Form C-144 July 21, 2008

District I 1625 N French Dr , Hobbs, NM 88240 District II

1301 W Grand Avenue, Artesia, NM 8821NOV 3 0 2008 District III
1000 Rio Brazos Road, Aztec, NM 87440BBSOCD District IV 1220 S St Francis Dr , Santa Fe, NM 87505

Minerals and Natural Resources Department Oil Conservation Division

1220 South St. Francis Dr. Santa Fe, NM 87505

State of New Mexico

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.

VPC

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	
Final Closure Report	
Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system,	
below-grade tank, or proposed alternative method PreRule 17 Closure	
Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request ease 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	
ease be advised that approval of this request does not reflect the operation of matrix's should operations result in portation of surface water, ground water of the invironment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances	ş.
Operator Vates Petroleum Corp OGRID # 025575	
Address105 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 Section22 Township11S Range34E County:Lea	
Center of Proposed Design. LatitudeN 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: Thickness20mil □ 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: Thicknessmil LLDPE HDPE PVC Other	
Liner Scams: Welded Factory Other	
· · · · · · · · · · · · · · · · · · ·	
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 Thicknessmil	
Alternative Method:	

Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

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, institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate. Please specify	hospıtal.
Netting: Subsection E of 19.15 17 11 NMAC (Applies to permanent puts 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	
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 consideration of approval. Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	office for
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 acception material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate of the Santa Fe Environmental Bureau office for consideration of a Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to dry above-grade tanks associated with a closed-loop system.	opriate district approval.
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	Yes 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	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	Yes No
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits) - 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 search; 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

Form C-144 Oil Conservation Division Page 2 of 5

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 Stting 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:
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
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 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H ₂ S, 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
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)
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 G of 19.15.17.13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Ste Instructions: Please indentify the facility or facilities for the disposal of liquids, drift facilities are required.		
	sposal Facility Permit Number:	
	sposal Facility Permit Number:	
Will any of the proposed closed-loop system operations and associated activities occur 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 I o Site Reclamation Plan - based upon the appropriate requirements of Subsection	f 19.15.17.13 NMAC	C
Siting Criteria (regarding on-site closure methods only): 19 15.17 10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the clo provided below. Requests regarding changes to certain siting criteria may require a considered an exception which must be submitted to the Santa Fe Environmental Bidemonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for	dministrative approval from the appropriate disti ureau office for consideration of approval. Justi	rict office or may be
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 of	otained 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 of	otained 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 of	otained from nearby wells	☐ Yes ☐ No ☐ NA
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significance (measured from the ordinary high-water mark) - Topographic map; Visual inspection (certification) of the proposed site	cant watercourse or lakebed, sinkhole, or playa	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in - Visual inspection (certification) of the proposed site; Aerial photo, Satellite in		☐ Yes ☐ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less th watering purposes, or within 1000 horizontal feet of any other fresh water well or spring - NM Office of the State Engineer - iWATERS database; Visual inspection (cer	ng, in existence at the time of initial application.	Yes No
Within incorporated municipal boundaries or within a defined municipal fresh water wadopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval		Yes No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual in	nspection (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 an	d Mineral Division	Yes No
Within an unstable area. - Engineering measures incorporated into the design, NM Bureau of Geology & Society, Topographic map	. Mineral Resources; USGS, NM Geological	Yes No
Within a 100-year floodplain. - FEMA map		☐ Yes ☐ No
On-Site Closure Plan Checklist: (19.15.17 13 NMAC) Instructions: Each of the faby a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of Succession Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17 Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) Protocols and Procedures - based upon the appropriate requirements of 19.15.17 Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection Plan - based upon the appropriate requirements of Subsection I on Re-vegetation Plan - based upon the appropriate requirements of Subsection I on Re-vegetation Plan - based upon the appropriate requirements of Subsection I on Re-vegetation Plan - based upon the appropriate requirements of Subsection I on Re-vegetation Plan - based upon the appropriate requirements of Subsection I on Re-vegetation Plan - based upon the appropriate requirements of Subsection I on Re-vegetation Plan - based upon the appropriate requirements of Subsection I on Re-vegetation Plan - based upon the appropriate requirements of Subsection I on Re-vegetation Plan - based upon the appropriate requirements of Subsection I on Re-vegetation Plan - based upon the appropriate requirements of Subsection I on Re-vegetation Plan - based upon the appropriate requirements of Subsection I on Re-vegetation Plan - based upon the appropriate requirements of Subsection I on Re-vegetation Plan - based upon the appropriate requirements of Subsection I on Re-vegetation Plan - based upon the appropriate requirements of Subsection I on Re-vegetation Plan - based upon the appropriate requirements of Subsection I on Re-vegetation Plan - based upon the appropriate requirements of Subsection I on Re-vegetation Plan - based upon the appropriate requirements of Subsection I on Re-vegetation Plan - based upon the appropriate requirements of Subsection I on Re-vegetat	ements of 19.15.17.10 NMAC absection F of 19.15.17.13 NMAC appriate requirements of 19.15.17 11 NMAC absed upon the appropriate requirements of 19. absed upon the appropriate requirements of 19. absection F of 19 15 17.13 NMAC becoments of Subsection F of 19 15 17.13 NMAC cuttings or in case on-site closure standards cannot 19.15.17.13 NMAC	15.17.11 NMAC
Site Reclamation Plan - based upon the appropriate requirements of Subsection	G of 19.15.17.13 NMAC	

