

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 746-1471

S.P. YATES
CHAIRMAN EMERITUS

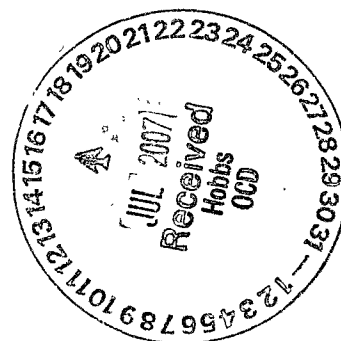
JOHN A. YATES
CHAIRMAN OF THE BOARD

PEYTON YATES
PRESIDENT

FRANK YATES, JR.
EXECUTIVE VICE PRESIDENT

JOHN A. YATES, JR.
SENIOR VICE PRESIDENT

Mr. Chris Williams
NMOCD-District 1
1625 N French Drive
Hobbs, NM 88240



July 12, 2007

RE: Sanmal Queen Unit #4
Unit J, Section 1, T17S, R33E
Lea County, New Mexico

Dear Mr. Williams,

Yates Petroleum Corporation (Yates) is the operator of the Sanmal Queen Unit #4 well (30-025-29685). On April 11, 2007, Yates submitted an Initial Report C141 reporting a release of 20 barrels produced water affecting an area approximately 60 feet by 60 feet. A vacuum truck recovered 15 barrels produced water. The affected materials were excavated and hauled to a disposal facility. Repairs to the pumping tee were completed.

On June 26, 2007 a confirmation soil sample was obtained. The sample was collected at approximately 6 inches below the excavation. The hand auger was cleaned with Alconox® using a hand scrub brush, rinsed with de-ionized water, and allowed to air dry before beginning the boring. The soil sample was collected directly from the hand auger bucket, placed into a clean sample jar provided by the analytical laboratory, placed on ice, and sent to the laboratory for analysis.

According to New Mexico Office of the State Engineer's database, depth to water in this area is greater than 100 feet. No water wells or surface waters are located within 1,000 feet of this site. Using the NMOCD ranking criteria, site investigation and data provided, this site has a Ranking Score of 0. The soil action levels for a site with this score are as follows:

- | | |
|-----------|----------|
| • Benzene | 10 ppm |
| • BTEX | 50 ppm |
| • TPH | 5000 ppm |

The confirmation soil analyses do not exceed these criteria. Chloride results are provided for reference. A sample point diagram and analyses table is provided for a quick review. The analytical report with detailed information from Environmental Lab of Texas is also included.

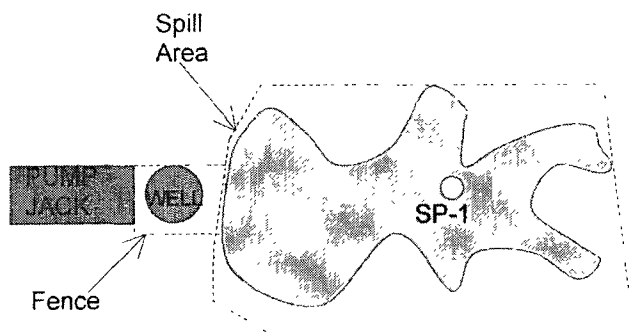
Given the analyses information and a site ranking of zero, there appears to be no risk to human health or the environment. In light of this evaluation, Yates Petroleum Corporation requests NMOCD to grant closure to the incident. Please find attached the Final Report C-141.

Sincerely,



Sherry Bonham
Environmental Regulatory Agent

cc: Mr. Mark Whitaker
NMOCD



ANALYSES TABLE

Sample ID	Sample Date	Sample Type	Depth	Chlorides	BTEX	TPH (GRO)	TPH (DRO)	TPH (TOTAL)
1	6/26/2007	Grab	6" Below Excavation	3070	Non-Detect	Non-Detect	18.8	18.8

Site Ranking is Zero (0). Depth to Ground Water > 100'

Analytical testing performed at Environmental Lab of Texas All results are ppm.



