

## **Bratcher, Mike, EMNRD**

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**From:** Bob Asher <BobA@yatespetroleum.com>  
**Sent:** Wednesday, March 12, 2014 10:06 AM  
**To:** Bratcher, Mike, EMNRD  
**Subject:** Final C-141, 2RP-283 (Walt Canyon AMA Federal #4)  
**Attachments:** Walt Canyon AMA Federal 4.pdf

Mike,

I have attached the Form C-141 Final Report and supporting documentation for the captioned well. Yates is in process of plugging and abandoning the well/location. I have checked OCD Online for the status of 2RP-283, and it is still open. As I have highlighted on the cover page that the impacted soils that were stockpiled have been removed and was taken to an NMOC approved facility for disposal. Remaining chlorides left in-place (899 ppm and 23.5 ppm) should not pose a threat to ground water, (DTGW was documented on the C-141 at 493' per the NMOSE), the ChevronTexaco Trend Map shows DTGW at 75'.

Yates would like to request verbal permission to proceed with the P & A process and reclamation of the well pad area. Please contact me if there are any questions.

Thank you.

### **Robert Asher**

#### **NM Environmental Regulatory Supervisor**

Yates Petroleum Corporation  
105 S. 4<sup>th</sup> Street  
Artesia, NM 88210  
575-748-4217 (Office)  
575-365-4021 (Cell)

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MARTIN YATES, III

1912-1985

FRANK W. YATES

1936-1986

S. P. YATES

1914-2006



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

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June 7, 2011

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

Re: Walt Canyon AMA Federal #4  
2RP-283  
30-015-28361  
Section 3, T22S-R24E  
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 November 23, 2008 (10 bbls of oil and 490 bbls of produced water with 0 bbls of oil recovered and 0 bbls of produced water being recovered). This release was originally reported to the NMOCD by Mike Stubblefield. The release was from a below grade pipeline that leaked, this line has been removed and an above ground line installed. The impacted areas were on location, Area A & Area B, located to the southwest and south of the well head, the off location area was to the east. Vertical and horizontal samples were taken on 12/3/2008 and sent to an NMOCD approved laboratory for analysis. Analytical results show TPH & BTEX (chlorides for documentation) below RRAL's for the site ranking of (0) zero, (enclosed sample diagram and results). The chlorides documented pose no risk to surface or ground water. Based on the site ranking, analytical results and the impacted soils placed on plastic for remediation will not be used for backfill and are being hauled to an NMOCD approved facility. Yates Petroleum Corporation requests closure.

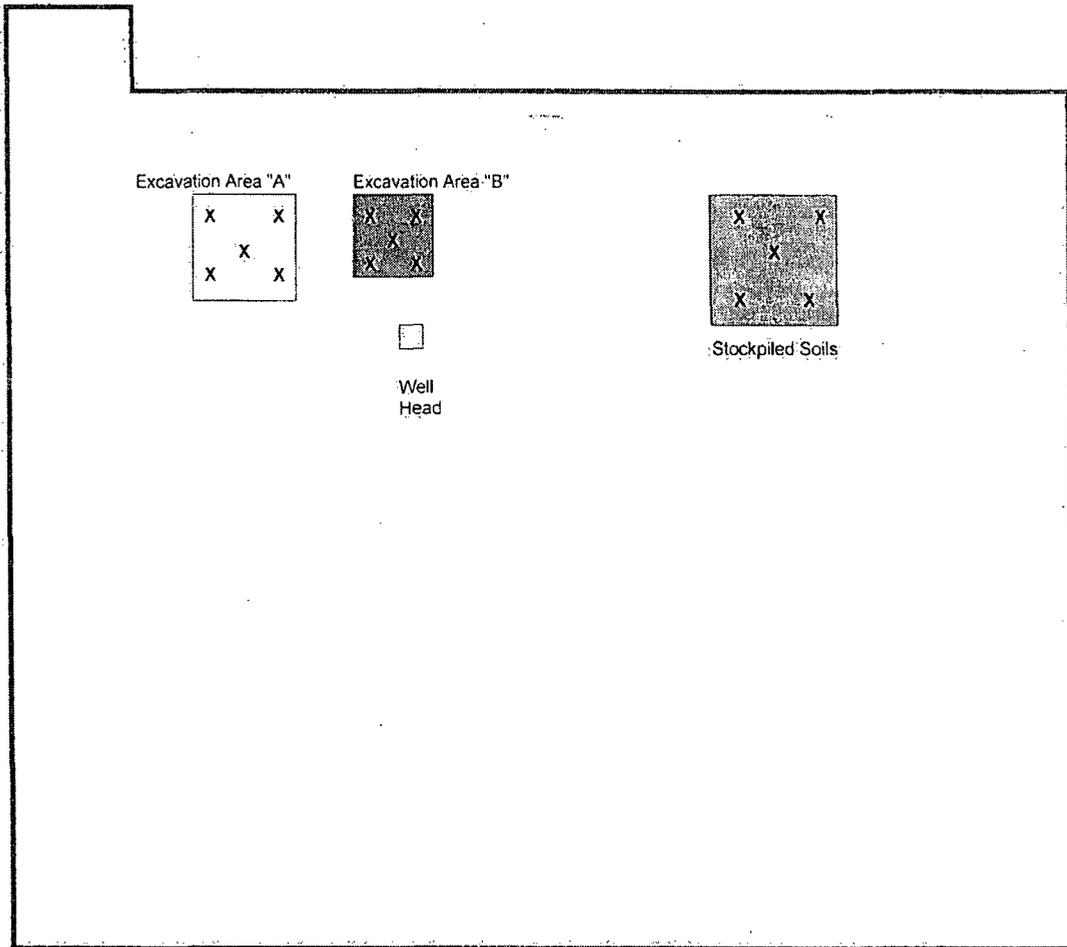
If you have any questions, please call me at 575-748-4217.

