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

RECEIVED
APR 28 2010
HOBBSOCD

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

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
☐ 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 4th. Artesia N.M. 88210**
Facility or well name: Fender St. Unit #4
API Number: 30-025-39212 OCD Permit Number: P1- 00577
U/L or Qtr/Qtr J Section 3 Township 10S Range 32E County: Lea
Center of Proposed Design: Latitude N33.473481 Longitude W103.657889 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: 12,000 Dimensions: L 150' x W 150' 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	☐ 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 ☐ 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	☐ Yes ☐ No ☐ 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	☐ 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

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_2S, 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 indentify 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: Geoffrey Leking **Approval Date:** 04/28/2010

Title: Environmental Engineer **OCD Permit Number:** P1-00577

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: 9-4-2009**

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 indentify 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 **Cover onsite- Backfill St. Pit 2 mi. away**
☒ Re-vegetation Application Rates and Seeding Technique as per BLM recommendations for area
☒ Site Reclamation (Photo Documentation) **Attached**

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: 12-01-2009

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

Scott Pitts

From: Leking, Geoffrey R, EMNRD [GeoffreyR.Leking@state.nm.us]
Sent: Wednesday, August 05, 2009 11:10 AM
To: Scott Pitts
Subject: RE: FENDER #4

Scott

The results are approved. You may backfill and close the pit.

Geoffrey Leking
Environmental Engineer
NMOCD-Hobbs

From: Scott Pitts [mailto:ScottP@yatespetroleum.com]
Sent: Tuesday, August 04, 2009 5:13 PM
To: Leking, Geoffrey R, EMNRD
Cc: Tim Bussell; Mike Larkin
Subject: FW: FENDER #4

Mr. Leking,
Here are my lab results on the Fender 4. As you can see we are within the requirements for rule 17, Therefore I am asking for permission to backfill and close this reserve pit.
Thank-You,
Scott Pitts
Construction Supervisor
Yates Petroleum Corp.

--- --Original Message-----
From: Celey Keene [mailto:celey.keene@cardinallabsnm.com]
Sent: Tuesday, August 04, 2009 4:36 PM
To: Scott Pitts
Subject: FENDER #4

THANK YOU,

Celey Keene
Lab Director
Cardinal Laboratories
101 East Marland
Hobbs, NM 88240
T: (575) 393-2326
F: (575) 393-2476
e-mail: celey.keene@cardinallabsnm.com

CARDINAL LABORATORIES

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

July 17, 2009

Scott Pitts
Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

Re: Yates Fender #4

Enclosed are the results of analyses for sample number H17793, received by the laboratory on 07/13/09 at 12:38 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Total Number of Pages of Report: 4 (includes Chain of Custody)

Sincerely,

Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.

CARDINAL LABORATORIES

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

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

Receiving Date: 07/13/09
Reporting Date: 07/16/09
Project Number: NOT GIVEN
Project Name: YATES FENDER #4
Project Location: NOT GIVEN

Analysis Date: 07/13/09
Sampling Date: 07/13/09
Sample Type: SOIL
Sample Condition: COOL & INTACT @ 5.5°C
Sample Received By: ML
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl^- (mg/kg)
H17793-1	NE	1,650
H17793-2	NW	96
H17793-3	SE	4,920
H17793-4	SW	2,280
H17793-5	MIDDLE	432
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		2.0

METHOD: Standard Methods	4500-Cl^-B

Note: Analyses performed on 1:4 w:v aqueous extracts. Not accredited for Chloride.

Chemist

07/17/09
Date

H17793 YATES

CARDINAL LABORATORIES

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: 07/13/09
Reporting Date: 07/16/09
Project Number: NOT GIVEN
Project Name: YATES FENDER #4
Project Location: NOT GIVEN

Sampling Date: 07/13/09
Sample Type: SOIL
Sample Condition: COOL & INTACT @ 5.5^{0}C
Sample Received By: ML
Analyzed By: AB/ZL

LAB NO.	SAMPLE ID	GRO (C_6-C_{10}) (mg/kg)	DRO (>C_{10}-C_{28}) (mg/kg)	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE:		07/13/09	07/13/09	07/15/09	07/15/09	07/15/09	07/15/09
H17793-2	NW	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300
H17793-5	MIDDLE	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300
Quality Control		588	592	0.048	0.050	0.049	0.154
True Value QC		500	500	0.050	0.050	0.050	0.150
% Recovery		118	118	96.0	100	98.0	103
Relative Percent Difference		6.4	5.6	10.7	7.8	7.0	8.2

METHODS: TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8021B. Reported on wet weight.