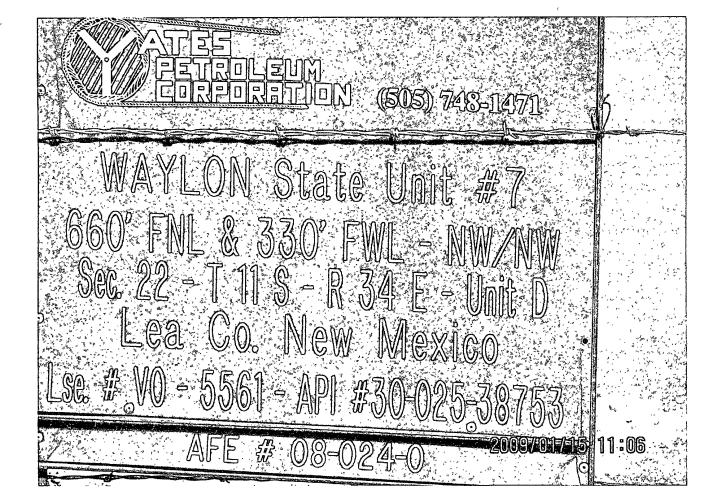
, ,			
Operator Application Certification: L hereby certify that the information submitted with this appli	cation is true, accurate and complete to the best of my knowledge and belief		
hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief			
Name (Print):	Title:		
Signature·	Date:		
e-mail address:	Telephone:		
OCD Approval: [4] Permit Application (including closure p	olan) 🔀 Closure Plan (only) 🔲 OCD Conditions (see attachment)		
OCD Representative Signature:	Geoffrey Leking Approval Date:12-29-08		
Title:	OCD Permit Number: P1-00 Z0 3		
Closure Report (required within 60 days of closure comple Instructions: Operators are required to obtain an approved The closure report is required to be submitted to the division section of the form until an approved closure plan has been	closure plan prior to implementing any closure activities and submitting the closure report. within 60 days of the completion of the closure activities. Please do not complete this obtained and the closure activities have been completed.		
	Closure Completion Date: 3-31-09		
Closure Method: Waste Excavation and Removal ☐ On-Site Closure M ☐ If different from approved plan, please explain.	ethod Alternative Closure Method Waste Removal (Closed-loop systems only)		
Closure Report Regarding Waste Removal Closure For C Instructions: Please indentify the facility or facilities for who facilities were utilized.	losed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: here the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than		
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 <i>will not</i> 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 Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique			
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 applicab) □ Waste Material Sampling Analytical Results (required) □ Disposal Facility Name and Permit Number Gandy-Notice Soil Backfilling and Cover Installation Caliche from Re-vegetation Application Rates and Seeding Techniques Site Reclamation (Photo Documentation)	for on-site closure) Marley NM-01-0019 St. Pit 3 mi. away- Top Soil on site		
25. Operator Closure Cartification			
Operator Closure Certification: I hereby certify that the information and attachments submitted belief. I also certify that the closure complies with all applications.	ed with this closure report is true, accurate and complete to the best of my knowledge and able 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 scottn@vatesnetroleum.com	Telephone: (575)-365-4716		

