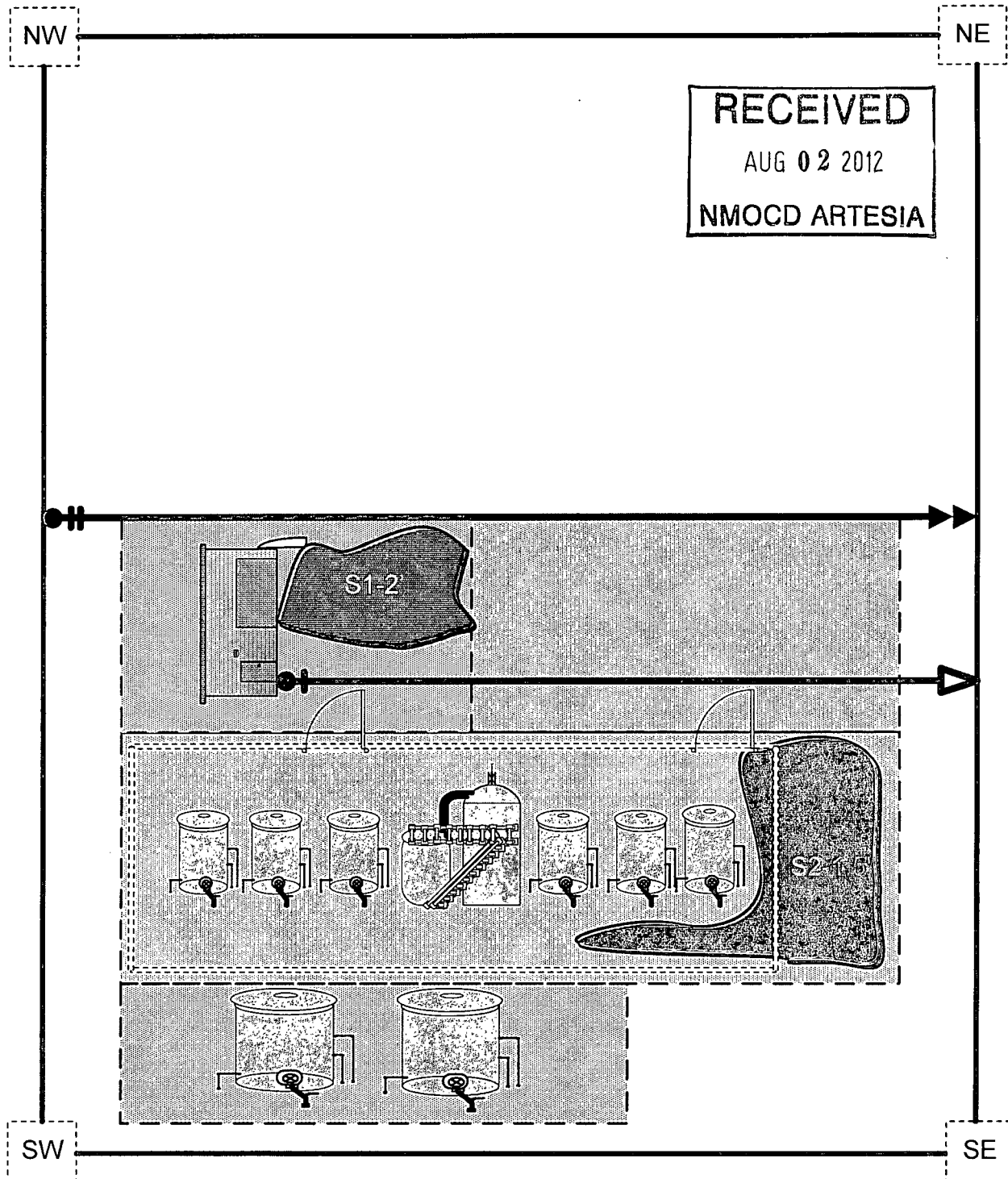


YATES PETROLEUM CORPORATION

Wednesday, August 01, 2012

Central Dagger Draw Water Transfer



Central Dagger Draw Water Transfer (Bates Water Transfer)

Analytical Report- H201014	Sample Date	Depth	BTEX	GRO	DRO	TOTAL	Chlorides
S1-2'	7/20/2012	2'	ND	ND	91.3	91.3	1310
S2-1.5'	7/20/2012	1.5'	283.77	3790	1410	5200	576

Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 260', per NMOSE).