TEXAS NELAP ACCREDITATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE, AND TOTAL XYLENES. Not accredited for GRO/DRO.

Lab Director

07/17/09
Date

H17793 BTEXTPH YATES

CARDINAL LABORATORIES

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

Company Name: Yates Petroleum	**BILL TO**
Project Manager: Scott Pitts	P.O. #:
Address:	Company:
City: State: Zip:	Attn:
Phone #: Fax #:	Address:
Project #: Project Owner:	City:
Project Name: Yates Fender #4	State: Zip:
Project Location:	Phone #:
Sampler Name:	Fax #:

FOR LAB USE ONLY Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP	# CONTAINERS	MATRIX: GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	PRESERV.: ACID/BASE	ICE / COOL	OTHER	SAMPLING: DATE	TIME	ANALYSIS REQUEST: Cl-	TPH 8015	BTEX
H17793-1	NE	G	1			✓							7/13/09	10:00a	X	X	X
-2	NW	G	1			✓									X	X	X
-3	SE	G	1			✓									X	X	X
-4	SW	G	1			✓									X	X	X
-5	Middle	G	1			✓									X	X	X

Sampler Relinquished:	Date:	Received By:	
	Time:		
Relinquished By:	Date: 7-13-09	Received By:	
	Time: 12:38		
Delivered By: (Circle One)	Temp.	Sample Condition Cool / Intact	CHECKED BY: (Initials)
Sampler - UPS - Bus - Other:	55°C	☑ Yes ☑ Yes ☐ No ☐ No	MCKB

Phone Result:	☐	No	Add'l Phone #:
Fax Result:	☐	No	Add'l Fax #:
REMARKS:			

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

* samples in plastic bags

CARDINAL LABORATORIES

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

July 22, 2009

Scott Pitts
Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

Re: Yates Fender #4

Enclosed are the results of analyses for sample number H17848, received by the laboratory on 07/21/09 at 11:40 am.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,

Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.

CARDINAL LABORATORIES

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

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

Receiving Date: 07/21/09
Reporting Date: 07/21/09
Project Number: NOT GIVEN
Project Name: YATES FENDER #4
Project Location: NOT GIVEN

Analysis Date: 07/21/09
Sampling Date: 07/21/09
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: AB

LAB NUMBER	SAMPLE ID	Cl^- (mg/kg)
H17848-1	SE CORNER	128
H17848-2	SW CORNER	4,800
H17848-3	NE CORNER	304
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		<0.1

METHOD: Standard Methods	4500-Cl^-B

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

Chemist

Date 07/22/09

H17848 YATES

CARDINAL LABORATORIES

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

Page_____ of _____

Company Name:	Yates Petroleum	**BILL TO**	
Project Manager:	Scott Pitts	P.O. #:	
Address:		Company:	
City:	State: Zip:	Attn:	
Phone #:	Fax #:	Address:	
Project #:	Project Owner:	City:	
Project Name:	Yates Fender 4	State: Zip:	
Project Location:		Phone #:	
Sampler Name:		Fax #:	

ANALYSIS REQUEST

FOR LAB USE ONLY Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP	# CONTAINERS	MATRIX: GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	PRESERV.: ACID/BASE	ICE / COOL	OTHER	SAMPLING: DATE	TIME	CL
H178481	SE Corner	G	1			✓							7/21/09	10:05	X
-2	SW Corner	G	1			✓							"	10:10	X
-3	NE Corner	G	1			✓							"	10:00	X

Sampler Relinquished:	Date: 7-21-09	Received By:	Phone Result: ☐ No Add'l Phone #:
	Time: 11:40		Fax Result: ☐ No Add'l Fax #:
Relinquished By:	Date:	Received By:	REMARKS:
	Time:		
Delivered By: (Circle One)	Temp.	Sample Condition Cool Intact	CHECKED BY: (Initials)
Sampler - UPS - Bus - Other:		☐ Yes ☑ Yes ☑ No ☐ No	

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

CARDINAL LABORATORIES

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

August 4, 2009

Scott Pitts
Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

Re: Fender #4

Enclosed are the results of analyses for sample number H17901, received by the laboratory on 07/30/09 at 4:05 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Total Number of Pages of Report: 4 (includes Chain of Custody)

Sincerely,

Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.