Thank you.

YATES PETROLEUM CORPORATION

Robert Asher  
Senior Environmental Regulatory Agent

/rca  
Enclosure(s)



Sample ID	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TPH TOTAL	Chlorides
Comp-04.0 A	5/17/2011	Grab/Shovel	4'	ND	ND	143	143.0	899
Comp-04.0 B	5/17/2011	Grab/Shovel	3'	ND	ND	495.0	495.0	23.5
Comp-01.0 SP	5/17/2011	Grab/Shovel	1'	ND	ND	618.0	618.0	9270

Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 493, per NMOSE). All results are ppm. Chlorides are for documentation.



Walt Canyon AMA  
Federal #4

30-015-28361

Section 3, T22S-R24E

Eddy County, NM

**SAMPLE DIAGRAM (Not to Scale)**

Xenco Report: #417125 & 417129  
Report Date: 5/23/2011

Prepared by Robert Asher  
Environmental Regulatory Agent

# Analytical Report 417125

for

## Yates Petroleum Corporation

Project Manager: Robert Asher

Walt Canyon AMA Federal # 4

30-015-28361

23-MAY-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 (LA000312), 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)



23-MAY-11

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

Reference: XENCO Report No: 417125  
Walt Canyon AMA Federal # 4  
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 417125. 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. 417125 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

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**Sample Cross Reference 417125**



**Yates Petroleum Corporation, Artesia, NM**  
Walt Canyon AMA Federal # 4

<b>Sample Id</b>	<b>Matrix</b>	<b>Date Collected</b>	<b>Sample Depth</b>	<b>Lab Sample Id</b>
Comp-04.0 A	S	May-17-11 09:38	4 - 4 ft	417125-001
Comp-03.0 B	S	May-17-11 09:53	3 - 3 ft	417125-002
Comp-01.0 SP	S	May-17-11 10:05	1 - 1 ft	417125-003



## CASE NARRATIVE

*Client Name: Yates Petroleum Corporation*

*Project Name: Walt Canyon AMA Federal # 4*



*Project ID: 30-015-28361*

*Report Date: 23-MAY-11*

*Work Order Number: 417125*

*Date Received: 05/19/2011*

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**Sample receipt non conformances and Comments:**

None

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**Sample receipt Non Conformances and Comments per Sample:**

None

**Analytical Non Conformances and Comments:**

Batch: LBA-857032 TPH By SW8015B Mod

Diesel Range Organics %RPD for Sample/ Sample Duplicate is above QC Limit. Samples affected are: 417125-001 thru 003.