SANMAL QUEEN UNIT #4

Sec. 1 T17S R33E

Lea County, NM

SAMPLE POINT DIAGRAM
JUNE 26, 2007

(Not to Scale)

Analytical Report 285369

for

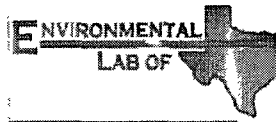
Yates Petroleum Corporation

Project Manager: Sherry Bonham

Sanmal Queen Unit 4

30-025-29685

09-JUL-07



12600 West I-20 East Odessa, Texas 79765

A Xenco Laboratories Company

NELAC certification numbers:

Houston, TX E871002 - Miami, FL E86678 - Tampa, FL E86675

Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America



09-JUL-07

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

Reference: XENCO Report No: **285369**
Sanmal Queen Unit 4
Project Address: 1-175-33E

Sherry Bonham:

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 285369. 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. 285369 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 (c.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

Odessa Laboratory Director

Recipient of the Prestigious Small Business Administration Award of Excellence in 1994.

Certified and approved by numerous States and Agencies.

A Small Business and Minority Status Company that delivers SERVICE and QUALITY

Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America



Sample Cross Reference 285369



Yates Petroleum Corporation, Artesia, NM
Sanmal Queen Unit 4

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
001	S	Jun-26-07 16:55	6 in	285369-001



Certificate of Analysis Summary 285369

Yates Petroleum Corporation, Artesia, NM

Project Name: Sanmal Queen Unit 4



Project Id: 30-025-29685

Contact: Sherry Bonham

Project Location: 1-175-33E

Date Received in Lab: Tue Jul 03-07 10:15 am

Report Date: 09-JUL-07

Project Manager: Brent Barron, II

Analysis Requested	Lab Id:	285369 001				
	Field Id:	001				
	Depth:	6 In				
	Matrix:	SOIL				
	Sampled:	Jun-26-07 16:55				
BTEX by EPA 8021B	Extracted:	Jul-06-07 16:00				
	Analyzed:	Jul-06-07 21:36				
	Units/RL:	mg/kg RL				
Benzene		ND 0.0024				
Toluene		ND 0.0024				
Ethylbenzene		ND 0.0024				
m,p-Xylene		ND 0.0047				
o-Xylene		ND 0.0024				
Total Xylenes		ND				
Total BTEX		ND				
Inorganic Anions by EPA 300	Extracted:					
	Analyzed:	Jul-06-07 12:03				
	Units/RL:	mg/kg RL				
Chloride		3070 50.4				
Percent Moisture	Extracted:					
	Analyzed:	Jul-05-07 15:32				
	Units/RL:	% RL				
Percent Moisture		15.8 1.00				
TPH by SW 8015B	Extracted:	Jul-03-07 17:11				
	Analyzed:	Jul-04-07 04:24				
	Units/RL:	mg/kg RL				
C6-C10 Gasoline Range Hydrocarbons		ND 11.9				
C10-C28 Diesel Range Hydrocarbons		18.8 11.9				

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 are based on the best judgment of XENCO Laboratories. XENCO Laboratories assumes no responsibility and makes no warranty in the use of the data hereby presented. Our liability is limited to the amount of the fee for analysis and interpretation of the data.

Since 1990 Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America


Brent Barron
Odessa Laboratory Director



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.

Recipient of the Prestigious Small Business Administration Award of Excellence in 1994.

Certified and approved by numerous States and Agencies.

A Small Business and Minority Status Company that delivers SERVICE and QUALITY

Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America

11381 Meadowglen Lane Suite L Houston, Tx 77082-2617
9701 Harry Hines Blvd , Dallas, TX 75220
5332 Blackberry Drive, Suite 104, San Antonio, TX 78238
2505 N Falkenburg Rd., Tampa, FL 33619
5757 NW 158th St. Miami Lakes, FL 33014

Phone	Fax
(281) 589-0692	(281) 589-0695
(214) 962 0300	(214) 351-9139
(210) 509-3334	(201) 509-3335
(813) 620-2000	(813) 620-2033
(305) 823-8500	(305) 823-8555



Form 2 - Surrogate Recoveries

Project Name: Sanmal Queen Unit 4



Work Order #: 285369

Project ID: 30-025-29685

Lab Batch #: 699920

Sample: 285368-001 S / MS

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY					
BTEX by EPA 8021B	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
Analytes					
4-Bromofluorobenzene	0.0452	0.0500	90	80-120	

Lab Batch #: 699920

Sample: 285368-001 SD / MSD

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY					
BTEX by EPA 8021B	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
Analytes					
4-Bromofluorobenzene	0.0426	0.0500	85	80-120	

