

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

RECEIVED
NOV 30 2009
HOBBSOCD

State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

1/25-09

Form C-144
July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

YPC
YPC
YPC

Pit, Closed-Loop System, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application

Type of action: ☐ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
☒ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
Final Closure Report ☐ Modification to an existing permit
☐ Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method *Pre Rule 17 Closure*

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator **Yates Petroleum Corp.** OGRID # 025575
Address **105 South 4th. Artesia N.M. 88210**
Facility or well name: **Waylon BCM St. Com.#-7**
API Number **30-025-38753** OCD Permit Number **p1-00203**
U/L or Qtr/Qtr **D** Section **22** Township **11S** Range **34E** County: **Lea**
Center of Proposed Design. Latitude **N 33.356706** Longitude **W 103.506294** NAD: ☒ 1927 ☐ 1983
Surface Owner. ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **Pit:** Subsection F or G of 19.15 17.11 NMAC
Temporary: ☐ Drilling ☒ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☒ Lined ☐ Unlined Liner type: Thickness **20** mil ☒ LLDPE ☐ HDPE ☐ PVC ☐ Other
☐ String-Reinforced
Liner Seams ☒ Welded ☒ Factory ☐ Other Volume: **13000** bbl Dimensions: L **150'** x W **150'** x D **6'**

3.
☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Type of Operation: ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other
☐ Lined ☐ Unlined Liner type: Thickness mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
Liner Seams: ☐ Welded ☐ Factory ☐ Other

4.
☐ **Below-grade tank:** Subsection I of 19 15.17.11 NMAC
Volume: bbl Type of fluid:
Tank Construction material:
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other
Liner type Thickness mil ☐ HDPE ☐ PVC ☐ Other

5.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

6

Fencing: Subsection D of 19.15.17.11 NMAC (*Applies to permanent pits, temporary pits, and below-grade tanks*)

- ☐ Chain link, six feet in height, two strands of barbed wire at top (*Required if located within 1000 feet of a permanent residence, school, hospital, institution or church*)
- ☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
- ☐ Alternate. Please specify _____

7

Netting: Subsection E of 19.15 17 11 NMAC (*Applies to permanent pits and permanent open top tanks*)

- ☐ Screen ☐ Netting ☐ Other _____
- ☐ Monthly inspections (If netting or screening is not physically feasible)

8.

Signs: Subsection C of 19.15 17.11 NMAC

- ☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
- ☐ Signed in compliance with 19.15.3.103 NMAC

9

Administrative Approvals and Exceptions:

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance

Please check a box if one or more of the following is requested, if not leave blank:

- ☐ Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.
- ☐ Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

10

Siting Criteria (regarding permitting): 19 15.17.10 NMAC

Instructions: *The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.*

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application (<i>Applies to temporary, emergency, or cavitation pits and below-grade tanks</i>) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to permanent pits</i>) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended - Written confirmation or verification from the municipality, Written approval obtained from the municipality	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map, Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within a 100-year floodplain - FEMA map	<input type="checkbox"/> Yes <input type="checkbox"/> No

11

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12

Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
- ☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____

☐ Previously Approved Operating and Maintenance Plan API Number _____ (Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

13

Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H₂S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

14

Proposed Closure: 19.15.17.13 NMAC**Instructions:** Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☐ Below-grade Tank ☐ Closed-loop System ☐ Alternative

Proposed Closure Method: ☐ Waste Excavation and Removal

☐ Waste Removal (Closed-loop systems only)

☐ On-site Closure Method (Only for temporary pits and closed-loop systems)

☐ In-place Burial ☐ On-site Trench Burial

☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15

Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

16

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)

Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please provide the information below) ☐ No

Required for impacted areas which will not be used for future service and operations

☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

17.

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste.

- NM Office of the State Engineer - iWATERS database search; USGS, Data obtained from nearby wells

☐ Yes ☐ No
☐ NA

Ground water is between 50 and 100 feet below the bottom of the buried waste

- NM Office of the State Engineer - iWATERS database search; USGS, Data obtained from nearby wells

☐ Yes ☐ No
☐ NA

Ground water is more than 100 feet below the bottom of the buried waste

- NM Office of the State Engineer - iWATERS database search; USGS, Data obtained from nearby wells

☐ Yes ☐ No
☐ NA

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application

- Visual inspection (certification) of the proposed site; Aerial photo, Satellite image

☐ Yes ☐ No

Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.

- NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

- Written confirmation or verification from the municipality; Written approval obtained from the municipality

☐ Yes ☐ No

Within 500 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within the area overlying a subsurface mine.

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

☐ Yes ☐ No

Within an unstable area.

- Engineering measures incorporated into the design, NM Bureau of Geology & Mineral Resources; USGS, NM Geological Society, Topographic map

☐ Yes ☐ No

Within a 100-year floodplain.

- FEMA map

☐ Yes ☐ No

18.