# Certificate of Analysis Summary 417125

Yates Petroleum Corporation, Artesia, NM

Project Name: Walt Canyon AMA Federal # 4



Project Id: 30-015-28361

Contact: Robert Asher

Project Location: Eddy County

Date Received in Lab: Thu May-19-11 09:45 am

Report Date: 23-MAY-11

Project Manager: Brent Barron, II

Analysis Requested	Lab Id:	417125-001	417125-002	417125-003			
	Field Id:	Comp-04.0 A	Comp-03.0 B	Comp-01.0 SP			
	Depth:	4-4 ft	3-3 ft	1-1 ft			
	Matrix:	SOIL	SOIL	SOIL			
	Sampled:	May-17-11 09:38	May-17-11 09:53	May-17-11 10:05			
<b>BTEX by EPA 8021B</b>	Extracted:	May-20-11 11:00	May-20-11 11:00	May-20-11 11:00			
	Analyzed:	May-20-11 16:10	May-20-11 16:33	May-20-11 16:55			
	Units/RL:	mg/kg    RL	mg/kg    RL	mg/kg    RL			
Benzene		ND    0.00100	ND    0.0010	ND    0.0010			
Toluene		ND    0.0020	ND    0.0020	ND    0.0021			
Ethylbenzene		ND    0.00100	ND    0.0010	ND    0.0010			
m_p-Xylenes		ND    0.0020	0.00215    0.0020	ND    0.0021			
o-Xylene		ND    0.00100	0.00149    0.0010	ND    0.0010			
Total Xylenes		ND    0.00100	0.00364    0.0010	ND    0.0010			
Total BTEX		ND    0.00100	0.00364    0.0010	ND    0.0010			
<b>Percent Moisture</b>	Extracted:						
	Analyzed:	May-19-11 17:00	May-19-11 17:00	May-19-11 17:00			
	Units/RL:	%        RL	%        RL	%        RL			
Percent Moisture		ND    1.00	ND    1.00	3.16    1.00			
<b>TPH By SW8015B Mod</b>	Extracted:	May-19-11 11:00	May-19-11 11:00	May-19-11 11:00			
	Analyzed:	May-20-11 15:25	May-20-11 15:57	May-20-11 16:29			
	Units/RL:	mg/kg    RL	mg/kg    RL	mg/kg    RL			
C6-C10 Gasoline Range Hydrocarbons		ND    15.1	ND    15.1	ND    15.5			
C10-C28 Diesel Range Hydrocarbons		143    15.1	495    15.1	618    15.5			
Total TPH		143    15.1	495    15.1	618    15.5			

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 use of the data hereby presented. Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

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 Brent Barron, II  
 Odessa Laboratory Manager



# 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 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

LOD Limit of Detection

LOQ Limit of Quantitation

DL Method Detection Limit

\* Outside XENCO's scope of NELAC Accreditation.

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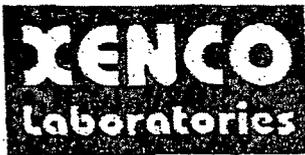
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9701 Harry Hines Blvd., Dallas, TX 75220	(214) 902 0300	(214) 351-9139
5332 Blackberry Drive, San Antonio TX 78238	(210) 509-3334	(210) 509-3335
2505 North Falkenburg Rd, Tampa, FL 33619	(813) 620-2000	(813) 620-2033
5757 NW 158th St, Miami Lakes, FL 33014	(305) 823-8500	(305) 823-8555
12600 West I-20 East, Odessa, TX 79765	(432) 563-1800	(432) 563-1713
842 Cantwell Lane, Corpus Christi, TX 78408	(361) 884-0371	(361) 884-9116





**XENCO Laboratories**  
 Atlanta, Boca Raton, Corpus Christi, Dallas  
 Houston, Miami, Odessa, Philadelphia  
 Phoenix, San Antonio, Tampa

Document Title: Sample Receipt Checklist  
 Document No.: SYS-SRC  
 Revision/Date: No. 01, 5/27/2010  
 Effective Date: 6/1/2010 Page 1 of 1

**Prelogin / Nonconformance Report - Sample Log-In**

Client: Yates Petroleum  
 Date/Time: 5-19-11 9:45  
 Lab ID #: 417125 / 417127  
 Initials: AE

