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1912-1985
FRANK W. YATES
1936-1986
S.P. YATES
1914-2008



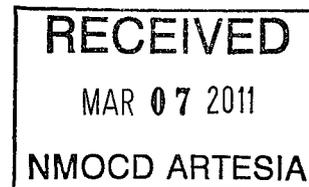
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ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

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March 4, 2011

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

Re: Gem Dandy BCG State Com. #1
30-015-32666
Section 35, T16S-R27E
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 January 4, 2011 (30 B/O released with 25 B/O recovered). The C-141 Initial Report was submitted to your office on January 13, 2011. Impacted soils around the well head and the production pad (south of the pumping unit) were excavated and hauled to an NMOCD approved facility. Vertical and horizontal delineation samples were taken on 2/8/2011 and sent to an NMOCD approved laboratory. Enclosed are the analytical reports (these were reviewed by the NMOCD on 3/2/2011), results show TPH and BTEX, to be below RRAL's, based on a site ranking of ten (depth to ground water recorded at 70' per NMOSE, Section 27, T16S-R27E); Yates Petroleum Corporation requests closure based on the recovered amounts of released oil, impacted soils excavated/hauled and analytical results.

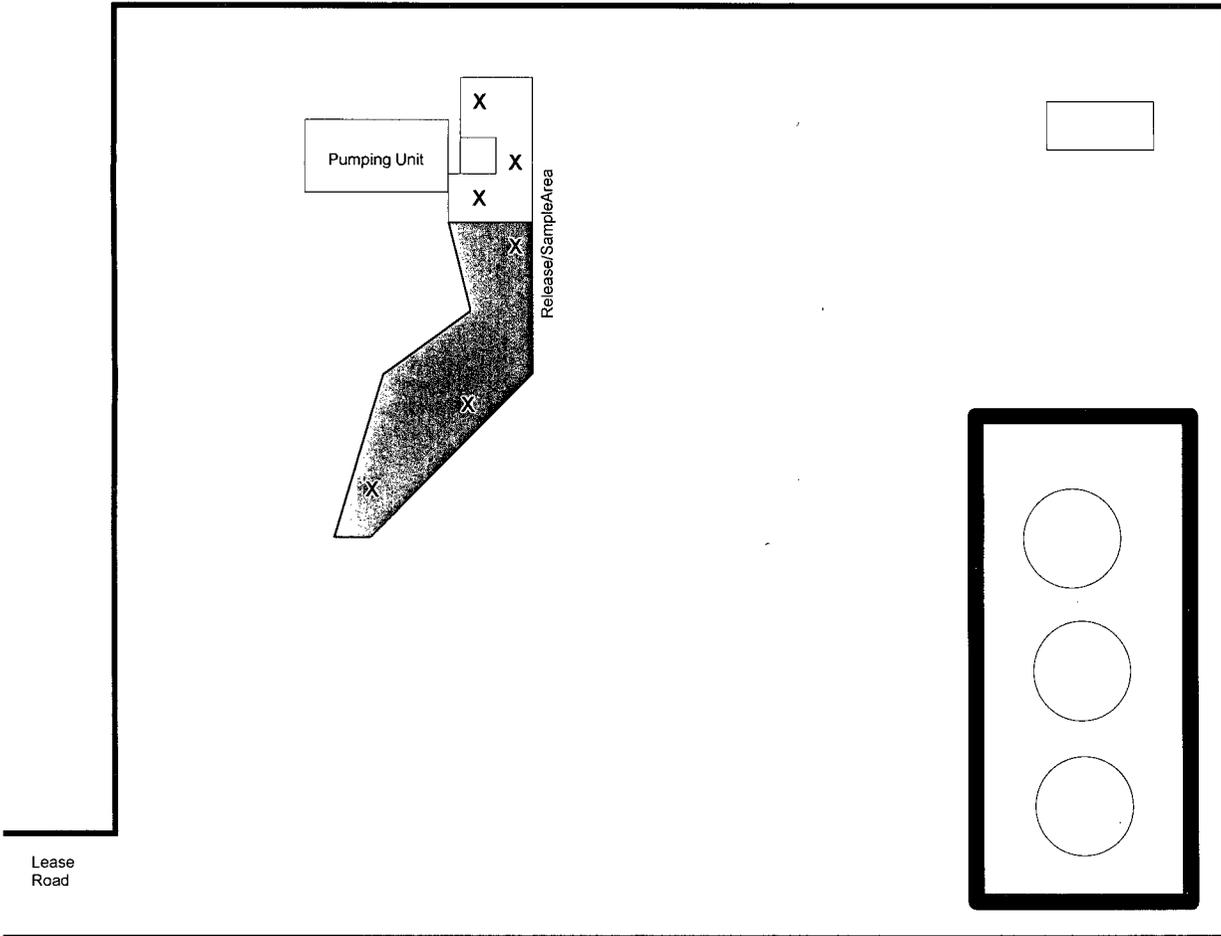
If you have any questions, please call me at 575-748-4217.

