

11-25-09

Form C-144  
July 21, 2008

District I  
1625 N French Dr, Hobbs, NM 88240  
District II  
1301 W Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S St Francis Dr, Santa Fe, NM 87505

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

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  
X- Final Closure Report- Pre Rule 17 ☐ 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

**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 4<sup>th</sup>. Artesia N.M. 88210  
Facility or well name; Abby BLF St. #1  
API Number: 30-025-38951 OCD Permit Number: PI -00862  
U/L or Qtr/Qtr N Section 10 Township 9S Range 33E County: Lea  
Center of Proposed Design: Latitude N 33-32'33.37 Longitude W103-33'21.40 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: 24,000 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. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - 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. (Applies to permanent pits) - 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 H<sub>2</sub>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

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

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**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) ☒ **CLOSURE CERTIFICATION**

OCD Representative Signature: Jeffrey Lebing Approval Date: 04/08/2010

Title: Environmental Engineer OCD Permit Number: PI-00862

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: 6-10-2009

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) **Attached**  
☐ 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 **Back-fill hauled from State pit 2 mi. west- Top Soil was onsite**  
☒ Re-vegetation Application Rates and Seeding Technique **As per BLM specs. For area**  
☒ 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: [Signature] Date: 11-24-09

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

4-6-09

Summary Of Cardinal Lab's  
Test Results On Abby BHF # St. #1  
I Waters 27'-90' To Ground Water

NW

8' = 15,600

13' = 336

18' = 144

NE

8' = 1,710

13' = 480

18' = 144

Center

8' = 7,120

18' = 1,010

21' = 176

SW

8' = 27,600

13' = 20,800

15' = 12,000

SE

8' = 11,600

18' = 80

23' = 96

This Location's Reserve Pit Is Very Hard Rock  
We Did The Delineation With A Split Spoon Auger,  
And This Was As Deep As He Could Go.  
The SW Corner Is Still A Little High, Therefore  
I Would Like To Request We Put A 20 mill.  
Liner In This Quarter, The Backfill & Complete  
The Closure.

Thank You



Yates Petroleum Corp.



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: ABBY BLF ST. #1  
Project Location: NOT GIVEN

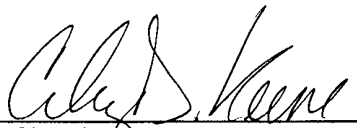
Analysis Date: 02/19/09  
Sampling Date: 02/18/09  
Sample Type: SOIL  
Sample Condition: INTACT  
Sample Received By: ML  
Analyzed By: HM

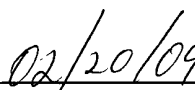
LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/kg)
H16930-1	ABBY NW	15,600
H16930-2	ABBY NE	1,710
H16930-3	ABBY SW	27,600
H16930-4	ABBY SE	11,600
H16930-5	ABBY CENTER	7,120
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods

4500-Cl<sup>-</sup>B

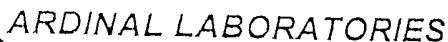
Note: Analyses performed on 1:4 w:v aqueous extracts.

  
Chemist

  
Date

H16930 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.