Lab Batch #: 699920

Sample: 285369-001 / SMP

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY					
BTEX by EPA 8021B	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
Analytes					
4-Bromofluorobenzene	0.0336	0.0500	67	80-120	**

Lab Batch #: 699920

Sample: 496926-1-BKS / BKS

Batch: 1 Matrix: Solid

Units: mg/kg

SURROGATE RECOVERY STUDY					
BTEX by EPA 8021B	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
Analytes					
4-Bromofluorobenzene	0.0473	0.0500	95	80-120	

Lab Batch #: 699920

Sample: 496926-1-BLK / BLK

Batch: 1 Matrix: Solid

Units: mg/kg

SURROGATE RECOVERY STUDY					
BTEX by EPA 8021B	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
Analytes					
4-Bromofluorobenzene	0.0422	0.0500	84	80-120	

** Surrogates outside limits, data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = $100 * A / B$

All results are based on MDL and validated for QC purposes.



Form 2 - Surrogate Recoveries

Project Name: Sanmal Queen Unit 4



Work Order #: 285369

Project ID: 30-025-29685

Lab Batch #: 699784

Sample: 285369-001 / SMP

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY					
TPH by SW 8015B	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
Analytes					
1-Chlorooctadecane	45.1	50.0	90	70-135	
1-Chlorooctane	44.7	50.0	89	70-135	

Lab Batch #: 699784

Sample: 285370-001 S / MS

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY					
TPH by SW 8015B	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
Analytes					
1-Chlorooctadecane	41.8	50.0	84	70-135	
1-Chlorooctane	59.0	50.0	118	70-135	

Lab Batch #: 699784

Sample: 285370-001 SD / MSD

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY					
TPH by SW 8015B	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
Analytes					
1-Chlorooctadecane	42.1	50.0	84	70-135	
1-Chlorooctane	62.0	50.0	124	70-135	

Lab Batch #: 699784

Sample: 496793-1-BKS / BKS

Batch: 1 Matrix: Solid

Units: mg/kg

SURROGATE RECOVERY STUDY					
TPH by SW 8015B	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
Analytes					
1-Chlorooctadecane	56.3	50.0	113	70-135	
1-Chlorooctane	62.7	50.0	125	70-135	

** Surrogates outside limits, data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = $100 * A / B$

All results are based on MDL and validated for QC purposes



Form 2 - Surrogate Recoveries

Project Name: Sanmal Queen Unit 4



Work Order #: 285369

Project ID: 30-025-29685

Lab Batch #: 699784

Sample: 496793-1-BLK / BLK

Batch: 1 Matrix: Solid

Units: mg/kg

SURROGATE RECOVERY STUDY					
TPH by SW 8015B Analytes	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctadecane	52.9	50.0	106	70-135	
1-Chlorooctane	51.5	50.0	103	70-135	
o-Terphenyl	ND	ND		70-135	*U

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = $100 * A / B$

All results are based on MDL and validated for QC purposes



Blank Spike Recovery



Project Name: Sanmal Queen Unit 4

Work Order #: 285369

Project ID:

30-025-29685

Lab Batch #: 699920

Sample: 496926-1-BKS

Matrix: Solid

Date Analyzed: 07/06/2007

Date Prepared: 07/06/2007

Analyst: CELKEE

Reporting Units: mg/kg

Batch #: 1

BLANK /BLANK SPIKE RECOVERY STUDY

BTEX by EPA 8021B Analytes	Blank Result [A]	Spike Added [B]	Blank Spike Result [C]	Blank Spike %R [D]	Control Limits %R	Flags
Benzene	ND	0.0500	0.0462	92	70-130	
Toluene	ND	0.0500	0.0474	95	70-130	
Ethylbenzene	ND	0.0500	0.0519	104	71-129	
m,p-Xylene	ND	0.1000	0.0925	93	70-135	
o-Xylene	ND	0.0500	0.0500	100	71-133	

Lab Batch #: 699848

Sample: 699848-1-BKS

Matrix: Solid

Date Analyzed: 07/06/2007

Date Prepared: 07/06/2007

Analyst: LATCOR

Reporting Units: mg/kg

Batch #: 1

BLANK /BLANK SPIKE RECOVERY STUDY

Inorganic Anions by EPA 300 Analytes	Blank Result [A]	Spike Added [B]	Blank Spike Result [C]	Blank Spike %R [D]	Control Limits %R	Flags
Chloride	ND	10.0	10.1	101	75-125	