**Sample Receipt Checklist**

1. Samples on ice?	Blue	<u>Water</u>	No	
2. Shipping container in good condition?	<u>Yes</u>	No	None	
3. Custody seals intact on shipping container (cooler) and bottles?	<u>Yes</u>	No	N/A	
4. Chain of Custody present?	<u>Yes</u>	No		
5. Sample instructions complete on chain of custody?	<u>Yes</u>	No		
6. Any missing / extra samples?	Yes	<u>No</u>		
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		
9. Container labels legible and intact?	<u>Yes</u>	No		
10. Sample matrix / properties agree with chain of custody?	<u>Yes</u>	No		
11. Samples in proper container / bottle?	<u>Yes</u>	No		
12. Samples properly preserved?	<u>Yes</u>	No	N/A	
13. Sample container intact?	<u>Yes</u>	No		
14. Sufficient sample amount for indicated test(s)?	<u>Yes</u>	No		
15. All samples received within sufficient hold time?	<u>Yes</u>	No		
16. Subcontract of sample(s)?	Yes	No	<u>N/A</u>	
17. VOC sample have zero head space?	<u>Yes</u>	No	N/A	
18. Cooler 1 No.	Cooler 2 No.	Cooler 3 No.	Cooler 4 No.	Cooler 5 No.
lbs <u>4.5</u> °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 417129

for

## Yates Petroleum Corporation

Project Manager: Robert Asher

Walt Canyon AMA Federal # 4

30-015-28361

23-MAY-11



Celebrating 20 Years of commitment to excellence in Environmental Testing Services



12600 West I-20 East Odessa, Texas 79765

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Texas (T104704215-10-6-TX), Arizona (AZ0738), Arkansas (08-039-0), Connecticut (PH-0102), Florida (E871002),  
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Rhode Island (LAO00312), USDA (S-44102)

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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)

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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)

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Xenco-Phoenix Mobile (EPA Lab code: AZ00901): Arizona (AZM757)

Xenco Tucson (EPA Lab code: AZ000989): Arizona (AZ0758)



23-MAY-11

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

Reference: XENCO Report No: **417129**  
**Walt Canyon AMA Federal # 4**  
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 417129. 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.

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Respectfully,

**Brent Barron, II**

Odessa Laboratory Manager

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**Sample Cross Reference 417129**



**Yates Petroleum Corporation, Artesia, NM**  
Walt Canyon AMA Federal # 4

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
Comp-04.0.A	S	May-17-11 09:38	4 - 4 ft	417129-001
Comp-03.0.B	S	May-17-11 09:53	3 - 3 ft	417129-002
Comp-01.0.SP	S	May-17-11 10:05	1 - 1 ft	417129-003



## CASE NARRATIVE

*Client Name: Yates Petroleum Corporation*

*Project Name: Walt Canyon AMA Federal # 4*



*Project ID: 30-015-28361*

*Report Date: 23-MAY-11*

*Work Order Number: 417129*

*Date Received: 05/19/2011*

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**Sample receipt non conformances and Comments:**

None

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**Sample receipt Non Conformances and Comments per Sample:**

None



# Certificate of Analysis Summary 417129

Yates Petroleum Corporation, Artesia, NM

Project Name: Walt Canyon AMA Federal # 4



Project Id: 30-015-28361

Contact: Robert Asher

Project Location: Eddy County

Date Received in Lab: Thu May-19-11 09:45 am

Report Date: 23-MAY-11

Project Manager: Brent Barron, II

<i>Analysis Requested</i>	<i>Lab Id:</i>	417129-001	417129-002	417129-003			
	<i>Field Id:</i>	Comp-04.0 A	Comp-03.0 B	Comp-01.0 SP			
	<i>Depth:</i>	4-4 ft	3-3 ft	1-1 ft			
	<i>Matrix:</i>	SOIL	SOIL	SOIL			
	<i>Sampled:</i>	May-17-11 09:38	May-17-11 09:53	May-17-11 10:05			
<b>Anions by E300</b>	<i>Extracted:</i>						
	<i>Analyzed:</i>	May-20-11 05:06	May-20-11 05:06	May-20-11 05:06			
	<i>Units/RL:</i>	mg/kg RL	mg/kg RL	mg/kg RL			
Chloride		898 42.1	23.5 21.1	9270 173			
<b>Percent Moisture</b>	<i>Extracted:</i>						
	<i>Analyzed:</i>	May-19-11 17:00	May-19-11 17:00	May-19-11 17:00			
	<i>Units/RL:</i>	% RL	% RL	% RL			
Percent Moisture		ND 1.00	ND 1.00	3.16 1.00			

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Brent Barron, II  
Odessa Laboratory Manager



# Flagging Criteria

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BRL Below Reporting Limit.