On-Site Closure Plan Checklist: (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC

☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC

☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC

☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)

☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19

Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

20.

OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: _____ **Geoffrey Leking** **Approval Date:** 12-29-08

Title: _____ **OCD Permit Number:** P1-00203

21.

Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☒ Closure Completion Date: 3-31-09

22.

Closure Method:

☒ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)
☐ If different from approved plan, please explain.

23.

Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations

- ☐ Site Reclamation (Photo Documentation)
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique

24.

Closure Report Attachment Checklist: *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- ☐ Proof of Closure Notice (surface owner and division)
☐ Proof of Deed Notice (required for on-site closure)
☐ Plot Plan (for on-site closures and temporary pits)
☒ Confirmation Sampling Analytical Results (if applicable)
☐ Waste Material Sampling Analytical Results (required for on-site closure)
☒ Disposal Facility Name and Permit Number **Gandy- Marley NM-01-0019**
☒ Soil Backfilling and Cover Installation **Caliche from St. Pit 3 mi. away- Top Soil on site**
☒ Re-vegetation Application Rates and Seeding Technique
☒ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude _____ Longitude _____ NAD. ☐ 1927 ☐ 1983

25.

Operator Closure Certification:

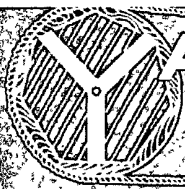
I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Scott Pitts Title: Construction Supervisor

Signature: _____ Date: 8-10-09

e-mail address scottp@yatespetroleum.com Telephone: (575)-365-4716

OCD APPROVAL - CLOSURE CERTIFICATION - *Geoffrey Leking*
Environmental Engineer
04/08/2010
Oil Conservation Division