Lab Batch #: 699784

Sample: 496793-1-BKS

Matrix: Solid

Date Analyzed: 07/04/2007

Date Prepared: 07/03/2007

Analyst: SHE

Reporting Units: mg/kg

Batch #: 1

BLANK /BLANK SPIKE RECOVERY STUDY

TPH by SW 8015B Analytes	Blank Result [A]	Spike Added [B]	Blank Spike Result [C]	Blank Spike %R [D]	Control Limits %R	Flags
C6-C10 Gasoline Range Hydrocarbons	ND	500	593	119	70-135	
C10-C28 Diesel Range Hydrocarbons	ND	500	542	108	70-135	

Blank Spike Recovery [D] = 100*[C]/[B]

All results are based on MDL and validated for QC purposes



Form 3 - MS Recoveries

Project Name: Sanmal Queen Unit 4



Work Order #: 285369

Lab Batch #: 699848

Project ID: 30-025-29685

Date Analyzed: 07/06/2007

Date Prepared: 07/06/2007

Analyst: LATCOR

QC- Sample ID: 285357-001 S

Batch #: 1

Matrix: Soil

Reporting Units: mg/kg

MATRIX / MATRIX SPIKE RECOVERY STUDY

Inorganic Anions by EPA 300 Analytes	Parent Sample Result [A]	Spike Added [B]	Spiked Sample Result [C]	%R [D]	Control Limits %R	Flag
Chloride	2090	2170	4420	107	75-125	

Matrix Spike Percent Recovery [D] = $100 \times (C-A)/B$

Relative Percent Difference [F] = $200 \times (C-A)/(C+B)$

All Results are based on MDL and Validated for QC Purposes



Form 3 - MS / MSD Recoveries



Project Name: Sanmal Queen Unit 4

Work Order #: 285369

Project ID: 30-025-29685

Lab Batch ID: 699920

QC- Sample ID: 285368-001 S

Batch #: 1 Matrix: Soil

Date Analyzed: 07/09/2007

Date Prepared: 07/06/2007

Analyst: CELKEE

Reporting Units: mg/kg

MATRIX SPIKE / MATRIX SPIKE DUPLICATE RECOVERY STUDY											
BTEX by EPA 8021B	Parent Sample Result [A]	Spike Added [B]	Spiked Sample Result [C]	Spiked Sample %R [D]	Spike Added [E]	Duplicate Spiked Sample Result [F]	Spiked Dup. %R [G]	RPD %	Control Limits %R	Control Limits %RPD	Flag
Analytes											
Benzene	ND	0.1119	0.0951	85	0.1119	0.0910	81	5	70-130	35	
Toluene	ND	0.1119	0.0998	89	0.1119	0.0955	85	5	70-130	35	
Ethylbenzene	ND	0.1119	0.1098	98	0.1119	0.1044	93	5	71-129	35	
m,p-Xylene	ND	0.2238	0.1982	89	0.2238	0.1878	84	6	70-135	35	
o-Xylene	ND	0.1119	0.1064	95	0.1119	0.0909	89	7	71-133	35	

Lab Batch ID: 699784

QC- Sample ID: 285370-001 S

Batch #: 1 Matrix: Soil

Date Analyzed: 07/04/2007

Date Prepared: 07/03/2007

Analyst: SHE

Reporting Units: mg/kg

MATRIX SPIKE / MATRIX SPIKE DUPLICATE RECOVERY STUDY											
TPH by SW 8015B	Parent Sample Result [A]	Spike Added [B]	Spiked Sample Result [C]	Spiked Sample %R [D]	Spike Added [E]	Duplicate Spiked Sample Result [F]	Spiked Dup. %R [G]	RPD %	Control Limits %R	Control Limits %RPD	Flag
Analytes											
C6-C10 Gasoline Range Hydrocarbons	612	553	1330	130	553	1490	159	20	70-135	35	X
C10-C28 Diesel Range Hydrocarbons	2700	553	3370	121	553	3860	210	54	70-135	35	XF

Matrix Spike Percent Recovery $[D] = 100 * (C - A) / B$
Relative Percent Difference $RPD = 200 * (D - G) / (D + G)$

Matrix Spike Duplicate Percent Recovery $[G] = 100 * (F - A) / E$

ND = Not Detected, I = Present Below Reporting Limit, B = Present in Blank, NR = Not Requested, I = Interference, NA = Not Applicable
N = See Narrative, EQL = Estimated Quantitation Limit