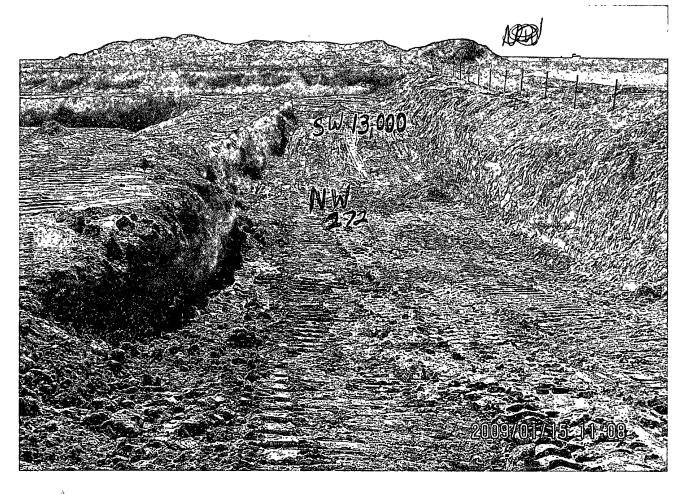
CCD APPROVAL - CLOSURE CERTIFICATION - Sheafffrey Lefting
Environmental Engineer
04/08/2010

Lorm (-144

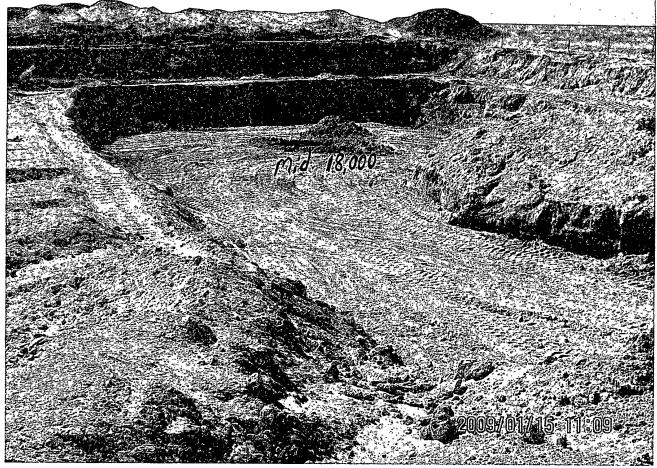
Oil Conservation Division

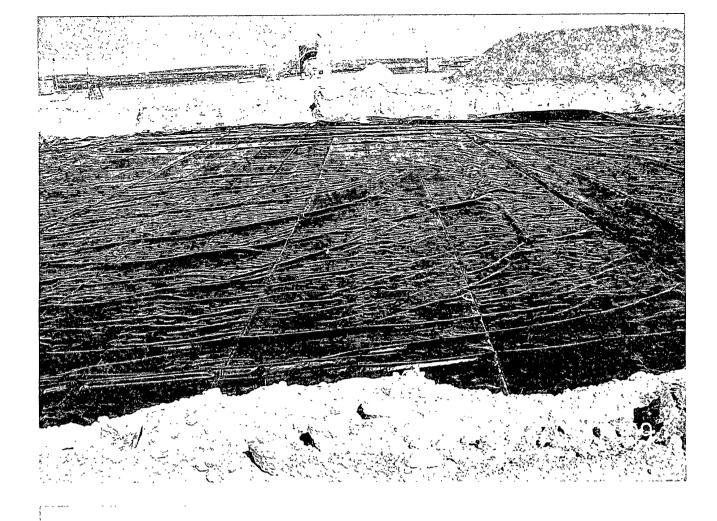
Page 5 of 5





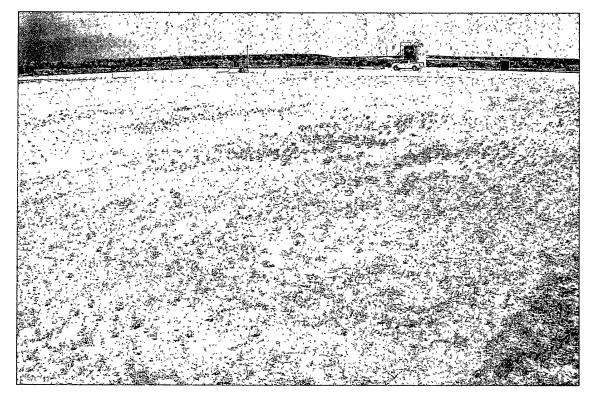








Final Reclamation



Final Reclamation





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

CI

Wall Testing Prior To Backfill

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

METHOD: Standard Methods 4500-CIB

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

Date

02/20/09

H16929 YATES

Chemist

1				
	ARDINAL I	ABORAT	OR.	ES
	101 East M	larland, Hobbs,	NM I	38240

E-Mail Scottp@yates petroleum. Com (575) 393-2326 Fax (575) 393-2476 Company Name: Project Manager: ANALYSIS REQUEST P.O. #: Address: 105 State NM Zip: 882/0 Fax #: 575-748-4229 Address: Project #: Project Owner: City: Project Name: State: Zip: Project Location: Phone #: Sampler Name: Fax #: FOR LAS USE ONLY MATRIX PRESERV SAMPLING (G)RAB OR (C)OMP GROUNDWATER # CONTAINERS Lab I.D. Sample I.D. ICE / COOL OTHER: H16929-1 DATE TIME 2-19-09 1:00 PLEASE NOTE: Liability and Damages Cardinal's liability and clients exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the solutions including those for negligence and any other cause whatspayer shall be deamed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable In no event shall Cardina, be liable for incidental or consequental damages including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its substitutes, 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, of jeraled to the cerformance of services hereunder by Cardinal regardless of whether such claim is based upon any of the above stated reasons or otherwise and all costs of collections including attorney's fees Phone Result: No Add'l Phone #: Fax Result: Add'l Fax #: REMARKS: Temp. Sample Condition CHECKED BY: Cool Intact