101 East Marland, Hobbs, NM 88240

(575) 393-2326 Fax (575) 393-2476

E-Mail SCOTTP@yatespetroleum.com

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Company Name: Yates Petroleum Corp			Project Manager: Scott Pitts			Address: 105 S. 4TH			City: Artesia State NM Zip: 88210			Phone #: (575) 385-4718 Fax #: 575-748-4229			Project #:			Project Owner:			Project Name: Abby BLF St. #1			Project Location:			Sampler Name: Scott Pitts		
<b>BILL TO</b>			P.O. #: 103-2542			Company: Yates Petroleum			Attn: Scott Pitts			Address:			City:			State:			Zip:			Phone #:			Fax #:		
FOR LAB USE ONLY		Lab I.D.		Sample I.D.		(GRAB OR C)OMP.	# CONTAINERS	MATRIX					PRESERV.	SAMPLING		ANALYSIS REQUEST													
								GROUNDWATER	WASTEWATER	SOIL	OIL	SILUDGE	OTHER	ACID/BASE	ICE / COOL											OTHER	DATE	TIME	
H16930-1		Abby NW								<input checked="" type="checkbox"/>							2-18-09	11 AM	Chlorides 300.1										
-2		Abby NE								<input checked="" type="checkbox"/>							" "	" "											
-3		Abby SW								<input checked="" type="checkbox"/>							" "	" "											
-4		Abby SE								<input checked="" type="checkbox"/>							" "	" "											
-5		Abby Center								<input checked="" type="checkbox"/>							" "	" "											
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 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, and all costs of collections including attorney's fees.																													
Sampler Relinquished To Mike Goodroe Date: 2-19-09 Received By: b.MikeGoodroe Time: 2:00PM																				Phone Result: <input type="checkbox"/> No Add'l Phone #: Fax Result: <input type="checkbox"/> No Add'l Fax #: REMARKS: Rush & P									
Relinquished By: X [Signature] Date: 2-19-09 Received By: [Signature] Time: 3:05																													
Delivered By: (Circle One)																				Temp Sample Condition Cool Intact Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> CHECKED BY: UGB									
Sampler - UPS - Bus - Other:																													

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

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





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

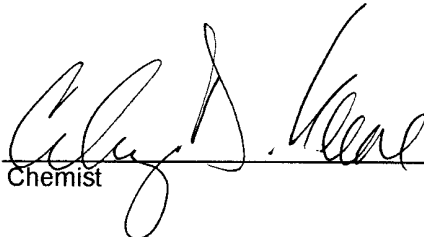
ANALYTICAL RESULTS FOR  
YATES PETROLEUM CORPORATION  
ATTN: SCOTT PITTS  
105 SOUTH 4TH STREET  
ARTESIA, NM 88210  
FAX TO: (575) 748-4229

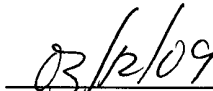
Receiving Date: 03/10/09  
Reporting Date: 03/12/09  
Project Owner: NOT GIVEN  
Project Name: NOT GIVEN  
Project Location: ABBY ALN #1

Sampling Date: 03/06/09  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: ML  
Analyzed By: AB

LAB NUMBER	SAMPLE ID	GRO	DRO	418.1
		(C <sub>6</sub> -C <sub>10</sub> )	(>C <sub>10</sub> -C <sub>28</sub> )	TOTAL
		(mg/kg)	(mg/kg)	TPH
				(mg/kg)
ANALYSIS DATE		03/11/09	03/11/09	03/11/09
H17038-1	5-SPOT-COMP.	<10.0	<10.0	<100
Quality Control		506	562	318
True Value QC		500	500	300
% Recovery		101	112	106
Relative Percent Difference		3.2	5.9	1.6

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

  
Chemist

  
Date

H17038 TPH2 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: 03/10/09  
Reporting Date: 03/12/09  
Project Owner: NOT GIVEN  
Project Name: NOT GIVEN  
Project Location: ABBY ALN #1

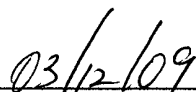
Sampling Date: 03/06/09  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: ML  
Analyzed By: ZL

LAB NUMBER	SAMPLE ID				
		BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE		03/11/09	03/11/09	03/11/09	03/11/09
H17038-1	5-SPOT-COMP.	<0.050	<0.050	<0.050	<0.300
Quality Control		0.049	0.049	0.048	0.144
True Value QC		0.050	0.050	0.050	0.150
% Recovery		98.0	98.0	96.0	96.0
Relative Percent Difference		3.4	4.1	5.6	6.0

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: 03/10/09  
Reporting Date: 03/10/09  
Project Number: NOT GIVEN  
Project Name: NOT GIVEN  
Project Location: ABBY ALN #1

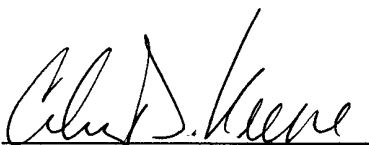
Analysis Date: 03/10/09  
Sampling Date: 03/06/09  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: ML  
Analyzed By: TR

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/kg)
H17038-1	5-SPOT-COMP	12,000
H17038-2	NW 13'	336
H17038-3	SW 13'	20,800
H17038-4	NE 13'	480
H17038-5	SW 15'	12,000
H17038-6	NW 16'	144
H17038-7	SE 18'	80
H17038-8	MIDDLE 18'	1,010
H17038-9	NE 18'	144
H17038-10	MIDDLE 21'	176
H17038-11	SE 23'	96
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods

4500-Cl<sup>-</sup>B

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

  
Cheryl S. Keene  
Chemist

03/12/09  
Date

H17038 YATES

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# CARDINAL LABORATORIES

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

E-Mail scottp@yatespetroleum.com

Page 1 of 2

Company Name: Yates Petroleum Corp

Project Manager: Scott Pitts

Address: 105 S. 4th

City: Artesia State: NM Zip: 88210

Phone #: (575) 385-4716 Fax #: 575-748-4229

Project #: \_\_\_\_\_ Project Owner: \_\_\_\_\_

Project Name: \_\_\_\_\_

Project Location: Abby ALN #1

Sampler Name: \_\_\_\_\_

## BILL TO

P.O. #: 103-2542

Company: Yates Petroleum

Attn: Scott Pitts

Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone #: \_\_\_\_\_

Fax #: \_\_\_\_\_

## ANALYSIS REQUEST

FOR LAB USE ONLY

Lab I.D.

Sample I.D.

(GRAB OR (C)OMP.)

# CONTAINERS

GROUNDWATER

WASTEWATER

SOIL

OIL

SLUDGE

OTHER

MATRIX

PRESERV

SAMPLING

ACID/BASE

ICE/COOL

OTHER

DATE

TIME

H17038-1  
-2  
-3  
-4  
-5  
-6  
-7  
-8  
-9  
-10

SS Pot - Comp.  
NW 13'  
SW 13'  
NE 13'  
SW 15'  
NW 10'  
SE 18'  
middle 18'  
NE 18'  
middle 21'

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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 By: Scott Pitts

Date: 3-9-09 Received By: Not Yet

Time: 3:00 9:10

Relinquished By: \_\_\_\_\_

Date: \_\_\_\_\_ Received By: \_\_\_\_\_

Time: \_\_\_\_\_

Delivered By: (Circle One)

Sampler - UPS - Bus - Other: Fe/Ey

Temp.

Sample Condition

Cool Intact

☒ Yes ☒ Yes

☐ No ☐ No

CHECKED BY:

(Initials)

MCB

Phone Result: ☐

Fax Result: ☐

REMARKS:

No Add'l Phone #:

No Add'l Fax #:

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



Page 2 of 2

Company Name: <b>Yates Petroleum Corp</b> Project Manager: <b>Scott Pitts</b> Address: <b>105 S. 4th</b> City: <b>Artesia</b> State: <b>NM</b> Zip: <b>88210</b> Phone #: <b>(575) 385-4716</b> Fax #: <b>575-748-4229</b> Project #: _____ Project Owner: _____ Project Name: _____ Project Location: _____ Sampler Name: _____		<b>BILL TO</b> P.O. #: <b>103-2542</b> Company: <b>Yates Petroleum</b> Attn: <b>Scott Pitts</b> Address: _____ City: _____ State: _____ Zip: _____ Phone #: _____ Fax #: _____		Page <b>2</b> of <b>2</b> <b>ANALYSIS REQUEST</b>																		
FOR LAB USE ONLY  Lab I.D. _____ Sample I.D. _____  <b>H17038-11</b> <b>SE 23'</b>		(GRAB OR (C)OMP. _____ # CONTAINERS _____	MATRIX GROUNDWATER _____ WASTEWATER _____ SOIL _____ OIL _____ SLUDGE _____ OTHER: _____					PRESERV ACID/BASE: _____ ICE/COOL _____ OTHER: _____	SAMPLING DATE _____ TIME _____ <b>3-10-09 11:00</b>		<b>Chlorides 300i</b>											
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Sampler Relinquished By: <b>Scott Pitts</b> Date: <b>3-9-09</b>		Received By: <b>Mark LaBut</b> Date: <b>3-10-09</b>		Phone Result: <input type="checkbox"/> No Fax Result: <input type="checkbox"/> No		Add'l Phone #: _____ Add'l Fax #: _____		REMARKS: _____ _____ _____														
Relinquished By: _____ Date: _____ Time: _____		Received By: _____ Date: _____ Time: _____																				
Delivered By: (Circle One) Sampler - UPS - Bus - Other: <b>Fed-Ex</b>		Temp. _____ Sample Condition: Cool Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No		CHECKED BY: (Initials) <b>MLB</b>																		