CARDINAL LABORATORIES

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: 07/30/09
Reporting Date: 08/04/09
Project Number: YPC
Project Number: FENDER 4
Project Location: NOT GIVEN

Sampling Date: 07/30/09
Sample Type: SOIL
Sample Condition: COOL & INTACT @ 6°C
Sample Received By: ML
Analyzed By: AB/HM

LAB NUMBER SAMPLE ID	GRO (C_6-C_{10}) (mg/kg)	DRO (>C_{10}-C_{28}) (mg/kg)	418.1 TOTAL TPH (mg/kg)	Cl* (mg/kg)
ANALYSIS DATE	07/31/09	07/31/09	08/04/09	07/31/09
H17901-1 5-SPOT	<10.0	25.7	<100	160
Quality Control	506	594	314	500
True Value QC	500	500	300	500
% Recovery	101	119	105	100
Relative Percent Difference	1.4	4.0	2.0	<0.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; EPA 418.1; Cl-: Std. Methods 4500-Cl-B
*Analysis performed on a 1:4 w:v aqueous extract. Reported on wet weight.
Not accredited for GRO/DRO, TPH 418.1 and Chloride.

Chemist

08/04/09
Date

H17901TPH2CL YATES

CARDINAL LABORATORIES

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: 07/30/09
Reporting Date: 08/03/09
Project Owner: YPC
Project Number: FENDER #4
Project Location: NOT GIVEN

Sampling Date: 07/30/09
Sample Type: SOIL
Sample Condition: COOL & INTACT @6 °C
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	07/31/09	07/31/09	07/31/09	07/31/09
H17901-1 5-SPOT	<0.050	<0.050	<0.050	<0.300
Quality Control	0.053	0.054	0.052	0.160
True Value QC	0.050	0.050	0.050	0.150
% Recovery	106	108	104	107
Relative Percent Difference	2.1	2.0	<1.0	1.3

METHOD: EPA SW-846 8021B

TEXAS NELAP ACCREDITATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE, AND TOTAL XYLENES. Reported on wet weight.

Chemist

08/04/09
Date

H17901 YATES

CARDINAL LABORATORIES

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

E-MAIL scottp@yatespetroleum.com

Page 1 of 1

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 #: Fender 4 Project Owner: YPC
Project Name:
Project Location:
Sampler Name: Scott Pitts

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.	(G)RAB OR (C)OMP	# CONTAINERS	MATRIX: GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER :	PRESERV: ACID/BASE:	ICE / COOL	OTHER :	SAMPLING: DATE	TIME	Chlorides 300.1	TPH 8015 M	TPH 418.1	BTEX 8021B
H17900-1	5-Spot	C				✓					✓		7-30-09	11:15	✓	✓	✓	✓

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.

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: Scott Pitts
Date: 7-30-09 Time: 12:00
Received By: Geoffrey Leking (CCO)

Relinquished By:
Date: 7/30/09 Time: 1605
Received By:

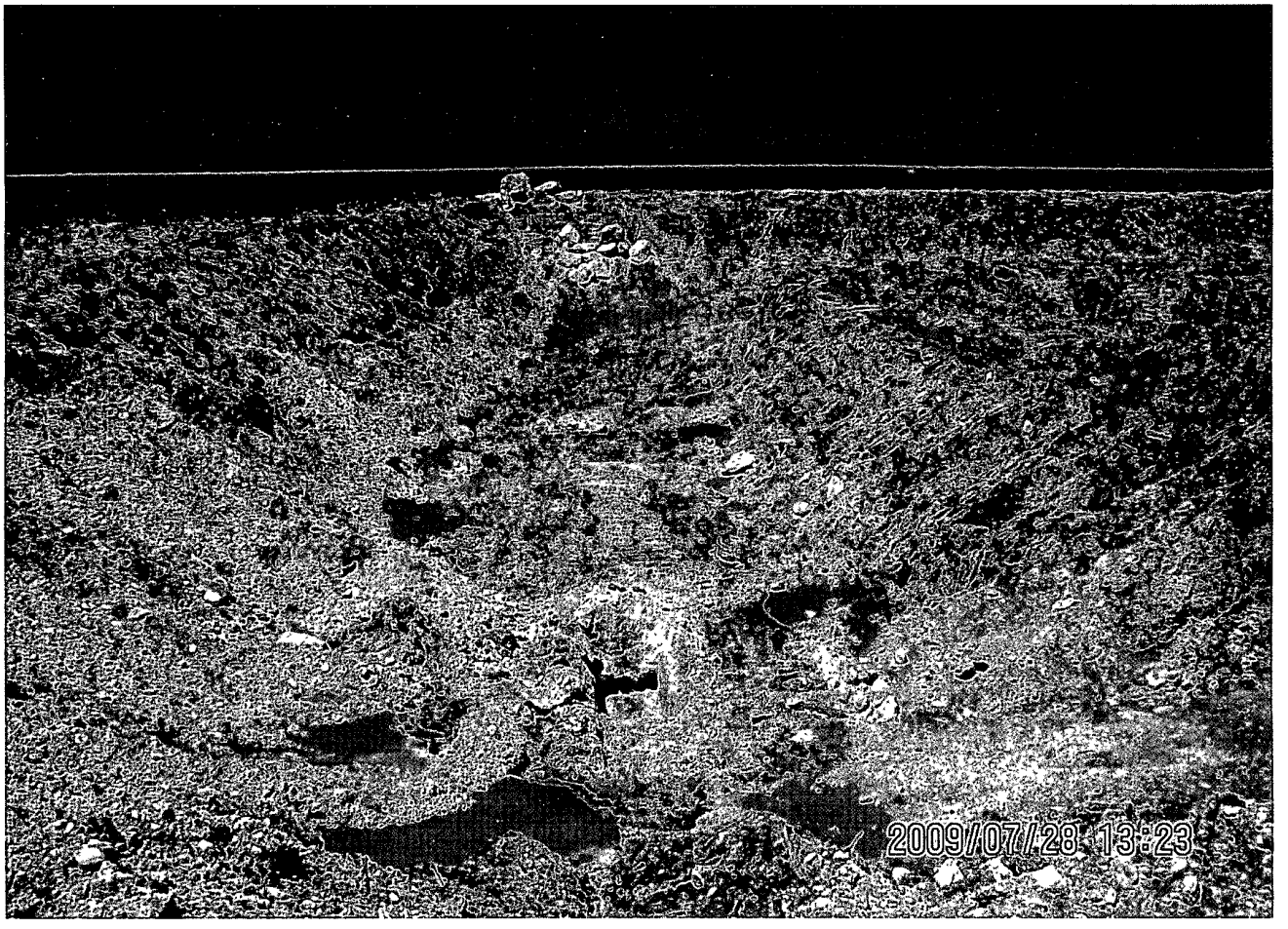
Delivered By: (Circle One)
Sampler - UPS - Bus - Other:

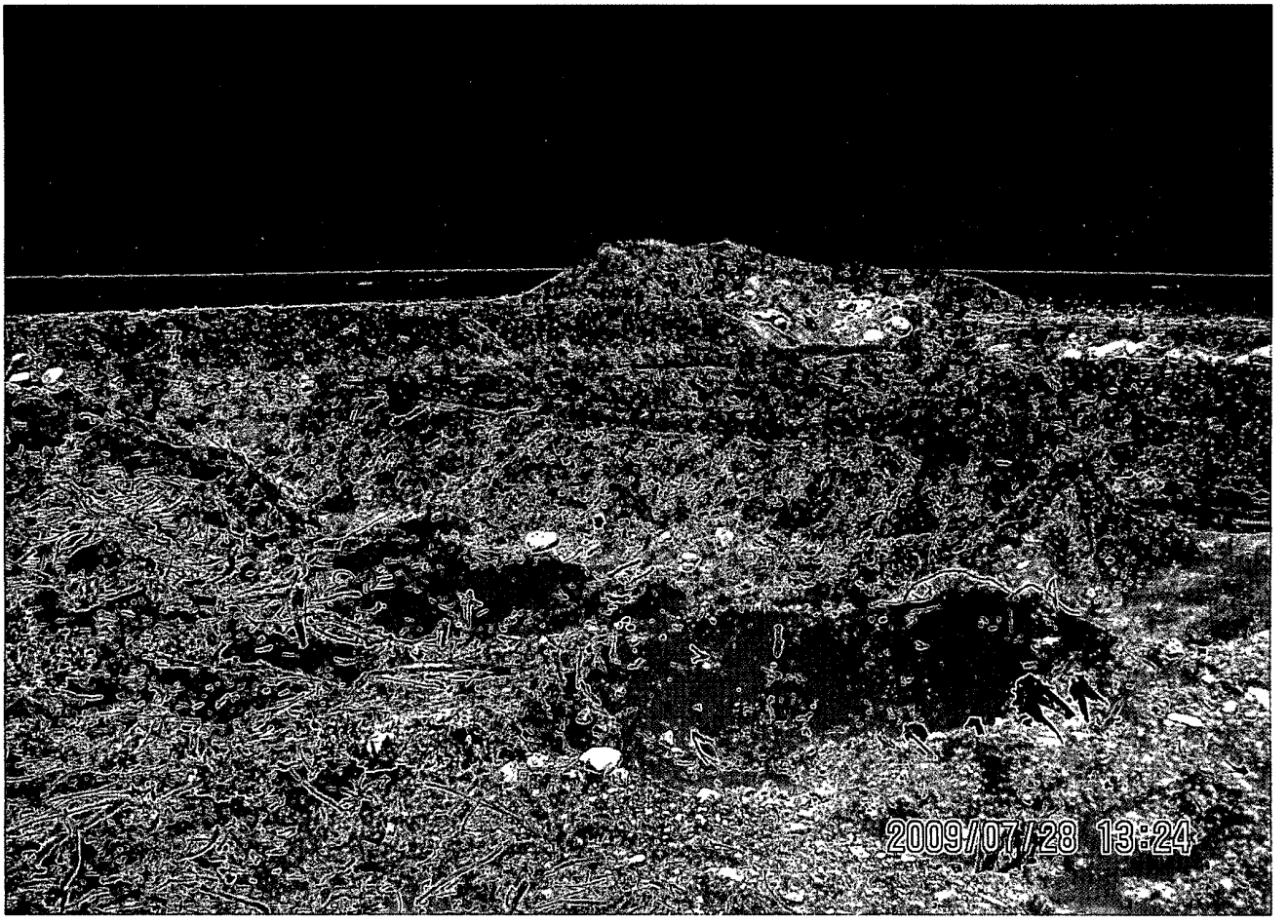
Temp. 6°C
Sample Condition: Cool ☑ Yes ☐ No; Intact ☑ Yes ☐ No
CHECKED BY: (Initials) MCB

Phone Result: ☐ No Add'l Phone #:
Fax Result: ☐ No Add'l Fax #:
REMARKS:

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

#20


2009/07/28 13:23


2009/07/28 13:24

Yates Petroleum Corp.
RESERVE PIT INSPECTION LOG

WELL NAME: FENDER STATE UNIT #4

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.

DATE:	INSPECTED BY:	HOLE SIZE	DEPTH	PIT LEVEL READING		MINIMUM 2' FREEBOARD		LINER INTEGRITY		BERM INTEGRITY		FENCE INTEGRITY		PERCENT OF RETURNS	OIL ON PIT:		COMMENTS
				INSIDE	OUTSIDE	YES	NO	YES	NO	YES	NO	YES	NO		YES	NO	
01-02-09	RC	7 7/8	10092	8	3 1/2	✓		✓		✓		✓		✓		✓	OK
01-03-09	RG	7 7/8	10300	8	3 1/2	✓		✓		✓		✓		✓		✓	O.K.
01-04-09	RG	7 7/8	10512	8	3 1/2	✓		✓		✓		✓		✓		✓	move cuttings as volume
1-5-09	6.5	7 7/8	10,674	8	3 1/2	✓		✓		✓		✓		✓		—	O. K
1-6-09	BP	7 7/8	10,810	8	3 1/2	✓		✓		✓		✓		100		✓	TD 10810 1:30am 1-6-09
1-7-09	BN	7 7/8	10,810	8	3 1/2	✓		✓		✓		✓		100		✓	
1-8-09	BN	7 7/8	10,810	8	3 1/2	✓		✓		✓		✓		100		✓	Jet Pits
1-9-09	BN	7 7/8	10,810	8	6 1/2	✓		✓		✓		✓		N/A		✓	End of Drilling Op.