Sample Duplicate Recovery



Project Name: Sanmal Queen Unit 4

Work Order #: 285369

Lab Batch #: 699848

Project ID: 30-025-29685

Date Analyzed: 07/06/2007

Date Prepared: 07/06/2007

Analyst: LATCOR

QC- Sample ID: 285357-001 D

Batch #: 1

Matrix: Soil

Reporting Units: mg/kg

SAMPLE / SAMPLE DUPLICATE RECOVERY					
Inorganic Anions by EPA 300	Parent Sample Result [A]	Sample Duplicate Result [B]	RPD	Control Limits %RPD	Flag
Analyte					
Chloride	2090	2110	1	20	

Lab Batch #: 699786

Date Analyzed: 07/05/2007

Date Prepared: 07/05/2007

Analyst: WRU

QC- Sample ID: 285357-001 D

Batch #: 1

Matrix: Soil

Reporting Units: %

SAMPLE / SAMPLE DUPLICATE RECOVERY					
Percent Moisture	Parent Sample Result [A]	Sample Duplicate Result [B]	RPD	Control Limits %RPD	Flag
Analyte					
Percent Moisture	8.00	8.05	1	20	

Spike Relative Difference RPD $200 * |(B-A)/(B+A)|$

All Results are based on MDL and validated for QC purposes.

Environmental Lab of Texas

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST
 12600 West 1-20 East
 Odessa Texas 79765
 Phone 432-563-1800
 Fax 432-563-1713

Project Manager Sherry Bonham
 Company Name Yukon Petroleum Corporation
 Company Address 105 E 4th Street
 City/State/Zip Odessa NM 88416
 Telephone No 505 748 4162 or 505 513 1519
 Sample Signature [Signature]
 Fax No 505 748 1550
 e-mail sherryb@ypcnm.com

Project Name SANNA Over Unit 4
 Project # 30-025-27685
 Project Loc 1-175-33E
 PO # 1032420
 Report Format: ☒ Standard ☐ IAP ☐ NPDES

LAB # (for use only)		FIELD CODE		Beginning Depth	Ending Depth	Date Sampled	Time Sampled	Field Notes	Analysis for		Special Instructions	
61	001			16"	16-26.07	1655			1	1	1	1
Special Instructions:												
Laboratory Comments:												
Sample Containers Info:												
Vials free of headspace?												
Labels on containers?												
Custody seals on containers?												
Custody seals on cooler(s)?												
Sample #s & delivered by?												
by courier? (UPS, DHL, etc.)												
Temperature upon Receipt												

Environmental Lab of Texas
Variance/ Corrective Action Report- Sample Log-In

Client: Yates
Date/Time: 13 Oct 16 15
Contract #: 285249
Notes: GL

Sample Receipt Checklist

				Client Initials	
#1	Temperature of container/ cooler?	<u>Yes</u>	No	<u>25</u>	°C
#2	Shipping container in good condition?	<u>Yes</u>	No		
#3	Custody Seals intact on shipping container/ cooler?	<u>Yes</u>	No	Not Present	
#4	Custody Seals intact on sample bottles/ container?	<u>Yes</u>	No	Not Present	
#5	Chain of Custody present?	<u>Yes</u>	No		
#6	Sample instructions complete of Chain of Custody?	<u>Yes</u>	No		
#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	ID written on Cont / Lid	
#9	Container label(s) legible and intact?	<u>Yes</u>	No	Not Applicable	
#10	Sample matrix/ properties agree with Chain of Custody?	<u>Yes</u>	No		
#11	Containers supplied by ELOT?	<u>Yes</u>	No		
#12	Samples in proper container/ bottle?	<u>Yes</u>	No	See Below	
#13	Samples properly preserved?	<u>Yes</u>	No	See Below	
#14	Sample bottles intact?	<u>Yes</u>	No		
#15	Preservations documented on Chain of Custody?	<u>Yes</u>	No		
#16	Containers documented on Chain of Custody?	<u>Yes</u>	No		
#17	Sufficient sample amount for indicated test(s)?	<u>Yes</u>	No	See Below	
#18	All samples received within sufficient hold time?	<u>Yes</u>	No	See Below	
#19	Subcontract of sample(s)?	<u>Yes</u>	No	Not Applicable	
#20	VOC samples have zero headspace?	<u>Yes</u>	No	Not Applicable	