RL Reporting Limit

MDL Method Detection Limit

PQL Practical Quantitation Limit

LOD Limit of Detection

LOQ Limit of Quantitation

DL Method Detection Limit

\* Outside XENCO's scope of NELAC Accreditation.

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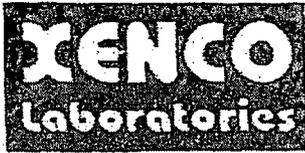
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	Phone	Fax
4143 Greenbriar Dr, Stafford, Tx 77477	(281) 240-4200	(281) 240-4280
9701 Harry Hines Blvd, Dallas, TX 75220	(214) 902 0300	(214) 351-9139
5332 Blackberry Drive, San Antonio TX 78238	(210) 509-3334	(210) 509-3335
2505 North Falkenburg Rd, Tampa, FL 33619	(813) 620-2000	(813) 620-2033
5757 NW 158th St, Miami Lakes, FL 33014	(305) 823-8500	(305) 823-8555
12600 West I-20 East, Odessa, TX 79765	(432) 563-1800	(432) 563-1713
842 Cantwell Lane, Corpus Christi, TX 78408	(361) 884-0371	(361) 884-9116





**XENCO Laboratories**  
 Atlanta, Boca Raton, Corpus Christi, Dallas  
 Houston, Miami, Odessa, Philadelphia  
 Phoenix, San Antonio, Tampa

Document Title: Sample Receipt Checklist  
 Document No.: SYS-SRC  
 Revision/Date: No. 01, 5/27/2010  
 Effective Date: 6/1/2010 Page 1 of 1

**Prelogin / Nonconformance Report - Sample Log-In**

Client: Yates Petroleum  
 Date/Time: 5-19-11 9:45  
 Lab ID #: 417125 / 417127  
 Initials: AE

**Sample Receipt Checklist**

1. Samples on ice?	Blue	<u>Water</u>	No	
2. Shipping container in good condition?	<u>Yes</u>	No	None	
3. Custody seals intact on shipping container (cooler) and bottles?	<u>Yes</u>	No	N/A	
4. Chain of Custody present?	<u>Yes</u>	No		
5. Sample instructions complete on chain of custody?	<u>Yes</u>	No		
6. Any missing / extra samples?	Yes	<u>No</u>		
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		
9. Container labels legible and intact?	<u>Yes</u>	No		
10. Sample matrix / properties agree with chain of custody?	<u>Yes</u>	No		
11. Samples in proper container / bottle?	<u>Yes</u>	No		
12. Samples properly preserved?	<u>Yes</u>	No	N/A	
13. Sample container intact?	<u>Yes</u>	No		
14. Sufficient sample amount for indicated test(s)?	<u>Yes</u>	No		
15. All samples received within sufficient hold time?	<u>Yes</u>	No		
16. Subcontract of sample(s)?	Yes	No	<u>N/A</u>	
17. VOC sample have zero head space?	<u>Yes</u>	No	N/A	
18. Cooler 1 No.	Cooler 2 No.	Cooler 3 No.	Cooler 4 No.	Cooler 5 No.
lbs <u>4.5</u> °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

# Remediation Work Plan

Yates Petroleum Corporation

Walt Canyon AMA Federal #4

Section 3 T-22s R-24e

Eddy County, New Mexico

2/10/2009

## Remediation Work plan

**Incident Date:** 11/23/2008

**Location:** Walt Canyon AMA Federal #4  
Section 3 T22S R24E  
Eddy County, New Mexico

The Walt Canyon AMA Federal #4 is located 30 miles Northwest of Carlsbad, NM, as depicted on the Azotea Peak Quadrangle. This site lies west of the Pecos River on land border by rolling hills. Area surface geology includes hard rock with very little loamy soil over lying limestone & dolomite. The area dry at the time of the release. The New Mexico State Engineer website indicates groundwater in the section 3 to be at an average depth of 493'.