Yates Petroleum Corp.
RESERVE PIT INSPECTION LOG

WELL NAME: Fender #4

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.

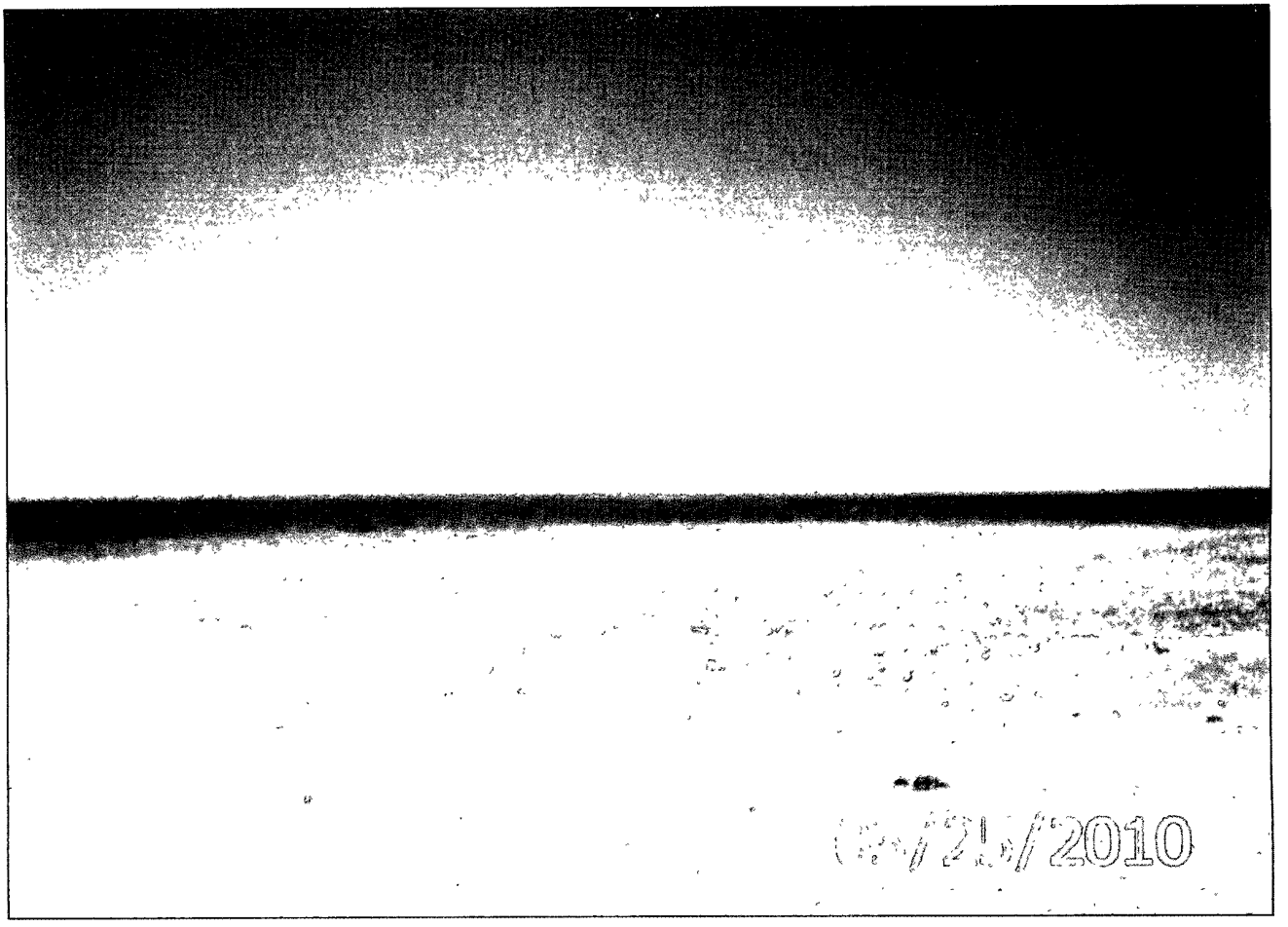
DATE:	INSPECTED BY:	HOLE SIZE	DEPTH	PIT LEVEL READING		MINIMUM 2' FREEBOARD		LINER INTEGRITY		BERM INTEGRITY		FENCE INTEGRITY		PERCENT OF RETURNS	OIL ON PIT:		COMMENTS
				INSIDE	OUTSIDE	YES	NO	YES	NO	YES	NO	YES	NO		YES	NO	
12-19	R.G	7 7/8	7228	8	2 1/2	✓		✓		✓		✓		0		✓	steel Pits
12-20	D.S	7 7/8	7461	8	2 1/2	✓		✓		✓		✓		0		✓	steel Pits
12-21	6.S	7 7/8	7746	8	2 1/2	✓		✓		✓		✓		—		✓	—
12-22-08	6.S	7 7/8	7820	8	2 1/2	✓		✓		✓		✓		—		—	—
12-23-08	6.S	7 7/8	8053	8	2 1/2	✓		✓		✓		✓		—		✓	steel pits
12-24-08	6.S	7 7/8	8125	8	3	✓		✓		✓		✓		—		✓	steel pits
12-25-08	6.S	7 7/8	8558	8	3	✓		✓		✓		✓		—		✓	
12-26-08	6.S	7 7/8	8532	8	3	✓		✓		✓		✓		—		✓	moved cuttings
12-27-08	6.S	7 7/8	8815	8	3	✓		✓		✓		✓		—		✓	O.K
12-28-08	6.S & F.O	7 7/8	9000	8	3	✓		✓		✓		✓		—		✓	move cutting
12-29-08	6.S & F.O	7 7/8	9307	8	3	✓		✓		✓		✓		—		✓	O.K.
12-30-08	6.S	7 7/8	9544	8	3	✓		✓		✓		✓		✓		✓	O.K move-mud.
12-31-08	6.S	7 7/8	9691	8	3 1/2	✓		✓		✓		✓		✓		✓	O.K Tip
1-1-09	6.S	7 7/8	9945	8	3 1/2	✓		✓		✓		✓		—		✓	moved cutting O.K.