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

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## New Mexico Office of the State Engineer

## POD Reports and Downloads

Abby State #1

Township: 12S Range: 34E Sections: 12

NAD27 X: Y: Zone: Search Radius:

County: LE Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic  
© All

POD / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

iWATERS Menu

Help

## AVERAGE DEPTH OF WATER REPORT 06/11/2008

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
L	12S	34E	12				2	36	36	36

Record Count: 2

**Scott Pitts**

---

**From:** Leking, Geoffrey R, EMNRD [GeoffreyR.Leking@state.nm.us]  
**Sent:** Thursday, April 30, 2009 9:24 AM  
**To:** Scott Pitts  
**Subject:** Abby Abby BLF State #1 and Strait BLH #7 Closures

Scott

Per our telephone conversations of today April 30, 2009, it is agreed that Yates will close the above referenced drilling pits in the following manner:

Abby BLF State #1 – Install a 20 mil liner across the entire pit bottom in such a way as to assure the liner integrity and backfill the pit with clean material including final soil cover with seed that will allow the pit area to be reclaimed by vegetation .

Strait BLH #7 – Install a section of 20 mil liner in the northwest corner of the pit in such a way as to assure the liner integrity and backfill the pit with clean material including final soil cover with seed that will allow the pit area to be reclaimed by vegetation .

Please contact me if you have any questions.

Geoffrey Leking  
NMOCD-Hobbs  
575-393-6161 Ext. 113  
575-399-2990

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4/30/2009

**Scott Pitts**

---

**From:** Scott Pitts  
**Sent:** Monday, February 09, 2009 9:46 AM  
**To:** Leking, Geoffrey R, EMNRD  
**Cc:** Tim Bussell; Mike Larkin; Mike Stubblefield; Mike Goodloe  
**Subject:** Starting Closures

Mr. Leking,

We will be starting closure on the Abby BLF st #1 Later this week . Gandy Corp. /Rick Dunlap is my contractor for this job. We will also be starting the Strait # 7 this week , Sweatt Artesia/ Greg Leary will be the contractor on this job. Both pits will be hauled to Gandy Marley. If you Have any questions please call me. 365-4716.

Thank you  
Scott Pitts  
Construction Supervisor  
Yates Petroleum Corp.