WAYATES
PETROLEUM
CORPORATION

(505) 748-1471

WAYLON State Unit #7

660' FNL & 330' FWL - NW/NW

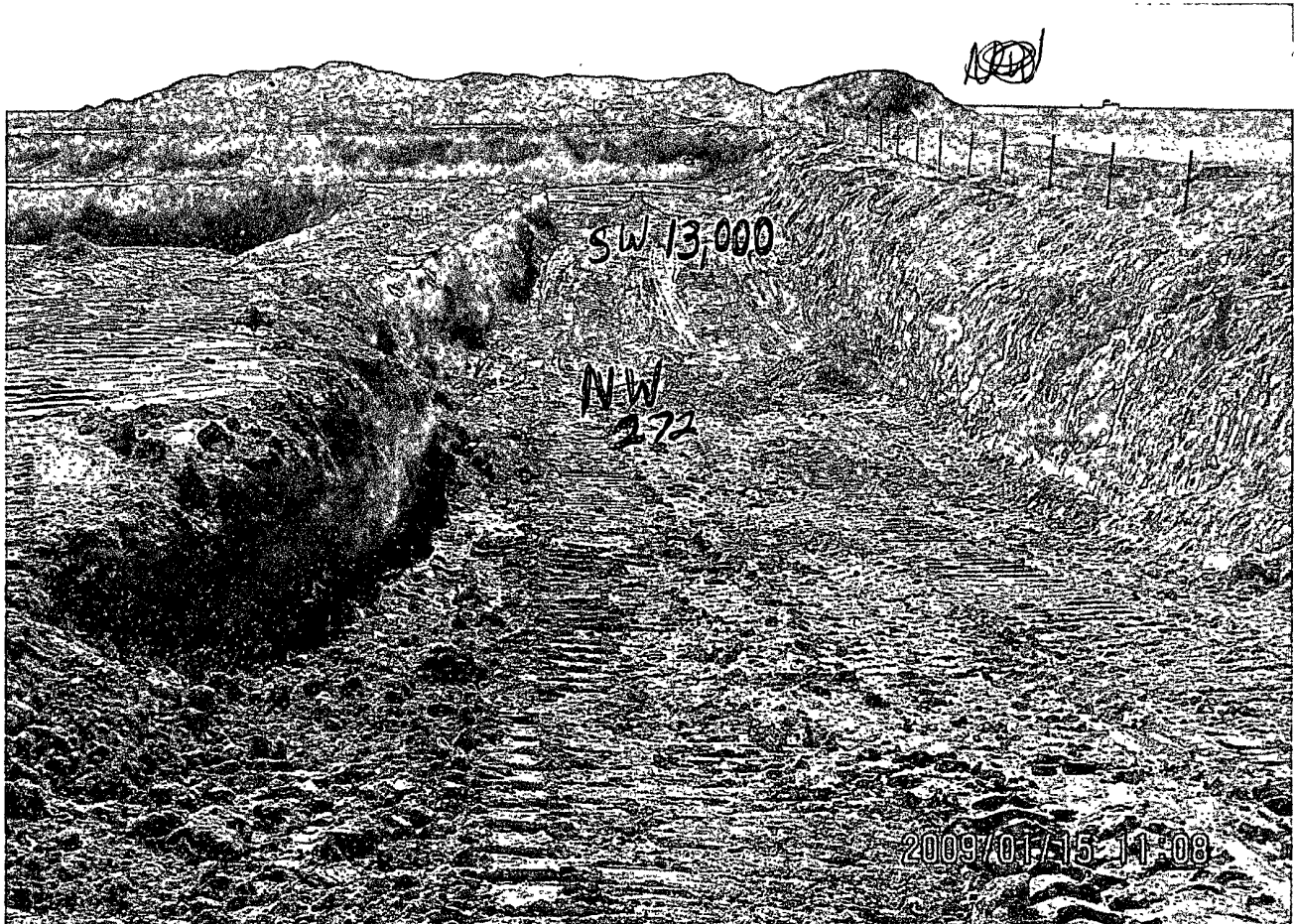