The ranking for this site is (0) based on the as following:

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

### Incident Description:

The below grade flowline was found to be leaking in two areas near the wellhead. The well was shut-in.

### Action Taken:

The below grade flow line was excavated and removed from service; a new flow line was installed above grade. The impacted area was located on and off the location. The impacted areas on location were on the removed flow line. Area A located 10' south of the well head & area B located 40' south of the wellhead. The impacted areas labeled A & B were excavated to a depth of 6' BGS. The impacted area off the location is located east of the location. This area is steep in grade. The release ran under the location and exited the location pad in a narrow flow path running east of the location. This area was measured to be 5'-15'W x 300'L. There was a small pooling area found at the end of the release. A water sample was taken from the release fluid in this area on 11/24/2008. Soil samples were taken for analytical from the impacted area located east of the location on 11/24/2008. The soil samples taken were then submitted to a second party lab and analysis ran for TPH using EPA Method 8015m, and B-TEX using EPA Method 8260. Analysis was run for the Chlorides using EPA Method 4500CLB. The analytical results for soil samples taken from the impacted area located east of the location dated 12/1/2008 reported the TPH & B-TEX to be under the RRAL for the site. The Chlorides were reported to be 368 ppm in the impacted area located east of the location. The Chlorides

were reported to be 1,190 ppm in the water sample taken on 11/24/2008. The TPH & B-TEX are under the RRAL for the site. The Chlorides are documented.

**Closure action:**

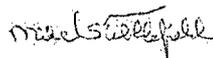
Based on analytical results attached to the Work plan. No further remediation actions will be required in the flow path located east of the location.

Soil samples will be taken for analytical from the two excavated areas located south of the wellhead on the location labeled A & B. The two areas have been excavated to 6' bgs. Both areas are estimated to be 12'Lx10W. The soil samples will be submitted to a second party Lab for analysis. The soil samples will be analyzed using EPA method 8015M for TPH & 8021 for B-TEX. If analytical results report the TPH or B-TEX to be over the RRAL for the site, the areas labeled A & B will be further excavated. When a soil sample taken from the excavated areas labeled A & B tested by YPC field test analytical methods report the TPH & B-TEX to be under the RRAL for the site, the excavation will be concluded. The excavated soil will be stockpiled on located and treated by aeration or blending with clean soil brought to the location. Soil sample will be taken for analytical from the excavated areas on location labeled A & B. Soil samples will be taken for analytical from the stockpiled soil on location. Soil samples will be submitted to a second party Lab for analysis. The soil samples will be analyzed using EPA method 8015M for TPH & 8021 for B-TEX. When a soil sample taken for analytical from the stockpiled soil on the location and the excavated areas on location labeled A & B report the TPH & B-TEX to be under the RRAL for the site. The excavated areas on location labeled A & B will be backfilled back to grade using the corrected stockpiled soil on location.

A final C-141 form will be submitted to the NMOCD requesting closure for the release that occurred on 11/24/2008.

If you have questions or need additional information, please contact me at 505-513-1712 or E-mail me at [mikes@ypcnm.com](mailto:mikes@ypcnm.com).

Sincerely,



Mike Stubblefield  
Environmental Regulatory Agent







ANALYTICAL RESULTS FOR  
 YATES PETROLEUM CORPORATION  
 ATTN: MIKE STUBBLEFIELD  
 105 SOUTH 4TH STREET  
 ARTESIA, NM-88210  
 FAX TO: (575) 748-4635

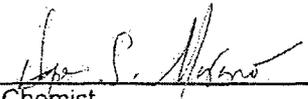
Receiving Date: 11/26/08  
 Reporting Date: 11/26/08  
 Project Number: 30-015-28361  
 Project Name: WALT CANYON AMA FED. #4  
 Project Location: SEC. 3-22S-24E

Analysis Date: 11/26/08  
 Sampling Date: 11/24/08  
 Sample Type: SOIL & WASTEWATER  
 Sample Condition: COOL & INTACT  
 Sample Received By: AB  
 Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (ppm)
H16435-1	FLOW PATH EAST OF LOCATION SURFACE.	* 368
H16435-2	POOLING AREA EAST OF LOCATION.	1,190
Quality Control		510
True Value QC		500
% Recovery		102
Relative Percent Difference		2.0

METHOD: Standard Methods 4500-ClB

\* Note: Analysis performed on a 1:4 w:v aqueous extract.

