R. T. HICKS CONSULTANTS, LTD.

Midland, TX ▲ Durango, CO ▲ Carlsbad, NM ▲ Artesia, NM
901 Rio Grande Blvd NW ▲ Suite F-142 ▲ Albuquerque, NM 87104 ▲ 505.266.5004 ▲ Fax: 505.266-0745

September 11, 2015

Dr. Tomáš Oberding
Ms. Kellie Jones
NMOCD District 1
1625 French Drive
Hobbs, New Mexico 88240
VIA EMAIL

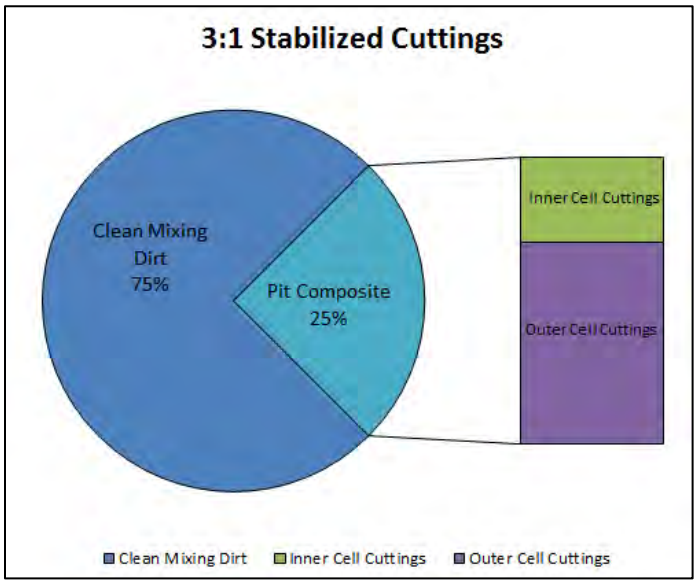
RE: Juice Bud 4H Temporary Pit, In-place Burial Notice
API #30-025-42007, Pit Permit
#P1-06569 M-19-21S-34E, Lea County

Dr. Oberding and Ms. Jones:

On behalf of Yates Petroleum Corporation, R. T. Hicks Consultants provides this notice to NMOCD with a copy to the surface owner (email, Return Receipt Request) that closure operations at the above-referenced pit is scheduled to begin as early as **Tuesday September 15, 2015.** The closure process should require about two weeks, depending on the weather conditions and the availability of machinery.

The "In-place Burial" closure plan for the pit was approved by NMOCD with the C-144 temporary pit application. The workover rig was released April 22, 2015.

On June 3, 2015, in accordance with the Pit Rule[1], 4-point composite samples were collected from the inner horseshoe cell, outer horseshoe cell, and from the clean soil of the berms (beneath the liner) of the pit for laboratory analyses. The calculated value mathematically mixes 3 parts clean soil (mixing dirt) with 1 part of the weighted pit composite calculation, as depicted in the adjacent chart.



The table below demonstrates the calculated concentration for "3:1 stabilized cuttings" that results when the pit contents are combined with 3 parts available mixing soil during the closure process. The pit composite consists of 32% solids from the inner cell of the

[1] (5) The operator shall collect, at a minimum, a five point composite of the contents of the temporary pit or drying pad/tank associated with a closed-loop system to demonstrate that, after the waste is solidified or stabilized with soil or other non-waste material at a ratio of no more than 3:1 soil or other non-waste material to waste, the concentration of any contaminant in the stabilized waste is not higher than the parameters in Table II of 19.15.17.13 NMAC.

drilling pit and 68% of solids from the outer cell, representative of the volume of cuttings in each cell. As shown in the table below, all Table II constituents meet the standard.

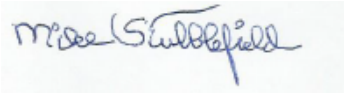
Well Name	Sample Name	Sample Date	Chloride *80,000*	Benzene *10*	BTEX *50*	GRO + DRO *1000*	GRO+DRO + DROext 2500	GRO	DRO	MRO	T	E	X
Juice 4H	Outer Composite	6/3/2015	19200	1.39	19.91	2737	3078	287	2450	341	6.32	3.31	8.89
Juice 4H	Inner Composite	6/3/2015	73600	0.394	4.657	205	242.4	0	205	37.4	1.72	0.703	1.84
Juice 4H	Mixing Dirt Comp.	6/3/2015	96	0	0	0	0	0	0	0	0	0	0
Juice 4H	**3:1 Stabilized**	*CALCULATED*	*13,800.00*	*0.18*	*2.41*	*259.63*	*293.93*						

The formula used in the table to calculate the 3:1 Stabilized Cuttings is:

$$\text{3:1 Stabilized Cuttings} = \frac{[(\text{Outer Composite}*0.68)+(0.22*\text{Inner Composite})+(\text{Mixing Dirt}*3)]}{4}$$

Thank you for your consideration of this notice of in-place closure. I will follow-up this notice to you with a phone call today as required by the Pit Rule.