Yes Yes
No No Sampler - UPS - Bus - Other: (Initials) † Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.



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

CI

		OI OI
LAB NUMBER	SAMPLE ID	(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 Dif	ference	2.0

Cleaned Out Pit Bottom & VBL

METHOD: Standard Methods	4500-C/B
METHOD: Grandard Motilogo	1000 0. D

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

nemist

01/16/09

H16696 YATES

(5)		
AF	RDINAL LABO	
	404 Each Martin 2	

101 East Marland, Hobbs, NM 88240 SCOTTP @ Yates Petroleum. Com (575) 393-2326 Fax (575) 393-2476 Company Name: Project Manager: Rin # Pitts ANALYSIS REQUEST Address: 105 G Phone #: Address: Project #: Project Owner: YAC City: Project Name: La State: Zip: Project Location: Phone #: Sampler Name: Fax #: FOR LASI USE ONLY MATRIX PRESERV SAMPLING COOMP (C) RAB OR (C) OMP Lab I.D. Sample I.D. ICE / COOL DATE 1-166910-1 TIME 1-15-09 10:30 NW 5W PLEASE NOTE. Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or fort, shall be limited to the amount paid by the client for the Actives in the event shall Cardina, be leaded for incompanial be consequented damages including without firmitation, business interruptions, loss of use, or loss of profits incurred by clern, its subsidiaries, Terms and Conditions: Interest will be charged on all accounts more than when the desired are a regulated or related poline conformance of services hereunder by Cardinal regardless of whether such claim is based upon any of the above stated reasons or otherwise 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 Received By: Phone Result: No Add'l Phone #: Fax Result: Add'I Fax #: REMARKS: Relinquished By: Date: Received By Time: Delivered By: (Circle One) Sample Condition CHECKED BY: Sampler - UPS - Bus - Other: Cool Intact Yes Yes
No No