Variance Documentation

Contract: _____ Contacted by: _____ Date/ Time: _____

Regarding: _____

Corrective Action Taken

- Check all that Apply
- ☐ See attached e-mail/ fax
 - ☐ Client understands and would like to proceed with analysis
 - ☐ Cooling process had begun shortly after sampling event

Attn: Mike Barrett
Fax # 748-4653

B J Services Water Analysis

Artesia District Laboratory
(505)-746-3140

Date: 29-Jan-04 Test #:
Company: Yates Petroleum Well #: #4
Lease: San Mal Queen County: Eddy
State: NM Formation:
Depth: Source:

pH	6.33	Temp (F):	39.7
Specific Gravity	1.165		

CATIONS	mg/l	me/l	ppm
Sodium (calc.)	83764	3643.5	71900
Calcium	6015	300.1	5163
Magnesium	2916	239.9	2503
Barium	< 25	---	---
Potassium	< 10	---	---
Iron	3	0.1	2

ANIONS	mg/l	me/l	ppm
Chloride	147000	4146.7	126180
Sulfate	2146	44.7	1842
Carbonate	< 1	---	---
Bicarbonate	403	6.6	346
Total Dissolved Solids(calc.)	242246		207937
Total Hardness as CaCO3	27027	540.1	23199

COMMENTS: Resistivity (ohm-meters--calc.) 0.039045

SCALE ANALYSIS:

CaCO3 Factor	2421639	Calcium Carbonate Scale Probability-->	Probable
CaSO4 Factor	15037500	Calcium Sulfate Scale Probability -->	Probable

Stiff Plot



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

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

Form C-141
Revised October 10, 2003

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

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company YATES PETROLEUM CORPORATION	OGRID Number 25575	Contact SHERRY BONHAM
Address 105 S 4TH STREET		Telephone No 505.748.1471
Facility Name SANMAL QUEEN #4	API Number 30-025-29685	Facility Type WELL
Surface Owner STATE	Mineral Owner STATE	Lease No.

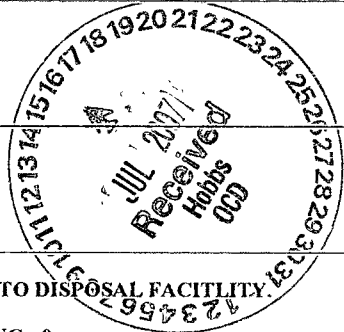
LOCATION OF RELEASE

Unit Letter J	Section 1	Township 17S	Range 33E	Feet from the 1980	North/South Line SOUTH	Feet from the 1980	East/West Line EAST	County LEA
-------------------------	---------------------	------------------------	---------------------	------------------------------	----------------------------------	------------------------------	-------------------------------	----------------------

Latitude 32.86193 Longitude 103.61399

NATURE OF RELEASE

Type of Release PRODUCED WATER	Volume of Release 20 B/PW	Volume Recovered 15 B/PW
Source of Release PUMPING TEE ON WELL HEAD	Date and Hour of Occurrence 04/01/07 4:00 PM	Date and Hour of Discovery 04/01/07 4:00 PM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour N/A	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	
If a Watercourse was Impacted, Describe Fully.* N/A		
Describe Cause of Problem and Remedial Action Taken.* PUMPING TEE ON WELL HEAD ERODED AWAY. REPAIRED.		
Describe Area Affected and Cleanup Action Taken.* APPROXIMATELY 60' X 60' AREA AFFECTED. SCRAPED UP IMPACTED MATERIALS AND HAULED TO DISPOSAL FACILITY. NO FURTHER ACTIONS NEEDED. REQUESTING CLOSURE TO INCIDENT. FINAL REPORT. Depth to Ground Water: >100'; Wellhead protection? NO; Distance to Surface Water: >1000'. SITE RANKING: 0.		



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>Sherry Bonham</i>		OIL CONSERVATION DIVISION	
Printed Name: Sherry Bonham		Approved by District Supervisor: <i>Chris Williams</i>	
Title: Environmental Regulatory Agent		Approval Date: <i>7/16/07</i>	Expiration Date: <i>7/16/07</i>
E-mail Address: sherryb@ypcnm.com		Conditions of Approval	Attached <input type="checkbox"/>
Date: July 3, 2007 Phone: 505 748 1471			

* Attach Additional Sheets If Necessary

RP# 1287