Sec. 22 - T 11 S - R 34 E - Unit D

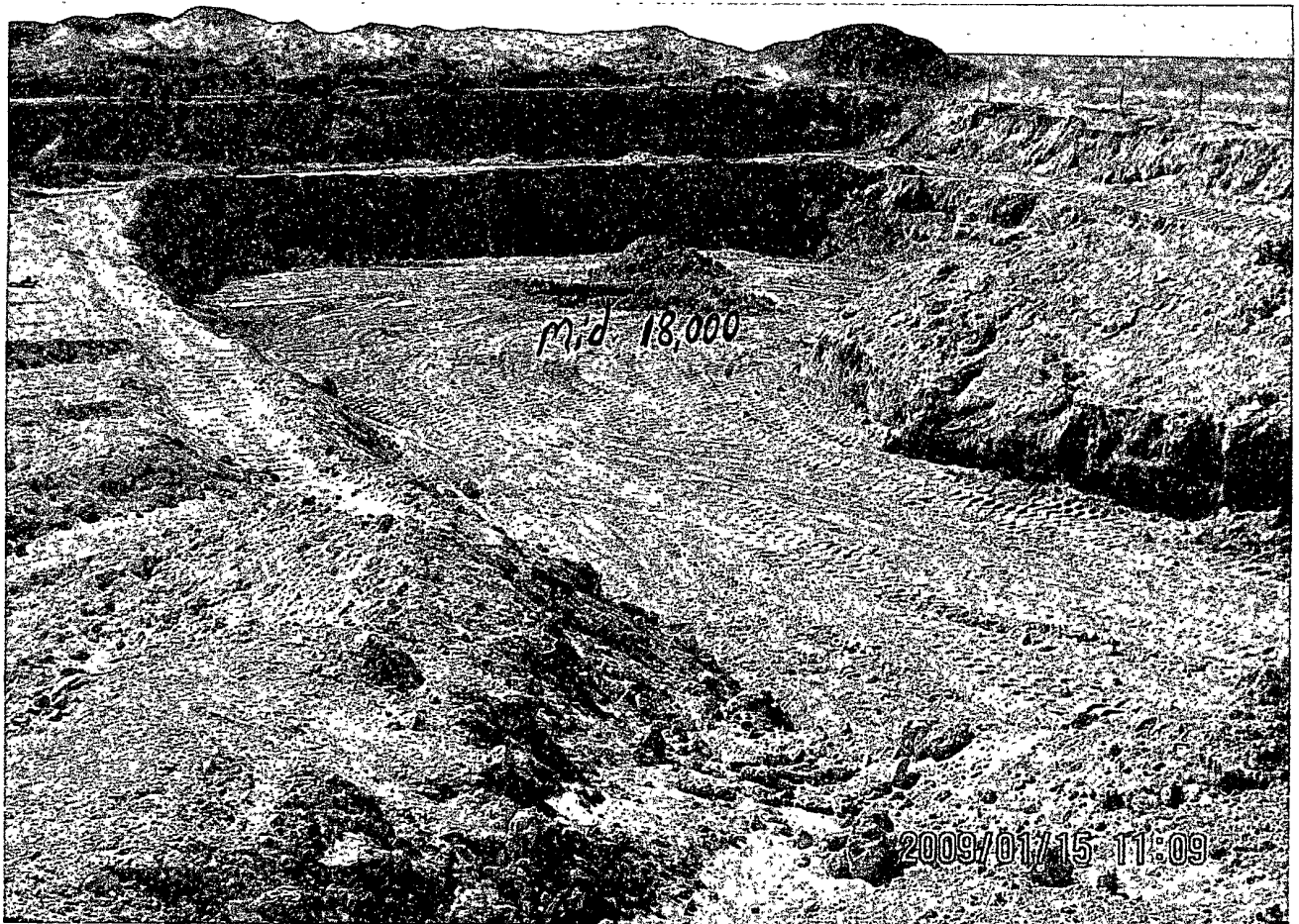
Lea Co. New Mexico

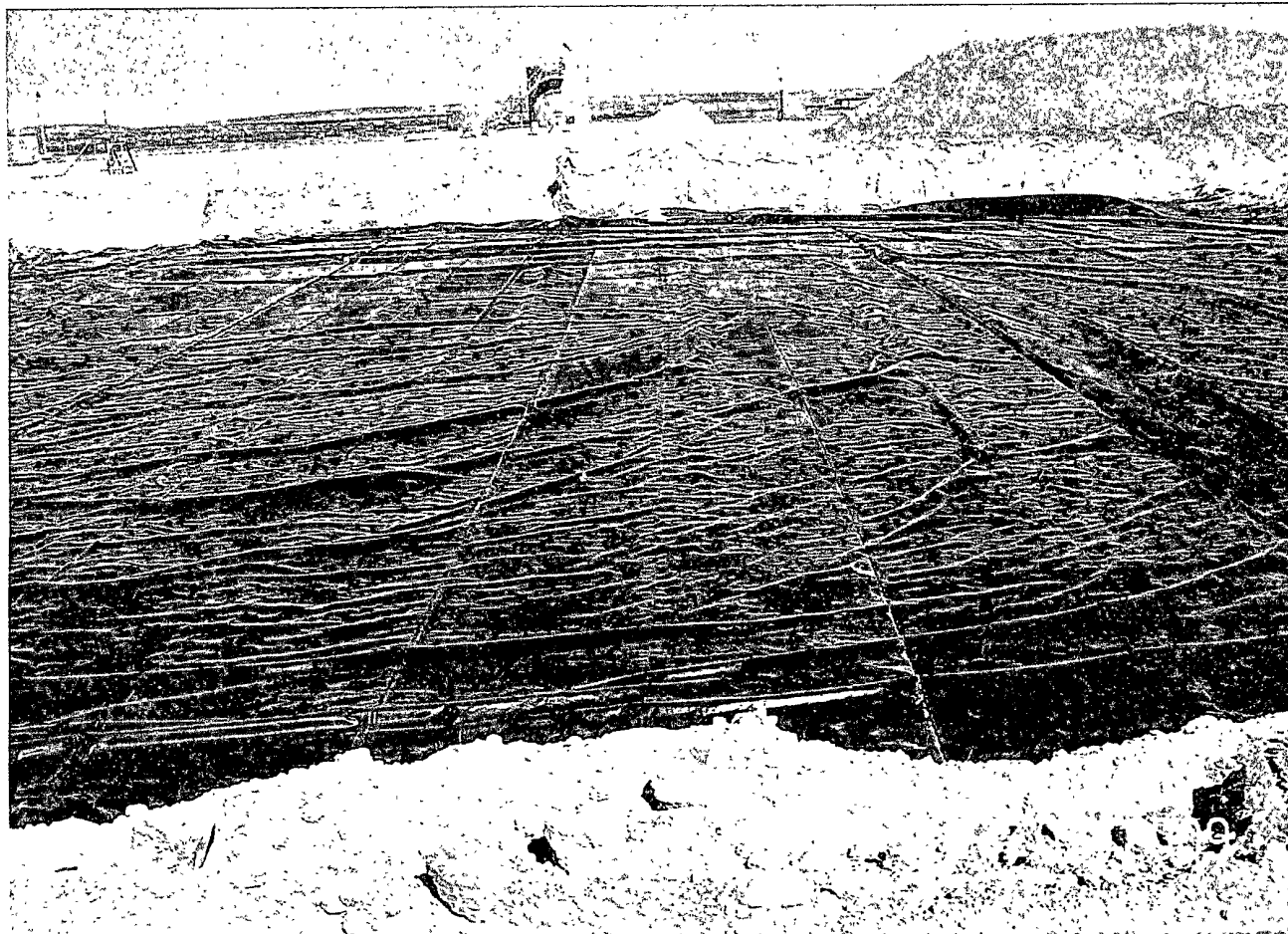
Lse # V0 - 5561 - API #30-025-38753