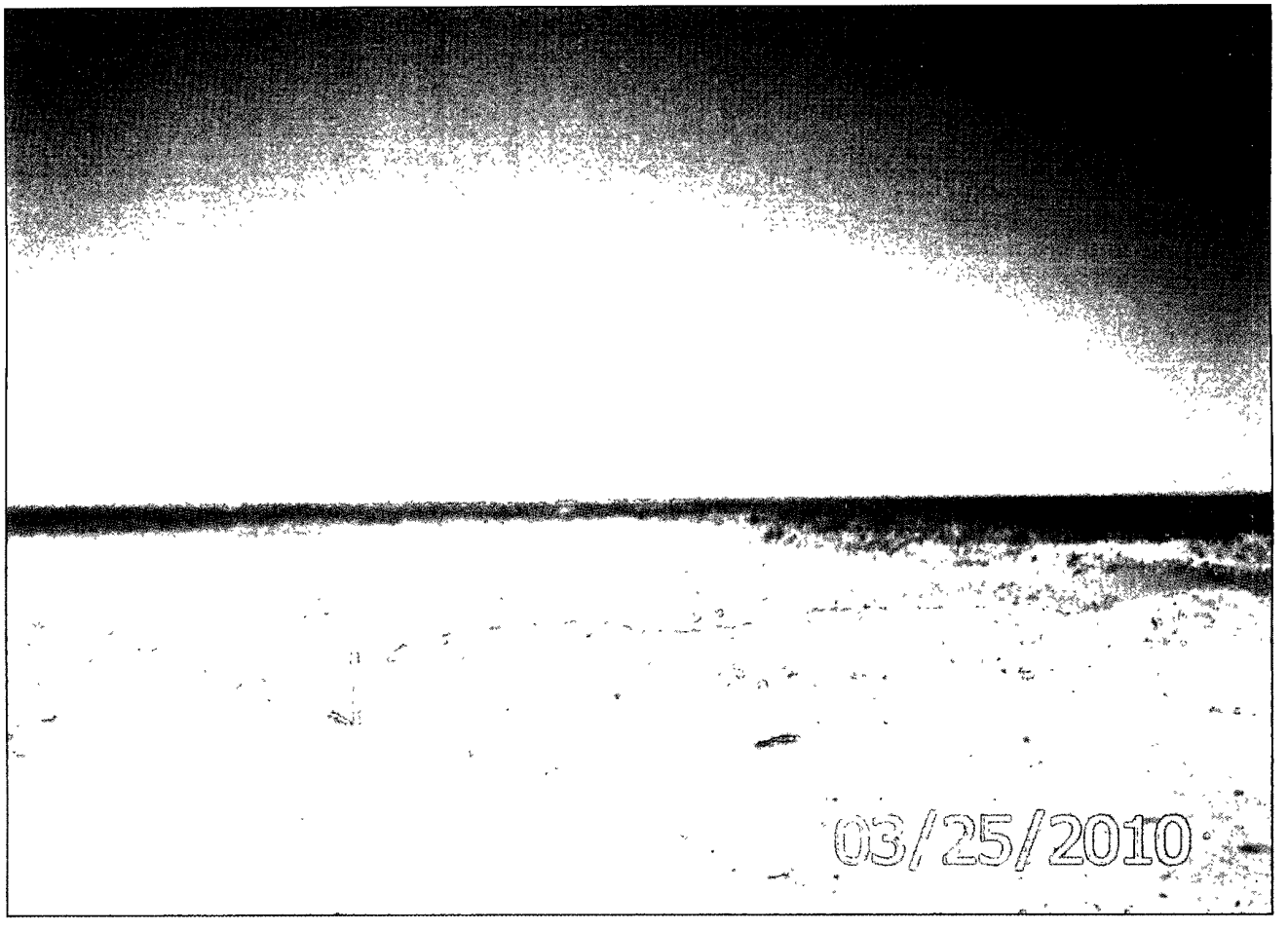
Yates Petroleum Corp.
RESERVE PIT INSPECTION LOG