Sincerely,
R.T. Hicks Consultants



Mike

Stubblefield

Copy: Yates Petroleum Corporation
Ed Martin, State Land Office

CARDINAL Laboratories

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

June 11, 2015

RANDALL HICKS

R T HICKS CONSULTANTS

901 RIO GRANDE BLVD SUITE F-142

ALBUQUERQUE, NM 87104

RE: JUICE BUD ST. COM #4 H PIT

Enclosed are the results of analyses for samples received by the laboratory on 06/04/15 8:46.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

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

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

Accreditation applies to public drinking water matrices.

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

Sincerely,

Celey D. Keene

Lab Director/Quality Manager

CARDINAL Laboratories

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

Analytical Results For:

R T HICKS CONSULTANTS
RANDALL HICKS
901 RIO GRANDE BLVD SUITE F-142
ALBUQUERQUE NM, 87104
Fax To: NONE

Received:	06/04/2015	Sampling Date:	06/03/2015
Reported:	06/11/2015	Sampling Type:	Soil
Project Name:	JUICE BUD ST. COM #4 H PIT	Sampling Condition:	Cool & Intact
Project Number:	NONE GIVEN	Sample Received By:	Celey D. Keene
Project Location:	LEA COUNTY, NM		

Sample ID: OUTER COMP (H501437-01)

BTEX 8021B mg/kg **Analyzed By: MS**

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	**1.39**	0.100	06/08/2015	ND	2.37	119	2.00	0.939	
Toluene*	**6.32**	0.100	06/08/2015	ND	2.15	107	2.00	1.69	
Ethylbenzene*	**3.31**	0.100	06/08/2015	ND	2.04	102	2.00	1.16	
Total Xylenes*	**8.89**	0.300	06/08/2015	ND	5.97	99.4	6.00	1.66	
Total BTEX	**19.9**	0.600	06/08/2015	ND					

Surrogate: 4-Bromofluorobenzene (PID *123 %* *61-154*

Chloride, SM4500Cl-B mg/kg **Analyzed By: AP**

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	**19200**	16.0	06/09/2015	ND	416	104	400	3.92	

TPH 8015M mg/kg **Analyzed By: MS** **A-01**

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	**287**	10.0	06/06/2015	ND	198	98.9	200	4.77	
DRO >C10-C28	**2450**	10.0	06/06/2015	ND	196	97.9	200	6.24	
EXT DRO >C28-C35	**341**	10.0	06/06/2015	ND					

Surrogate: 1-Chlorooctane *110 %* *47.2-157*

Surrogate: 1-Chlorooctadecane *121 %* *52.1-176*

Cardinal Laboratories *=Accredited Analyte

Celey D. Keene

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

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

Analytical Results For:

R T HICKS CONSULTANTS
RANDALL HICKS
901 RIO GRANDE BLVD SUITE F-142
ALBUQUERQUE NM, 87104
Fax To: NONE

Received:	06/04/2015	Sampling Date:	06/03/2015
Reported:	06/11/2015	Sampling Type:	Soil
Project Name:	JUICE BUD ST. COM #4 H PIT	Sampling Condition:	Cool & Intact
Project Number:	NONE GIVEN	Sample Received By:	Celey D. Keene
Project Location:	LEA COUNTY, NM		

Sample ID: INNER COMP (H501437-02)

BTEX 8021B mg/kg Analyzed By: MS

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	**0.394**	0.050	06/08/2015	ND	2.37	119	2.00	0.939	
Toluene*	**1.72**	0.050	06/08/2015	ND	2.15	107	2.00	1.69	
Ethylbenzene*	**0.703**	0.050	06/08/2015	ND	2.04	102	2.00	1.16	
Total Xylenes*	**1.84**	0.150	06/08/2015	ND	5.97	99.4	6.00	1.66	
Total BTEX	**4.66**	0.300	06/08/2015	ND					

Surrogate: 4-Bromofluorobenzene (PID *123 %* *61-154*

Chloride, SM4500Cl-B mg/kg Analyzed By: AP

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	**73600**	16.0	06/09/2015	ND	416	104	400	3.92	