AFE # 08-024-0

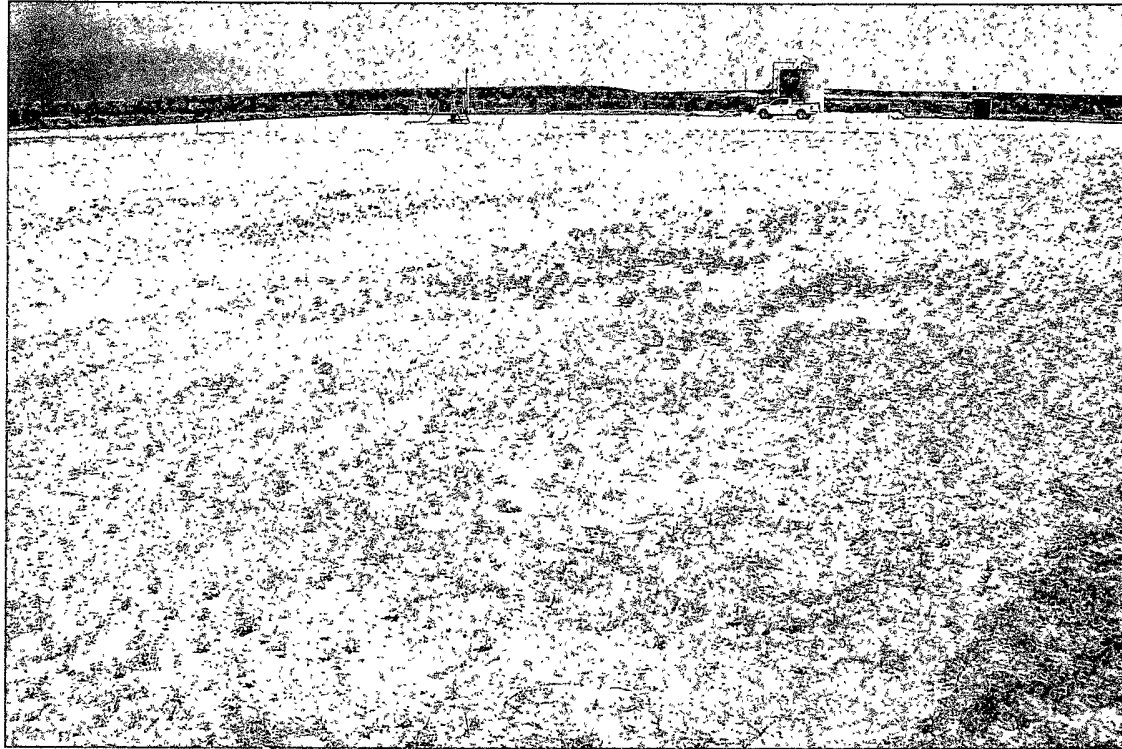
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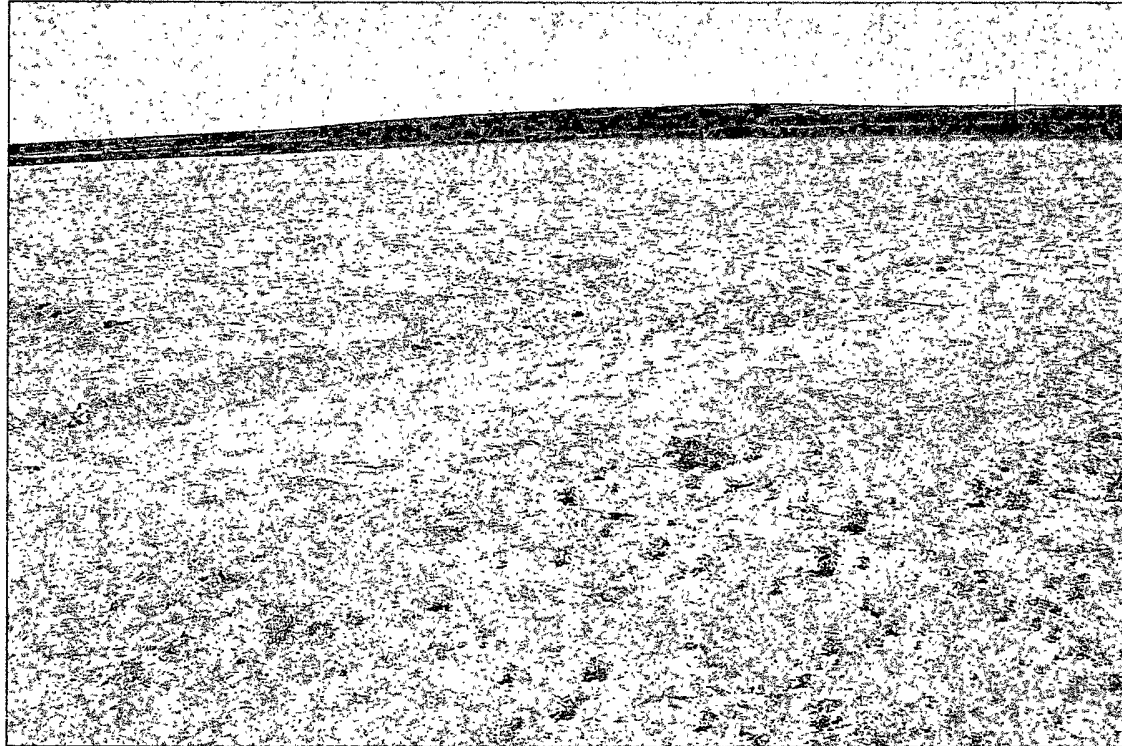