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



Reservelit

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

	•	CI
LAB NUMBER	SAMPLE ID	(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 Di	fference	4.0

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

Delineation Sampeling
W/ Split Spoon Auger Truck

4500-CIB

H16817 YATES



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

	•	CI
LAB NUMBER	SAMPLE ID	(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 Dif	ference	4.0

METHOD: Standard Methods 4500-CIB

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

Date

H16817 YATES



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: 02/05/09

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

BENZENE TOLUENE BENZENE XYLENES (mg/kg) (mg/kg) (mg/kg) (mg/kg) (mg/kg)

LAB NUMBER SAMPLE ID	(mg/kg)	(mg/kg)	(mg/kg)	(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
		0.050	0.054	0.150
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



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

ANALYSIS DATE	02/04/09	02/04/09	02/04/09
H16817-20 5 SPOT COMPOSIT	<10.0	30.7	<100
Overlie Control	492	583	306
Quality Control 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

02/05/09 Date

H16817 TPH2 YATES

101 East Marland, Hobbs, MM 88240 (575) 393-2476 ASC Company Name 1575) 393-2476 1575			<i>A</i> • •
Section Sample D. Samp	ARDINAL LABORATORIES 101 East Marland, Hobbs, NM 88240	Emeil South P @ vates Petroleum	·Con
Project Manager: Seat 1945 Addiess: 105 S. 445 Company: 172 Addiess: 105 S. 445 Company: 172 Addiess: 105 S. 476 Fax #: 515-148-4429 Address: Project Name: Project Owner: State: Zip: Project Name:	(575) 393-2326 Fax (575) 393-2476 1 1 C		Page of 5
Addiess: 105 \$.44\$ State. VM ZIp. 884 Adm. Adm: Adm: Adm: Adm: Adm: Adm: Adm: Adm	The state of the s		S REQUEST
City: A-f-Sia State: NM zip: 882/0 Address: Project M: Project Mame: Project Name: Project Location: May Ion BMC St Com. # Phone #: Sampler Name: State: Zip: Project Location: May Ion BMC St Com. # Phone #: Fax #: MATRIX PRESERY SAMPLING Bar #: MATRIX PR	Project Manager: Seoff OHS	P.O. #: 10 3-2542	
Project Mame: Project Name: Project Name: Project Name: Project Name: State: Zip: Phone #: Sample I.D. No I.Addi Phone W. Phone Resource of the these quant report of the these qua		Company: YPC	
Project #: 575-365-47% Fax #: 575-748-4224 Address: City: Project Name: Project Country	City: Artesia State: NM Zip: 882/0	Attn:	
Project Name: Project Location: Way on BNC St Com. # State: Zip: Phone # Project Location: Way on BNC St Com. # Phone	Phone #: 575-365-4716 Fax #: 575-748-4229	Address:	
Project Location: Way on BMC 51 Com. # Phone #: Sampler Name: \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	Project #: Project Owner;	City:	
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† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

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ARDINAL LABORATORIES 101 East Marland, Hobbs, NM 88240 PAGE 2

Page 2 of 3

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Project Manager:					P.O	. #:			4	-										
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† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

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ARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240

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Page 3 of 3

(575) 393-2326 Fax (575) 393-2476 / 1) Company Name: York and Potts Posts Post									ANALYSIS REQUEST										
Company Name:	Yates Petroleum			ANALYSIS REQUEST															
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[†] Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

Yates Petroleum Corp. RESERVE PIT INSPECTION LOG Waylon BMC St. Com. # 7 660' FNL & 330' FWL S22 T11S R34E

Rig Release Date: 6:00 PM 6 29 08

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 notifed within 48 hrs. Document the name of the person you notified.

Berm to be constructed to prevent run on of fluids into pit.

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