2/11/2009



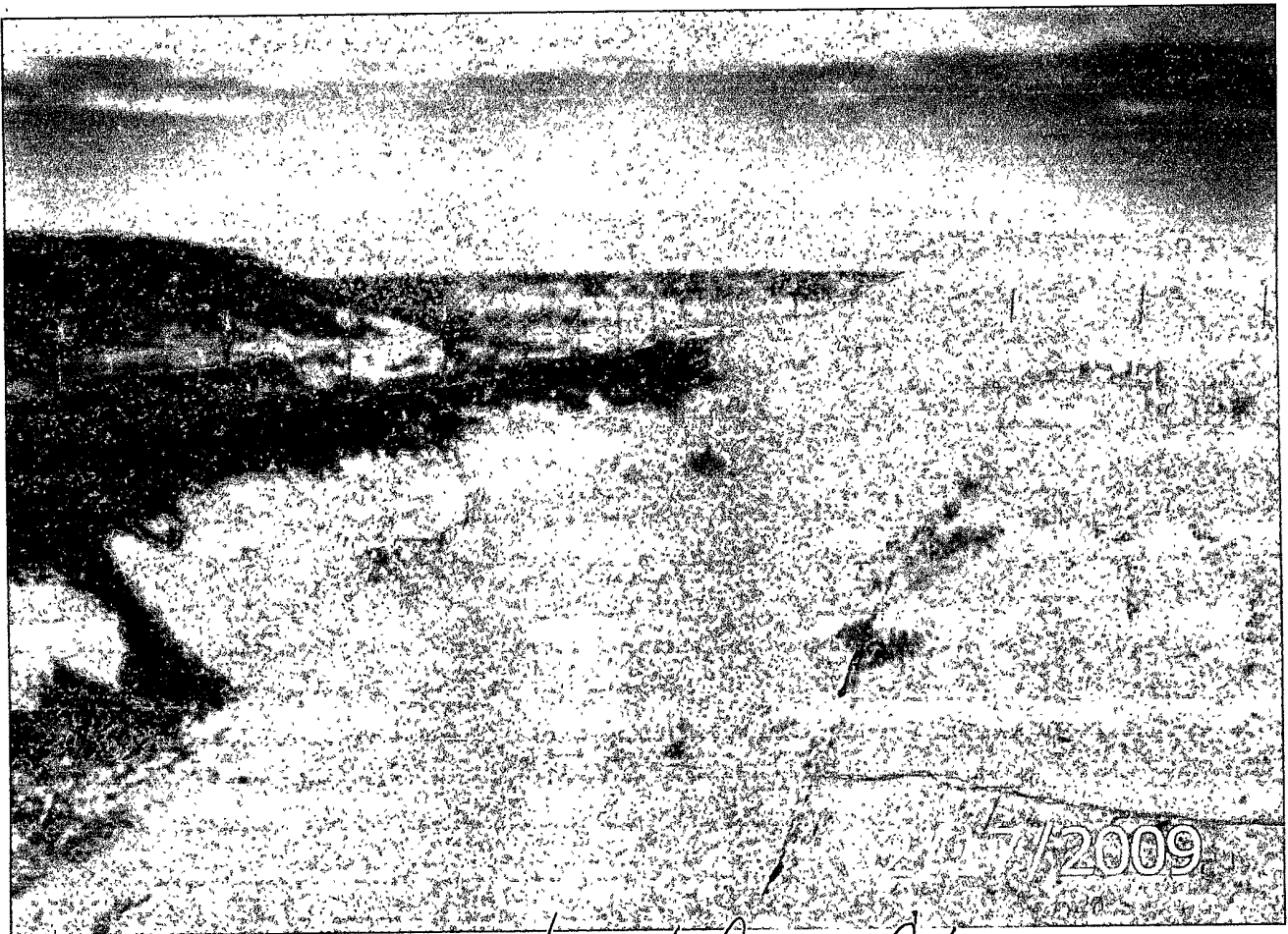
Mr. Leking, 1-12-09

I would like to request an extension, on two reserve pit closures. I will have bid meetings on these this week, and will also get my paperwork to you. As soon as I have your approval I will be ready to start closures.

Abby BLF St. #1- sec. 10- T9S- R33E- 660' FSL- 2310' FWL- Lea co.- API# 30-025-38951- Rig  
release date 7/14/08

Strait BLH St. #7- sec.33- T10S- R34E- 1650' FSL- 1980' FWL-Lea co. - API# 30-025-38863 rig  
release date 7/17/08

Thank you  
Scott Pitts  
Construction Supervisor  
Yates Petroleum Corp.