Final Reclamation



Final Reclamation





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

ANALYTICAL RESULTS FOR
YATES PETROLEUM CORPORATION
ATTN: SCOTT PITTS
105 SOUTH 4TH STREET
ARTESIA, NM 88210
FAX TO: (575) 748-4229

Receiving Date: 02/19/09
Reporting Date: 02/19/09
Project Number: NOT GIVEN
Project Name: WAYLON ST #7
Project Location: NOT GIVEN

Analysis Date: 02/19/09
Sampling Date: 02/19/09
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/kg)
H16929-1	WAYLON 7 5 SPOT WALLS	304
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

Wall Testing
Prior To Backfill

METHOD: Standard Methods

4500-Cl⁻B

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

Chemist

Date

H16929 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.

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ANALYTICAL RESULTS FOR
YATES PETROLEUM CORPORATION
ATTN: SCOTT PITTS
105 SOUTH 4TH STREET
ARTESIA, NM 88210
FAX TO: (575) 748-4229

Receiving Date: 01/15/09
Reporting Date: 01/16/09
Project Number: NOT GIVEN
Project Name: WAYLON #7
Project Location: WEST OF TATUM

Analysis Date: 01/16/09
Sampling Date: 01/15/09
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: TR

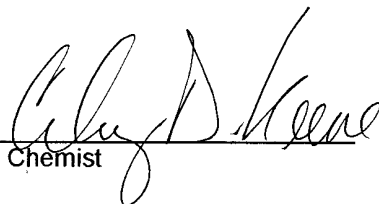
LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/kg)
H16696-1	NE	720
H16696-2	SE	10,000
H16696-3	NW	272
H16696-4	SW	13,000
H16696-5	MIDDLE	18,000
H16696-6	5 SPOT	8,200
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		2.0

Cleaned Out Pit
Bottom 8'±Gh

METHOD: Standard Methods

4500-Cl⁻B

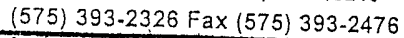
Note: Analyses performed on 1:4 w:v aqueous extracts.


Chemist


Date

H16696 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.



Page _____ of _____

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.



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ANALYTICAL RESULTS FOR
YATES PETROLEUM CORPORATION
ATTN: SCOTT PITTS
105 SOUTH 4TH STREET
ARTESIA, NM 88210
FAX TO: (575) 748-4229

Receiving Date: 02/04/09

Reporting Date: 02/04/09

Project Owner: NOT GIVEN

Project Name: NOT GIVEN

Project Location: WAYLON BMC ST COM. #7

Reserve Pit

Analysis Date: 02/04/09

Sampling Date: 02/02/09

Sample Type: SOIL

Sample Condition: COOL & INTACT

Sample Received By: ML

Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/kg)
H16817-1	MIDDLE 12' ↓ G/L	16,200
H16817-2	MIDDLE 15' ↓ G/L	8,960
H16817-3	MIDDLE 18' ↓ G/L	4,000
H16817-4	MIDDLE 21' ↓ G/L	4,640
H16817-5	MIDDLE 24' ↓ G/L	3,120
H16817-6	MIDDLE 27' ↓ G/L	352
H16817-7	SOUTH EAST 13' ↓ G/L	256
H16817-8	SOUTH EAST 16' ↓ G/L	112
H16817-9	SOUTH EAST 19' ↓ G/L	128
H16817-10	NORTH EAST 12' ↓ G/L	160
Quality Control		490
True Value QC		500
% Recovery		98.0
Relative Percent Difference		4.0

METHOD: Standard Methods

4500-Cl⁻B

Note: Analyses performed on 1:4 w:v aqueous extracts.

Clay Keene
Chemist

02/04/09
Date

*Delineation Sampling
w/ Split Spoon Auger Truck*

H16817 YATES

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ANALYTICAL RESULTS FOR
YATES PETROLEUM CORPORATION
ATTN: SCOTT PITTS
105 SOUTH 4TH STREET
ARTESIA, NM 88210
FAX TO: (575) 748-4229

Receiving Date: 02/04/09
Reporting Date: 02/04/09
Project Owner: NOT GIVEN
Project Name: NOT GIVEN
Project Location: WAYLON BMC ST COM. #7

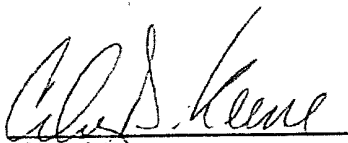
Analysis Date: 02/04/09
Sampling Date: 02/02/09
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: HM


LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/kg)
H16817-11	NORTH EAST 15' ↓ G/L	224
H16817-12	NORTH EAST 18' ↓ G/L	176
H16817-13	SOUTH WEST 13' ↓ G/L	224
H16817-14	SOUTH WEST 18' ↓ G/L	160
H16817-15	NE SURFACE	2,960
H16817-16	NW SURFACE	9,040
H16817-17	SE SURFACE	7,600
H16817-18	SW SURFACE	6,960
H16817-19	MIDDLE SURFACE	22,400
H16817-20	5 SPOT COMPOSITE	10,200
Quality Control		490
True Value QC		500
% Recovery		98.0
Relative Percent Difference		4.0

METHOD: Standard Methods

4500-Cl⁻B

Note: Analyses performed on 1:4 w:v aqueous extracts.