Thank you.

YATES PETROLEUM CORPORATION

Robert Asher
Environmental Regulatory Agent

/rca
Enclosure(s)



Analytical Report-406357	Sample Area	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TOTAL
Comp-00.5 P	Pad	2/8/2011	Comp/Auger	6"	0.7512	19.4	353	372
Comp-01.0 P	Pad	2/8/2011	Comp/Auger	12"	0.0168	ND	ND	ND
Comp-01.5 P	Pad	2/8/2011	Comp/Auger	18"	0.0165	ND	ND	ND
Comp-00.5 WH	Well Head	2/8/2011	Comp/Auger	6"	0.0015	ND	ND	ND
Comp-01.0 WH	Well Head	2/8/2011	Comp/Auger	12"	ND	ND	ND	ND
Comp-01.5 WH	Well Head	2/8/2011	Comp/Auger	18"	ND	ND	ND	ND

Site Ranking is Ten (10). Depth to Ground Water 50-99' (approx. 70', per NMOSE).

All results are ppm. X - Sample Points

Released: 30 B/O; Recovered: 25 B/O. Release Date: 1/5/2011



**Gem Dandy BCG
State Com. #1**

30-015-32666

Section 35, T16S-R27E

Eddy County, NM

SAMPLE DIAGRAM (Not to Scale)

Xenco Report: # 406357
Report Date: February 16, 2011

Prepared by Robert Asher
Environmental Regulatory Agent

Analytical Report 406357

for
Yates Petroleum Corporation

Project Manager: Robert Asher

Gem Dandy BCG State Com. #1

30-015-32666

16-FEB-11



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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 (LAO00312), 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)



16-FEB-11

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

Reference: XENCO Report No: **406357**
Gem Dandy BCG State Com. #1
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 406357. 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. 406357 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 406357



Yates Petroleum Corporation, Artesia, NM
Gem Dandy BCG State Com. #1

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
Comp-00.5 P	S	Feb-08-11 13:56	6 - 6 In	406357-001
Comp-01.0 P	S	Feb-08-11 14:07	12 - 12 In	406357-002
Comp-01.5 P	S	Feb-08-11 14:18	18 - 18 In	406357-003
Comp-00.5 WH	S	Feb-08-11 14:28	6 - 6 In	406357-004
Comp-01.0 WH	S	Feb-08-11 14:38	12 - 12 In	406357-005
Comp-01.5 WH	S	Feb-08-11 14:45	18 - 18 In	406357-006



CASE NARRATIVE

Client Name: Yates Petroleum Corporation

Project Name: Gem Dandy BCG State Com. #1



Project ID: 30-015-32666
Work Order Number: 406357

Report Date: 16-FEB-11
Date Received: 02/10/2011

Sample receipt non conformances and Comments:

None

Sample receipt Non Conformances and Comments per Sample:

None

Analytical Non Conformances and Comments:

Batch: LBA-843246 BTEX by EPA 8021
SW8021BM

Batch 843246, Benzene, Ethylbenzene, Toluene, m,p-Xylenes, o-Xylene recovered below QC limits in the Matrix Spike.

Samples affected are: 406357-006, -002, -001, -004, -005, -003.