All results are ppm. Chlorides for documentation.

Spill 1 - Released: 30 B/PW, Recovered: 20 B/PW. Release Date: 7/16/2012

Spill 2 - Released: 1 B/O, 40 B/PW; Recovered: 1 B/O, 30 B/ PW. Release Date: 7/17/2012

* Cells highlighted in red indicate soil removed.

July 30, 2012

LUPE CARRASCO

Yates Energy Petroleum Corp

105 S 4th Street

Artesia, NM 88210

RE: CENTRAL DAGGER DRAW WATER TRANSFER

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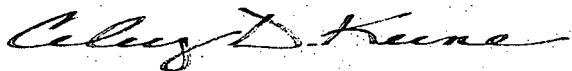
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Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

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Sincerely,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

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

Received:	07/23/2012	Sampling Date:	07/20/2012
Reported:	07/30/2012	Sampling Type:	Soil
Project Name:	CENTRAL DAGGER DRAW WATER TRANS	Sampling Condition:	Cool & Intact
Project Number:	103-163	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

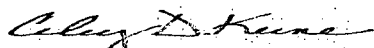
Sample ID: S2 - 1 1/2 (H201696-01)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	576	16.0	07/27/2012	ND	400	100	400	3.92		

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

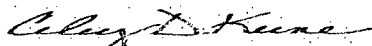
Notes and Definitions

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RPD	Relative Percent Difference
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***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-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

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

July 30, 2012

LUPE CARRASCO

Yates Energy Petroleum Corp

105 S 4th Street

Artesia, NM 88210

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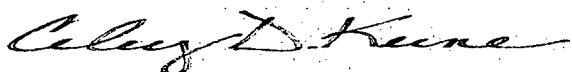
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Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

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Sincerely,



Caley D. Keene

Lab Director/Quality Manager

Analytical Results For:

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

Received:	07/23/2012	Sampling Date:	07/20/2012
Reported:	07/30/2012	Sampling Type:	Soil
Project Name:	CENTRAL DAGGER DRAW WATER TRANS	Sampling Condition:	Cool & Intact
Project Number:	103-163	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

Sample ID: S2 - 1 1/2 (H201696-01)

BTX 8021B		mg/kg		Analyzed By: AP				S-06	
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	7.47	1.00	07/30/2012	ND	1.82	91.2	2.00	0.352	
Toluene*	74.6	1.00	07/30/2012	ND	1.87	93.3	2.00	1.02	
Ethylbenzene*	32.7	1.00	07/30/2012	ND	1.90	95.2	2.00	1.09	
Total Xylenes*	169	3.00	07/30/2012	ND	5.82	97.1	6.00	2.32	

Surrogate: 4-Bromofluorobenzene (PID) 140 % 89.4-126

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	3790	50.0	07/26/2012	ND	188	94.0	200	5.62	
DRO >C10-C28	1410	50.0	07/26/2012	ND	198	99.0	200	5.46	

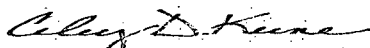
Surrogate: 1-Chlorooctane 130 % 65.2-140

Surrogate: 1-Chlorooctadecane 121 % 63.6-154

Cardinal Laboratories

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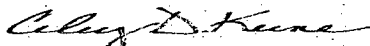
Notes and Definitions

- S-06 The recovery of this surrogate is outside control limits due to sample dilution required from high analyte concentration and/or matrix interference's.
- 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 SM4500Cl-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

Cardinal Laboratories

*=Accredited Analyte

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July 30, 2012

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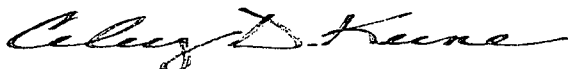
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Analytical Results For:

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

Received:	07/23/2012	Sampling Date:	07/20/2012
Reported:	07/30/2012	Sampling Type:	Soil
Project Name:	CENTRAL DAGGER DRAW WATER TRANS	Sampling Condition:	Cool & Intact
Project Number:	103-163	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

Sample ID: S1 - 2 (H201695-01)

Chloride, SM4500Cl-B		mg/kg	Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	1310	16.0	07/27/2012	ND	400	100	400	3.92	