*Cleaned Out Reserve Pit*

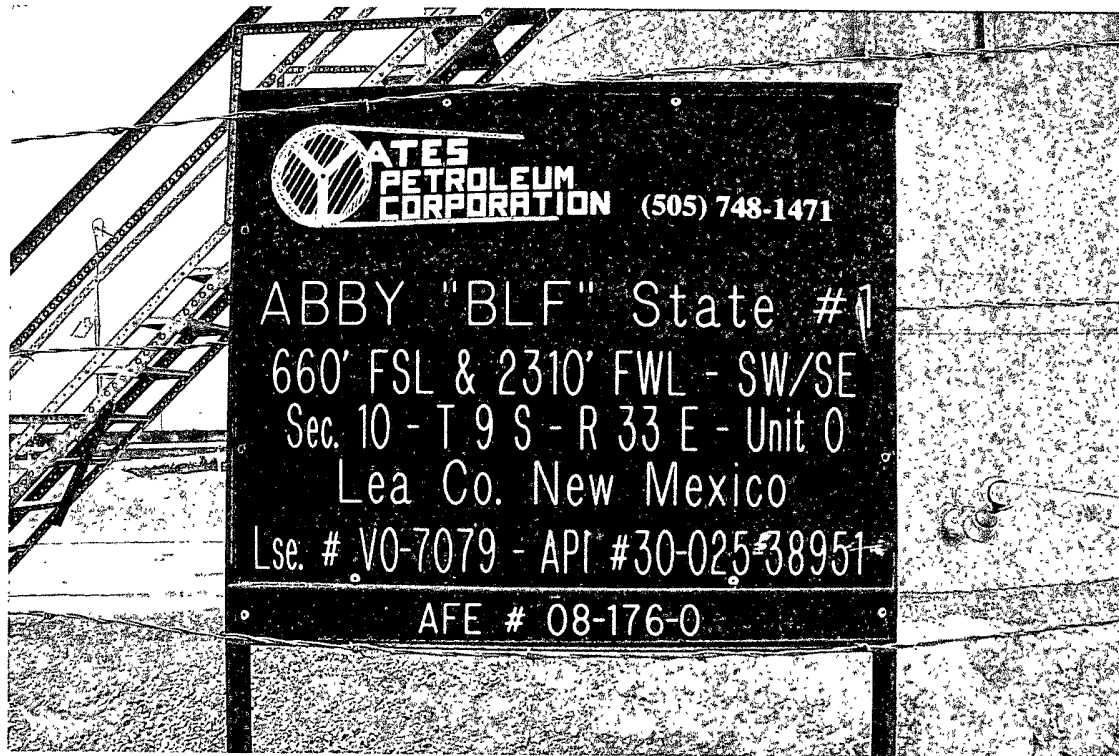




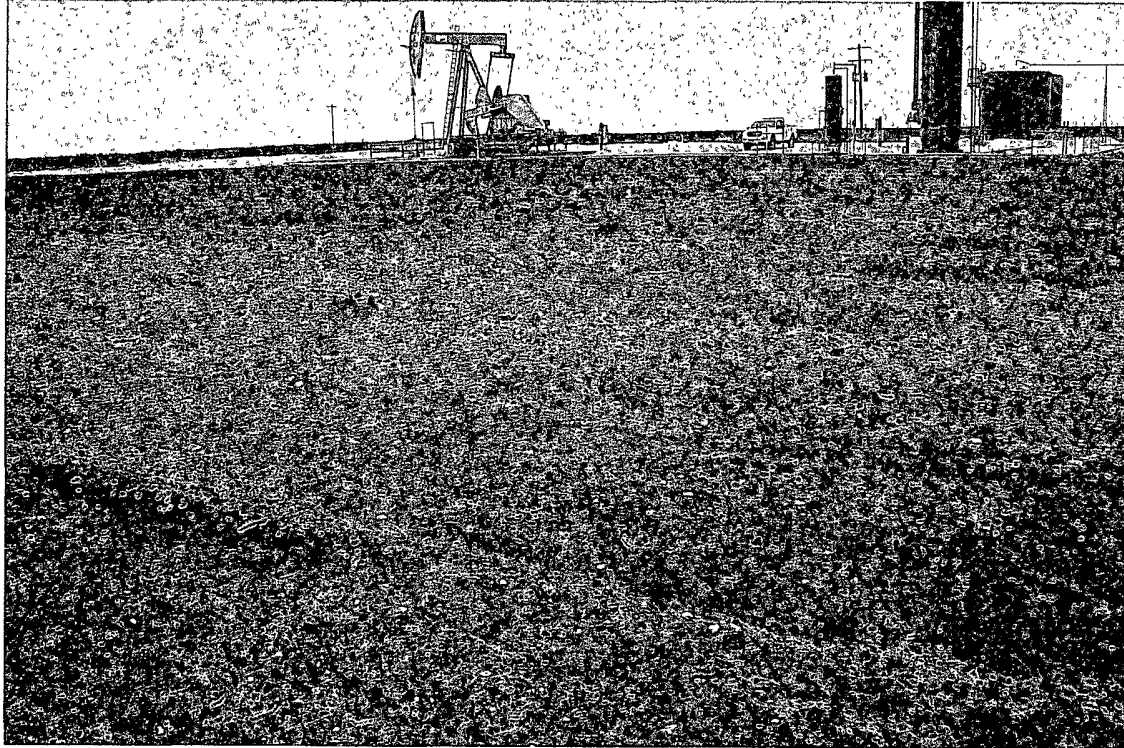
*Cleaned Out Reserve Pit*



Final Pictures



*After Reclamation*



*After Reclamation*