Chemist


Date

H16817 YATES

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YATES PETROLEUM CORPORATION
ATTN: SCOTT PITTS
105 SOUTH 4TH STREET
ARTESIA, NM 88210
FAX TO: (575) 748-4229

Receiving Date: 02/04/09
Reporting Date: 02/05/09
Project Owner: NOT GIVEN
Project Name: NOT GIVEN
Project Location: WAYLON BMC ST COM. #7

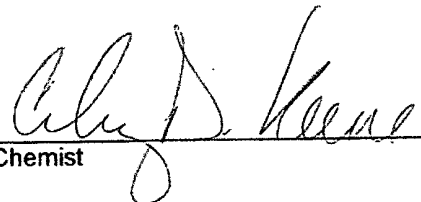
Sampling Date: 02/02/09
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: ZL

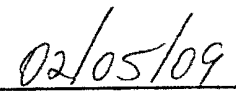
LAB NUMBER	SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
------------	-----------	--------------------	--------------------	-----------------------------	-----------------------------

ANALYSIS DATE	02/04/09	02/04/09	02/04/09	02/04/09
H16817-20 5 SPOT COMPOSIT	<0.050	<0.050	0.077	0.686
Quality Control	0.054	0.053	0.051	0.150
True Value QC	0.050	0.050	0.050	0.150
% Recovery	108	106	102	100
Relative Percent Difference	2.9	3.6	1.8	2.3

METHOD: EPA SW-846 8021B

TEXAS NELAP CERTIFICATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE,
AND TOTAL XYLENES.


Chemist


Date

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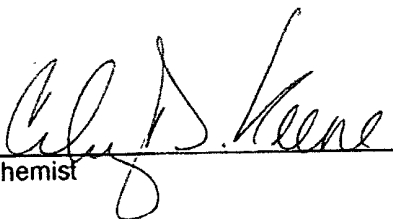
ANALYTICAL RESULTS FOR
YATES PETROLEUM CORPORATION
ATTN: SCOTT PITTS
105 SOUTH 4TH STREET
ARTESIA, NM 88210
FAX TO: (575) 748-4229

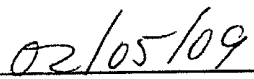
Receiving Date: 02/04/09
Reporting Date: 02/04/09
Project Owner: NOT GIVEN
Project Name: NOT GIVEN
Project Location: WAYLON BMC ST COM. #7

Sampling Date: 02/02/09
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: AB

LAB NUMBER SAMPLE ID	GRO	DRO	418.1
	(C ₆ -C ₁₀)	(>C ₁₀ -C ₂₈)	TOTAL
	(mg/kg)	(mg/kg)	TPH
			(mg/kg)
ANALYSIS DATE	02/04/09	02/04/09	02/04/09
H16817-20 5 SPOT COMPOSIT	<10.0	30.7	<100
Quality Control	492	583	306
True Value QC	500	500	300
% Recovery	98.4	117	102
Relative Percent Difference	1.2	1.8	3.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; EPA 418.1


Chemist


Date

H16817 TPH2 YATES

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Page 1

Email ScottP@yatespetroleum.com

Page 1 of 3

Company Name: Yates Petroleum				BILL TO				ANALYSIS REQUEST											
Project Manager: Scott P. Hs				P.O. #: 103-2542				<div style="writing-mode: vertical-rl; transform: rotate(180deg);"> Chlorides 300.1 </div>											
Address: 105 S. 4th				Company: YPC															
City: Artesia State: NM Zip: 88210				Attn:															
Phone #: 575-365-4716 Fax #: 575-748-4229				Address:															
Project #: _____ Project Owner:				City:															
Project Name:				State: _____ Zip: _____															
Project Location: Waylon BMC St Com. #7				Phone #:															
Sampler Name: Scott P. Hs				Fax #:															
FOR LAB USE ONLY																			
Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX				PRESERV.	SAMPLING										
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACIDBASE	ICE/COOL	OTHER	DATE	TIME					
H16817-1	Middle 12' ↓ G/L					✓							2-2-09	2:45	✓				
-2	" 15' ↓ G/L					✓							"	"	✓				
-3	" 18' "					✓							✓	3:00	✓				
-4	" 21' "					✓							✓	3:40	✓				
-5	" 24' "					✓							✓	✓	✓				
-6	" 27' "					✓							✓	4:15	✓				
-7	South East 13' ↓ G/L					✓							✓	10:45	✓				
-8	" 16' "					✓							✓	✓	✓				
-9	" 19' "					✓							✓	✓	✓				
<small>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.</small>																			
Sampler Relinquished:		Date: 4:00	Received By:		Date: 2/4/09		Phone Result: <input type="checkbox"/> No		Add'l Phone #:										
Relinquished By: Scott P. Hs		Time: 2:30 PM	Relinquished By: Michelle LaBont		Time: 10:19 AM		Fax Result: <input type="checkbox"/> No		Add'l Fax #:										
Delivered By: (Circle One)		Temp.:	Sample Condition		CHECKED BY:		REMARKS: RUSH per Scott 2/4/09												
Sampler - UPS - Bus - Other: FedEx			Cool Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		(Initials) MLB														