The Laboratory Control Sample for Toluene, m,p-Xylenes, Benzene, Ethylbenzene, o-Xylene is within laboratory Control Limits

SW8021BM

Batch 843246, 4-Bromofluorobenzene recovered above QC limits. Matrix interferences is suspected; data not confirmed by re-analysis

Samples affected are: 406357-001.

Batch: LBA-843266 TPH by SW 8015B



Certificate of Analysis Summary 406357

Yates Petroleum Corporation, Artesia, NM

Project Name: Gem Dandy BCG State Com. #1



Project Id: 30-015-32666

Contact: Robert Asher

Project Location: Eddy County

Date Received in Lab: Thu Feb-10-11 11:58 am

Report Date: 16-FEB-11

Project Manager: Brent Barron, II

Analysis Requested	Lab Id:	406357-001	406357-002	406357-003	406357-004	406357-005	406357-006
	Field Id:	Comp-00.5 P	Comp-01.0 P	Comp-01.5 P	Comp-00.5 WH	Comp-01.0 WH	Comp-01.5 WH
	Depth:	6-6 In	12-12 In	18-18 In	6-6 In	12-12 In	18-18 In
	Matrix:	SOIL	SOIL	SOIL	SOIL	SOIL	SOIL
	Sampled:	Feb-08-11 13:56	Feb-08-11 14:07	Feb-08-11 14:18	Feb-08-11 14:28	Feb-08-11 14:38	Feb-08-11 14:45
BTEX by EPA 8021	Extracted:	Feb-10-11 14:15					
	Analyzed:	Feb-11-11 06:26	Feb-11-11 03:29	Feb-11-11 07:10	Feb-11-11 03:51	Feb-11-11 04:13	Feb-11-11 04:35
	Units/RL:	mg/kg RL					
Benzene		0.0017 0.0011	ND 0.0010	ND 0.0010	ND 0.0011	ND 0.0011	ND 0.0011
Toluene		0.0627 0.0021	0.0043 0.0021	0.0030 0.0021	ND 0.0021	ND 0.0021	ND 0.0022
Ethylbenzene		0.1872 0.0011	0.0043 0.0010	0.0034 0.0010	ND 0.0011	ND 0.0011	ND 0.0011
m,p-Xylenes		0.3462 0.0021	0.0082 0.0021	0.0067 0.0021	ND 0.0021	ND 0.0021	ND 0.0022
o-Xylene		0.1534 0.0011	ND 0.0010	0.0034 0.0010	0.0015 0.0011	ND 0.0011	ND 0.0011
Xylenes, Total		0.4996 0.0011	0.0082 0.0010	0.0101 0.0010	0.0015 0.0011	ND 0.0011	ND 0.0011
Total BTEX		0.7512 0.0011	0.0168 0.0010	0.0165 0.0010	0.0015 0.0011	ND 0.0011	ND 0.0011
Percent Moisture	Extracted:						
	Analyzed:	Feb-10-11 17:00					
	Units/RL:	% RL					
Percent Moisture		5.01 1.00	4.37 1.00	4.64 1.00	6.34 1.00	6.57 1.00	7.20 1.00
TPH by SW 8015B	Extracted:	Feb-10-11 13:30					
	Analyzed:	Feb-10-11 17:13	Feb-10-11 17:44	Feb-10-11 18:14	Feb-10-11 18:45	Feb-10-11 19:15	Feb-11-11 08:44
	Units/RL:	mg/kg RL					
C6-C10 Gasoline Range Hydrocarbons		19.4 15.8	ND 15.7	ND 15.7	ND 16.0	ND 16.1	ND 16.2
C10-C28 Diesel Range Hydrocarbons		353 15.8	ND 15.7	ND 15.7	ND 16.0	ND 16.1	ND 16.2
Total TPH		372 15.8	ND 15.7	ND 15.7	ND 16.0	ND 16.1	ND 16.2

Certificate of Analysis Summary 406357

Yates Petroleum Corporation, Artesia, NM

Project Name: Gem Dandy BCG State Com. #1

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 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.
 - 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
- * Outside XENCO's scope of NELAC Accreditation.

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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
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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: 2-10-11 11:58
 Lab ID #: 406357
 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 / °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