WELL NAME: Fender State Unit #4

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.

DATE:	INSPECTED BY:	HOLE SIZE	DEPTH	PIT LEVEL READING		MINIMUM 2' FREEBOARD		LINER INTEGRITY		BERM INTEGRITY		FENCE INTEGRITY		PERCENT OF RETURNS	OIL ON PIT:		COMMENTS
				INSIDE	OUTSIDE	YES	NO	YES	NO	YES	NO	YES	NO		YES	NO	
12-5-08	Ricky Pevytoe	—	59	1'	1½'												
12-6-08	Ricky Pevytoe	14¾	420	1'	1½'	✓		✓		✓		✓		100		✓	
12-7-08	6-5	14¾	891	1	1½	✓		✓		✓		✓		100		✓	
12-8-08	6-5	14¾	2143	4	1	✓		✓		✓		✓		100%		✓	Added oil to system
12-9-08	6-5	14¾	2888	4	3	✓		✓		✓		✓		100%		—	
12-10-08	6-5	14¾	3200	4½	3	✓		✓		✓		✓		100%		✓	
12-11-08	6-5	14¾	3574	8	3	✓		✓		✓		✓		100%		✓	CMT
12-12-08	6-5	14¾	3574	8	3	✓		✓		✓		✓		100%		✓	Jet Pits to Inside
12-13-08	6-5	7⅞	3737	8	3	✓		✓		✓		✓		100%		✓	Start Drlg thru outside
12-14-08	6-5	7⅞	4633	8	3	✓		✓		✓		✓		100%		✓	O.K.
12-15-08	6-5	7⅞	5269	8	3	✓		✓		✓		✓		—			O.K.
12-16-08	RG	7⅞	5970	8	3	✓		✓		✓		✓		100%		✓	OK
12-17-08	RG	7⅞	6580	8	3	✓		✓		✓		✓		100%		✓	OK
12-18-08	RG	7⅞	7055	8	2	✓		✓		✓		✓		100%		✓	MUD UP DRILLING TO INSIDE


03/21/2010


03/25/2010


03/25/2010