H202868-03)

BTEX #021B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	11/29/2012	ND	1.78	89.0	2.00	25.1		
Toluene*	<0.050	0.050	11/29/2012	ND	2.38	119	2.00	2.75		
Ethylbenzene*	<0.050	0.050	11/29/2012	ND	2.57	128	2.00	7.65		
Total Xylenes*	<0.150	0.150	11/29/2012	ND	7.72	129	6.00	5.77		
Total BTEX	<0.300	0.300	11/29/2012	ND						

Surrogate: 4-Bromofluorobenzene (PIC) 120 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	12400	16.0	11/29/2012	ND	400	100	400	3.92		

TPH #015M		mg/kg		Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<10.0	10.0	11/28/2012	ND	193	96.4	200	1.70		
DRO >C10-C28	<10.0	10.0	11/28/2012	ND	208	104	200	1.70		

Surrogate: 1-Chlorooctane 82.7 % 65.2-140

Surrogate: 1-Chlorooctadecane 95.3 % 63.6-154

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 Yates Energy Petroleum Corp
 JEREMY HAASS
 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

 Received: 11/28/2012
 Reported: 11/29/2012
 Project Name: DAYTON WATER LINE
 Project Number: 103-2636
 Project Location: EDDY COUNTY, NM

 Sampling Date: 11/28/2012
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: NORTH WALL (H202868-04)

BTEX 8021B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	11/29/2012	ND	1.78	89.0	2.00	25.1	
Toluene*	<0.050	0.050	11/29/2012	ND	2.38	119	2.00	2.75	
Ethylbenzene*	<0.050	0.050	11/29/2012	ND	2.57	128	2.00	7.65	
Total Xylenes*	<0.150	0.150	11/29/2012	ND	7.72	129	6.00	5.77	
Total BTEX	<0.300	0.300	11/29/2012	ND					

Surrogate: 4-Bromofluorobenzene (PIE) 121 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	5200	16.0	11/29/2012	ND	400	100	400	3.92	

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	11/28/2012	ND	193	96.4	200	1.70	
DRO >C10-C28	<10.0	10.0	11/28/2012	ND	208	104	200	1.70	

Surrogate: 1-Chlorooctane 86.2 % 65.2-140

Surrogate: 1-Chlorooctadecane 101 % 63.6-154

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*=Accredited Analyte

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Analytical Results For:

 Yates Energy Petroleum Corp
 JEREMY HAASS
 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

 Received: 11/28/2012
 Reported: 11/29/2012
 Project Name: DAYTON WATER LINE
 Project Number: 103-2636
 Project Location: EDDY COUNTY, NM

 Sampling Date: 11/28/2012
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: SOUTH WALL (H202868-05)

BTEX 8021B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	11/29/2012	ND	1.78	89.0	2.00	25.1	
Toluene*	<0.050	0.050	11/29/2012	ND	2.38	119	2.00	2.75	
Ethylbenzene*	<0.050	0.050	11/29/2012	ND	2.57	128	2.00	7.65	
Total Xylenes*	<0.150	0.150	11/29/2012	ND	7.72	129	6.00	5.77	
Total BTEX	<0.300	0.300	11/29/2012	ND					

Surrogate: 4-Bromofluorobenzene (PII) 121 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	5200	16.0	11/29/2012	ND	400	100	400	3.92	

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	11/28/2012	ND	193	96.4	200	1.70	
DRO >C10-C28	<10.0	10.0	11/28/2012	ND	208	104	200	1.70	

Surrogate: 1-Chlorooctane 88.9 % 65.2-140

Surrogate: 1-Chlorooctadecane 101 % 63.6-154

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* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

- ND Analyte NOT DETECTED at or above the reporting limit
- RPD Relative Percent Difference
- ** Samples not received at proper temperature of 6°C or below.
- *** Insufficient time to reach temperature.
- Chloride by SM4500C-B does not require samples be received at or below 6°C
Samples reported on an as received basis (wet) unless otherwise noted on report



Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

Company Name: <u>TPC</u>			BILL TO			ANALYSIS REQUEST																						
Project Manager: <u>Deborah H. Ross</u>			P.O. #: <u>103-2636</u>																									
Address:			Company: <u>TPC</u>																									
City: <u>Artesia</u>		State: <u>NM</u>	Zip: <u>88210</u>		Attn: <u>Deborah H. Ross</u>																							
Phone #:		Fax #:	Address:																									
Project #:		Project Owner: <u>Deborah H. Ross</u>	City:																									
Project Name: <u>Dugan Water Line</u>			State: _____ Zip: _____																									
Project Location: <u>Eddy</u>			Phone #:																									
Sampler Name: <u>Deborah H. Ross</u>			Fax #:																									
FOR LAB USE ONLY	Lab I.D.	Sample I.D.	GIRAB OR (C)OMP.	# CONTAINERS	MATRIX				PRESERV.		SAMPLING																	
					GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE/COOL	OTHER:	DATE	TIME													
	<u>11/20/2008</u>	<u>1 Bottom 1'</u>					X				X			<u>11/28</u>		<u>TPA BTEX</u>	<u>Chlorides</u>											
		<u>2 Bottom 9"</u>					X				X			<u>11/28</u>		<u>XX</u>	<u>XX</u>											
		<u>3 Bottom 11'</u>					X				X			<u>11/28</u>		<u>XX</u>	<u>XX</u>											
		<u>4 North Wall</u>					X				X			<u>11/28</u>		<u>XX</u>	<u>XX</u>											
		<u>5 South Wall</u>					X				X			<u>11/28</u>		<u>X</u>	<u>X</u>											

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Relinquished By: <u>[Signature]</u>	Date: <u>11/28</u> Time: <u>2:35</u>	Received By: <u>[Signature]</u>	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
Relinquished By:	Date:	Received By:	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Delivered By: (Circle One) Sampler - UPS - Bus - Other:	Date: <u>11/28</u>	Sample Condition Cool <input type="checkbox"/> Intact <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>	CHECKED BY: <u>[Signature]</u> (Initials)	
REMARKS: <u>RUSH!!</u>				

† Cardinal cannot accept verbal changes. Please fax written changes to (575) 393-2326

Jeremy Haass

From: Jeremy Haass
Sent: Monday, December 03, 2012 3:03 PM
To: Mike Bratcher (mike.bratcher@state.nm.us)
Cc: Bob Asher
Subject: Dayton Water Line

This email is in reference to the site visit you conducted at the Dayton Water Line on Lake Rd. We discussed all the obstacles with further excavation at the site and determined that placing a 40 mil liner over the area would be the best course of action. I will be submitting a Final C-141 and a Closure Report to you in the next couple of days. Thanks for your time.

Jeremy Haass

Environmental Regulatory Agent
Yates Petroleum Corporation
Office: (575) 748-4311
Fax: (575) 748-4131
Cell: (575) 513-9235