  
 Chemist

12-01-08  
 Date

H16435 YATES

PLEASE NOTE: Liability and Damages: Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.





**CARDINAL LABORATORIES, INC.**

2111 Beachwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240  
 (325) 673-7001 Fax: (325) 673-7020 (505) 393-2326 Fax: (505) 393-2476

**CHAIN-OF-CUSTODY AND ANALYSIS REQUEST**

Company Name: <b>Valco Petroleum Corporation</b>		<b>BILL TO</b>		<b>ANALYSIS REQUEST</b>			
Project Manager: <b>Mike Stubblefield</b>		P.O. #:		TPH 8015 M Q-TEX 800 4500 4500			
Address: <b>105 South 4th Street</b>		Company: <b>Valco Pet Co</b>					
City: <b>Artesia</b> State: <b>N.M.</b> Zip: <b>88210</b>		Attn: <b>Mike Stubblefield</b>					
Phone #: <b>505-713-1912</b> Fax #: <b>505-748-4635</b>		Address: <b>105 South 4th Street</b>					
Project #: <b>30-015-28361</b> Project Owner: <b>Mike Stubblefield</b>		City: <b>Artesia</b>					
Project Name: <b>Walt Canyon AMA Fld. #4</b>		State: <b>N.M.</b> Zip: <b>88210</b>					
Pl Location: <b>Sec. 3-223-24c</b>		Phone #: <b>505-748-4500</b>					
Sample Name: <b>Mike Stubblefield</b>		Fax #: <b>505-748-4635</b>					

Lab I.D.	Sample I.D.	GRAB OR (COMP. # CONTAINERS	MATRIX							PRESERV.		SAMPLING		DATE	TIME							
			GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE/COOL	OTHER:											
H116435-1	Flow path east of location surface.	G			✓					✓			11/24/2008	2:15 PM	✓	✓	✓					
-2	Pooling Area east of location.	G		✓									11/24/2008	2:30 PM			✓					

PLEASE NOTE: Liability and Damages Cardinal's liability and there is no recovery or any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the services. All claims, including those for negligence and any other cause, shall be waived and released by the client within 30 days after completion of the applicable analysis. It is further noted that Cardinal will not be held liable for consequential damages including without limitation, business interruption, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services by Cardinal or its employees or subcontractors. Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collection, including attorney's fees.

Sampler Relinquished By: <b>Mike Stubblefield</b>	Date: <b>11/25/2008</b> Time: <b>9:00 am</b>	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No
Relinquished By: <b>Mike Stubblefield</b>	Date: <b>11/25/2008</b> Time: <b>9:00 am</b>	Received By: (Lab Staff) <b>CB</b> <b>11/26/08</b> <b>10:40a</b>	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No
Delivered By: (Circle One)	Sample Condition	Temp: °C	Checked By: (Initials) <b>CB</b>
Sampler - UPS - us - Other: <input type="checkbox"/>	Intact? <input type="checkbox"/> Yes <input type="checkbox"/> No		

† Cardinal cannot accept verbal changes. Please fax all changes to (325) 673-7020.

*New Mexico Office of the State Engineer*  
**POD Reports and Downloads**

Township:  Range:  Sections:

NAD27 X:  Y:  Zone:  Search Radius:

County:  Basin:  Number:  Suffix:

Owner Name: (First)  (Last)   Non-Domestic  Domestic  
 All

POD / Surface Data Report  Avg Depth to Water Report  
 Water Column Report

**AVERAGE DEPTH OF WATER REPORT 12/03/2008.**

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
C	22S	24E	12				2	400	585	493
C	22S	24E	15				2	100	100	100
C	22S	24E	19				1	218	218	218
C	22S	24E	21				2	400	400	400
C	22S	24E	24				1	213	213	213
C	22S	24E	26				1	500	500	500
C	22S	24E	27				2	22	22	22
C	22S	24E	30				1	149	149	149
C	22S	24E	31				1	240	240	240
C	22S	24E	32				2	245	245	245
C	22S	24E	36				1	22	22	22