TPH 8015M mg/kg Analyzed By: MS A-01

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	06/06/2015	ND	198	98.9	200	4.77	
DRO >C10-C28	**205**	10.0	06/06/2015	ND	196	97.9	200	6.24	
EXT DRO >C28-C35	**37.4**	10.0	06/06/2015	ND					

Surrogate: 1-Chlorooctane *90.5 %* *47.2-157*

Surrogate: 1-Chlorooctadecane *113 %* *52.1-176*

Cardinal Laboratories *=Accredited Analyte

Celey D. Keene

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

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

Analytical Results For:

R T HICKS CONSULTANTS
RANDALL HICKS
901 RIO GRANDE BLVD SUITE F-142
ALBUQUERQUE NM, 87104
Fax To: NONE

Received:	06/04/2015	Sampling Date:	06/03/2015
Reported:	06/11/2015	Sampling Type:	Soil
Project Name:	JUICE BUD ST. COM #4 H PIT	Sampling Condition:	Cool & Intact
Project Number:	NONE GIVEN	Sample Received By:	Celey D. Keene
Project Location:	LEA COUNTY, NM		

Sample ID: MIXING DIRT COMP (H501437-03)

BTEX 8021B mg/kg **Analyzed By: MS**

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	06/08/2015	ND	2.37	119	2.00	0.939	
Toluene*	<0.050	0.050	06/08/2015	ND	2.15	107	2.00	1.69	
Ethylbenzene*	<0.050	0.050	06/08/2015	ND	2.04	102	2.00	1.16	
Total Xylenes*	<0.150	0.150	06/08/2015	ND	5.97	99.4	6.00	1.66	
Total BTEX	<0.300	0.300	06/08/2015	ND					

Surrogate: 4-Bromofluorobenzene (PID *112 %* *61-154*

Chloride, SM4500Cl-B mg/kg **Analyzed By: AP**

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	**96.0**	16.0	06/09/2015	ND	416	104	400	3.92	

TPH 8015M mg/kg **Analyzed By: MS**

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	06/08/2015	ND	180	90.1	200	1.74	
DRO >C10-C28	<10.0	10.0	06/08/2015	ND	191	95.5	200	3.53	
EXT DRO >C28-C35	<10.0	10.0	06/08/2015	ND					

Surrogate: 1-Chlorooctane *81.7 %* *47.2-157*

Surrogate: 1-Chlorooctadecane *91.9 %* *52.1-176*

Cardinal Laboratories *=Accredited Analyte

Celey D. Keene

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

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

Notes and Definitions

A-01	Method modification of 100 g sample / 100 mL pentane used as per client request.
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

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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

Company Name: R.T. Hicks Consultants	BILL TO	P.O. #:	
Project Manager: R.T. Hicks		Company: R.T. Hicks	
Address: 901 Rio Grande Blvd NW, Suite F-142		Attn:	
City: Albuquerque State: NM Zip: 87104		Address:	
Phone #: 505-266-5004 Fax #:		City:	
Project #: Project Owner: Yates		State: Zip:	
Project Name: Juice BUD St. Com #4 H pit		Phone #:	
Project Location: Lea Co.		Fax #:	
Sampler Name: R.T. Hicks			

FOR LAB USE ONLY Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX: GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER :	PRESERV.: ACID/BASE:	ICE / COOL	OTHER :	SAMPLING: DATE	TIME	ANALYSIS REQUEST: BTEX	Chloride	TPH (MRO + DRO + GRO) 8015M		@DIS ONLY Prepare Using 100 grams							
H501437																									
1	Outer Comp.	C	1			X					X		6/3/15	1715	X	X	X		X						
2	Inner Comp.	C	1			X					X		"	1658	X	X	X		X						
3	Mixing Pit Comp.	C	1			X					X		"	1720	X	X	X								

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 the client for the 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 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.

Relinquished By:	Date: 6.4	Received By:	Phone Result: ☐ Yes ☐ No Add'l Phone #:
	Time: 8:40		Fax Result: ☐ Yes ☐ No Add'l Fax #:
Relinquished By:	Date:	Received By:	REMARKS: Email to R@rthicksconsult.com
	Time:		
Delivered By: (Circle One) Sampler - UPS - Bus - Other: 5.2°C	Sample Condition: Cool ☑ Yes ☐ No; Intact ☑ Yes ☐ No	CHECKED BY: (Initials)	

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