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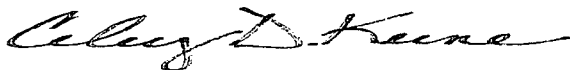
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Reported:	07/30/2012	Sampling Type:	Soil
Project Name:	CENTRAL DAGGER DRAW WATER TRANS	Sampling Condition:	Cool & Intact
Project Number:	103-163	Sample Received By:	Jodi Henson
Project Location:	NOT GIVEN		

Sample ID: S1 - 2 (H201695-01)

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	07/29/2012	ND	1.82	91.2	2.00	0.352	
Toluene*	<0.050	0.050	07/29/2012	ND	1.87	93.3	2.00	1.02	
Ethylbenzene*	<0.050	0.050	07/29/2012	ND	1.90	95.2	2.00	1.09	
Total Xylenes*	<0.150	0.150	07/29/2012	ND	5.82	97.1	6.00	2.32	

Surrogate: 4-Bromofluorobenzene (PID) 107 % 89.4-126

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<50.0	50.0	07/26/2012	ND	188	94.0	200	5.62	
DRO >C10-C28	91.3	50.0	07/26/2012	ND	198	99.0	200	5.46	


Surrogate: 1-Chlorooctane 73.2 % 65.2-140

Surrogate: 1-Chlorooctadecane 110 % 63.6-154

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Celey D. Keene, Lab Director/Quality Manager

ARDINAL LABORATORIES
101 East Marland, Hobbs, NM 88240

(505) 393-2326 FAX (505) 393-2476

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

Project Manager: Lupe Carrasco

Project Name: Central Dagger Draw Water Transfer

Comp: (505) 393-2326 Yates Petroleum Corporation

Project #: _____

Company Address: 105 South 4th Street

Project Loc: _____

City/State/Zip: Artesia, NM 88210

PO #: 103-163

Telephone No: 575-748-4350 Fax No:

Report Format: ☒ Standard ☐ TRRP ☐ NPDES

Sampler Signature:  e-mail: lcarrasco@hotmail.com

e-mail: lcarrasco@hotmail.com

LAB # (lab use only)		FIELD CODE		Beginning Depth	Ending Depth	Date Sampled	Time Sampled	Field Filtered	Total #. of Containers	Preservation & # of Containers										Matrix		TCLP:		TOTAL:		Analysis for:					
LAB # (lab use only)										Ice	HNO ₃	HCl	H ₂ SO ₄	NaOH	Na ₂ S ₂ O ₃	None	Other (Specify)	DW=Drinking Water SL=Sludge	GW = Groundwater S=Soil/Solid	NP=Non-Portable Specify Other	TPH: 418.1	80-15M	TX 1005	TX 1006	Cations (Ca, Mg, Na, K)	Anions (Cl, SO ₄ , Alkalinity)	SAR: ESP /CEC	Metals: As Ag Ba Cd Cr Pb Hg Se	Volatiles	Semivolatiles	PCB's: 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 9

Bratcher, Mike, EMNRD

From: Lupe Carrasco <LCarrasco@yatespetroleum.com>
Sent: Thursday, August 02, 2012 3:47 PM
To: Bratcher, Mike, EMNRD
Subject: Central Dagger Draw Water Transfer (Bates Water Transfer)

Mike,

As per our conversation regarding the two spills associated with the Central Dagger Draw Water Transfer (Spill 1 & Spill 2), the following actions will be taken:

Spill 1 – Based on analytical data I will begin to backfill excavated area and submit C-141 for closure of the impacted area. Impacted area has been excavated to a depth of 2' where we hit bedrock.

Spill 2 - Based on analytical data I will leave the excavated area open for at least another week at which point I will resample and submit for TPH and BTEX analysis. TPH levels were about 200 ppm over the permissible level of 5000 ppm and BTEX was over the permissible level for closure. Impacted area has been excavated down to bedrock. Remnant soil will be sampled and submitted for analysis in hopes that BTEX will be lower than 100 ppm.

Thanks!

Lupe Carrasco
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8/2/12 Meet w/ Cape w/ Yates

2RP-1228

partially Foster AN Btry ^{carrier}
liner failed in btry - pulled liner up &
~~tested~~ excavated 6" - 1 in spill Area
& tested - Analytical OK - will
replace lined portion & backfill or vice versa

2RP —

Cent Dagger Draw X Fer 2 spills

C-141s have not been processed
on both releases - material WAS
excavated to bedrock

S-1 propose to backfill

S-2 " to install a liner

for "catch basin"

Asked to resample S2 due to elevated
BTEX & TPH