Record Count: 16

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

DEC - 8 2008

Form C-141  
Revised October 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

**OCD-ARTESIA**

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

**Release Notification and Corrective Action**

nSEB0835929844

OPERATOR

X Initial Report Final Report

Name of Company Yates Petroleum Corporation	Contact Mike Stubblefield
Address 105 South 4 <sup>th</sup> Street, Artesia, N.M. 88210	Telephone No. 505-7484500 505-513-1712
Facility Name Walt Canyon AMA Federal #4	Facility Type Producing well

Surface Owner Federal	Mineral Owner Federal	Lease No.
-----------------------	-----------------------	-----------

3001528361

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	3	22s	24e	860'	FNL	1780'	FEL	Eddy

Latitude 32.4257 Longitude 104.48302

**NATURE OF RELEASE**

Type of Release Hydrocarbon & Produced water	Volume of Release 10 bbls Hydrocarbon 490 bbls produced water	Volume Recovered 0 Hydrocarbon 0 produced water
Source of Release Below grade flow line from well	Date and Hour of Occurrence 11/23/2008 7:00pm	Date and Hour of Discovery 11/23/2008 7:00pm
Was Immediate Notice Given? Yes X No Not Required	If YES, To Whom? NMOCD/Mike Bratcher's voice mail box.	
By Whom? Mike Stubblefield	Date and Hour 11/24/2008 11:25am	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse	

If a Watercourse was Impacted, Describe Fully \*

Describe Cause of Problem and Remedial Action Taken \*

The below grade flow line was found to be leaking in two areas near the wellhead. The first release area was 10' due south of the wellhead on location, the second release area was 40' due south of the wellhead on location. The below grade line was excavated and removed from service, a new flow line will be installed above grade.

Describe Area Affected and Cleanup Action Taken \*

The impacted area was located on and off the location. The impacted areas on location were on the removed flow line. Area A located 10' south of the well head & area B located 40' south of the wellhead. The impacted areas labeled A & B were excavated to a depth of 6" BGS. Composite soil samples were taken on 12/3/2008 from the excavated areas and the removed stockpiled soil. The impacted area off the location is located east of the location. This area is steep in grade. The release ran under the location and exited the location pad in a narrow flow path running east of the location. This area was measured to be 5'-15' x 300'. There was a small pooling area found at the end of the release. A water sample was taken from the release fluid in this area on 11/24/2008.

Soil samples were taken for analytical from the impacted area located east of the location on 11/24/2008. The soil samples taken were then submitted to a second party lab and analysis ran for TPH using EPA Method 801.5m, and B-TEX using EPA Method 8260. Analysis was run for the Chlorides using EPA Method 4500CLB. The analytical results dated 12/1/2008 received from Cardinal Lab reported the TPH & B-TEX to be under the RRAL for the site. The Chlorides were reported to be 368 ppm in the impacted area located east of the location. The Chlorides were reported to be 1,190 ppm in the water sample taken on 11/24/2008. The TPH & B-TEX are under the RRAL for the site. The Chlorides as documented pose no risk to surface waters or ground waters. The impacted area on location will be further delineated for the GRO & DRO. A work plan will be submitted to OCD for the correction of the impacted areas on location. When analytical results report the TPH to be under the RRAL for the site, Yates Petroleum Corporation will submitted the final C-141 form for the release that occurred on 11/24/2008 requesting closure.

Depth to ground water > 100', Wellhead protection area > 1000', Distance to surface water body < 1000' Site ranking 10

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 <i>Mike Stubblefield</i>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name Mike Stubblefield	Approved by District Supervisor <i>T. Crumbly SB</i>	Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/documentation on or before the Expiration Date.
Title Environmental Regulatory Agent	Approval Date <i>12-24-08</i>	Expiration Date <i>2-25-2009</i>
E-mail Address <i>mikes@ypcnm.com</i>	Conditions of Approval <i>STIPULATIONS</i>	Attached <input checked="" type="checkbox"/>
Date 12/4/2008 Phone 505-748-4500		

Attach Additional Sheets If Necessary.

2RP - 283