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.



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Page 2

Page 2 of 3

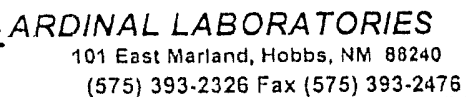
Company Name: <u>Vates Petroleum</u>				BILL TO				ANALYSIS REQUEST															
Project Manager:				P.O. #:				<div style="writing-mode: vertical-rl; transform: rotate(180deg);">Chlorides 300.1</div>															
Address:				Company:																			
City:		State:		Zip:		Attn:																	
Phone #:		Fax #:		Address:																			
Project #		Project Owner:		City:																			
Project Name: <u>Waylen BMC St. Com #7</u>				State:																Zip:			
Project Location:				Phone #:																			
Sampler Name:				Fax #:																			
FOR LAB USE ONLY																							
Lab I.D.	Sample I.D.	IO/RAB OR (C)COMP.	# CONTAINERS	MATRIX				PRESERV.	SAMPLING														
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACID/BASE	ICE/COOL	OTHER	DATE	TIME									
H16817-10	North East 12' & 6"					✓							2-2-09	1:30	✓								
-11	" 15' "					✓							✓	✓	✓								
-12	" 18' "					✓							✓	✓	✓								
-13	South West 13' & 6"					✓							✓	12:00	✓								
-14	" 18' "					✓							✓	✓	✓								

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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 collections, including attorney's fees.

Sampler Relinquished:		Date:	Received By:	2/4/09	Phone Result:	<input type="checkbox"/>	No	Add'l Phone #:
		Time:	<u>Yates</u>	10:19	Fax Result:	<input type="checkbox"/>	No	Add'l Fax #:
Relinquished By:		Date:	Received By:		REMARKS: <u>RUSH per Scott 2/4/09</u>			
		Time:						
Delivered By: (Circle One)		Temp.	Sample Condition	CHECKED BY:				
Sampler - UPS - Bus - Other:			Cool Intact	(Initials)				
			<input type="checkbox"/> Yes <input type="checkbox"/> No	<u>Yates</u>				

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Page 3

Page 3 of 3

Company Name: Yates Petroleum				BILL TO				ANALYSIS REQUEST																			
Project Manager:				P.O. #:				Chlorides 300.1 TPH 8051 M TPH 418.1 BTX 8021 B																			
Address:				Company:																							
City: State: Zip:				Attn:																							
Phone #: Fax #:				Address:																							
Project #: Project Owner:				City:																							
Project Name: Wayton BMC St. Com #7				State: Zip:																							
Project Location:				Phone #:																							
Sampler Name:				Fax #:																							
FOR LAB USE ONLY																											
Lab I.D.		Sample I.D.		(GRAB OR C/COMP. # CONTAINERS)		MATRIX		PRESERV.		SAMPLING																	
						GROUNDWATER WASTEWATER SOIL OIL SLUDGE OTHER:		ACID/BASE: ICE/COOL OTHER:		DATE TIME																	
H16817-15		NE Surface								2-2-09 5:00																	
-16		NW "								✓																	
-17		SE "								✓																	
-18		SW "								✓																	
-19		Middle "								✓																	
-20		Spot Composite								2-2-09 5:30																	
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Sampler Relinquished:				Date: Received By: 2/4/09 10:19				Phone Result: <input type="checkbox"/> No Add'l Phone #:																			
				Time: 10:19				Fax Result: <input type="checkbox"/> No Add'l Fax #:																			
Relinquished By:				Date: Redeemed By:				REMARKS: RUSH per Scott 2/4/09																			
				Time:																							
Delivered By: (Circle One)				Temp.				Sample Condition				CHECKED BY: (Initials)															
Sampler - UPS - Bus - Other:								Cool, Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No				YCB															

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Pit must be inspected daily while drilling rig on location, weekly after rig moves out.
If liner is torn-either above or below fluid level, NMOCD must be notified within 48 hrs.
Document the name of the person you notified.
Berm to be constructed to prevent run on of fluids into pit.

[illegible]