

MARTIN YATES, III
1912-1985
FRANK W. YATES
1936-1986
S.P. YATES
1914-2008

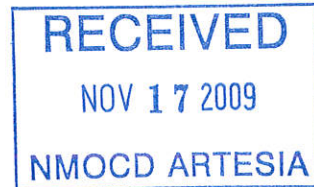


105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

JOHN A. YATES
CHAIRMAN OF THE BOARD
PRESIDENT
JOHN A. YATES JR.
ASSISTANT TO THE PRESIDENT
JAMES S. BROWN
CHIEF OPERATING OFFICER
JOHN D. PERINI
CHIEF FINANCIAL OFFICER

November 17, 2009

Mr. Mike Bratcher
NMOCD District II
1301 West Grand
Artesia, NM 88210



Re: Gushwa DR Battery
2RP-351
30-015-21002
Section 35, T18S-R25E
Eddy County, New Mexico

Dear Mr. Bratcher,

Enclosed please find a Form C-141, Final Report for the above captioned site regarding the release on October 7, 2009 (unknown amounts of produced water and natural gas with no amounts of either being recovered). The release was from buried 2.5" PVC gas and water lines (clamps and dresser sleeves leaked due to age/corrosion). Impacted soils were excavated to a depth of six to seven (6-7) feet and taken to an NMOCD approved facility. Samples were taken on 10/13/2009 and sent to an OCD approved laboratory for analysis. On October 27, 2009 it was discovered that the excavation area had mistakenly been backfilled. After meeting with Mr. Bratcher on October 29, 2009 per the request from NMOCD, deeper delineation sampling and field testing would be needed to determine decreasing chloride levels. Samples were taken on 11/11/2009, field tested and sent to an OCD approved laboratory for analysis (enclosed, all analytical results and a sample diagram), during sampling a caliche layer was encountered at approximately 8' creating a low permeably barrier to retard vertical percolation of contaminants into the subsurface. Based on analytical results and depth to ground water (approximately 200'), Yates Petroleum Corporation requests closure. Upon closure approval Yates will repair the PVC lines and reseed the disturbed area per a seed mixture requested by the surface owner.

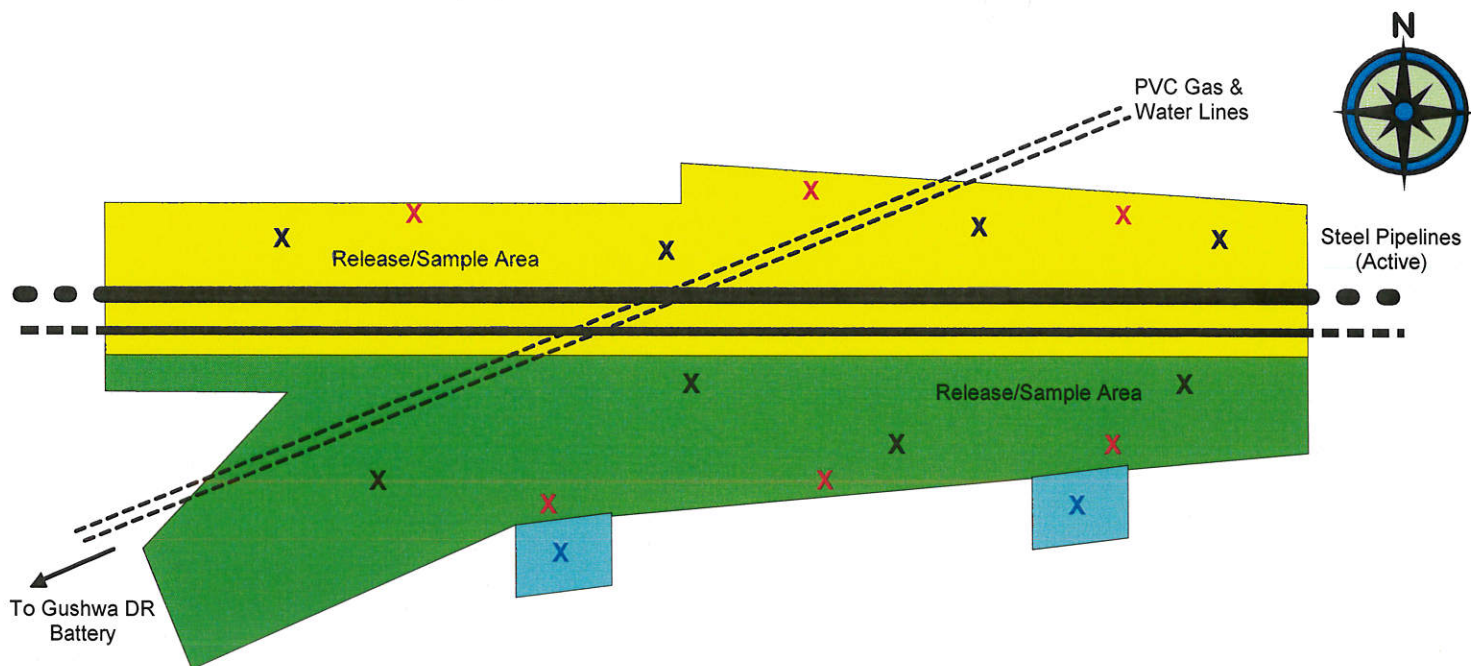
If you have any questions, please call me at 575-748-4217.

Thank you.

YATES PETROLEUM CORPORATION

Robert Asher
Environmental Regulatory Agent

/rca
Enclosure(s)



Sample ID	Sample Area	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TOTAL	Chlorides
GS/Comp-001	South 1/2	10/13/2009	Grab/Auger	12" (6' BSL)	ND	ND	ND	ND	2080
GS/Comp-002	South 1/2	10/13/2009	Grab/Auger	18" (6' BSL)	ND	ND	ND	ND	2260
GS/Comp-003	South 1/2	10/13/2009	Grab/Auger	6' X 1'	ND	ND	ND	ND	3550
Sample ID	Sample Area	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TOTAL	Chlorides
GS/Comp-004	North 1/2	10/13/2009	Grab/Auger	12" (7' BSL)	ND	ND	ND	ND	594
GS/Comp-005	North 1/2	10/13/2009	Grab/Auger	18" (7' BSL)	ND	ND	ND	ND	200
GS/Comp-006	North 1/2	10/13/2009	Grab/Auger	7' X 1'	ND	ND	ND	ND	953
Sample ID	Sample Area	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TOTAL	Chlorides
GS/Comp-008	South Edge	11/11/2009	Grab/Backhoe	8'					311
GS/Comp-010	South Edge	11/11/2009	Grab/Backhoe	10'					213

Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 200, per New Mexico State Engineer Office).

All results are ppm. Chloride results are for documentation. BSL - Below Subsurface Level.

X - Sample Points X - Sidewall Sample Points X - OCD Requested Sample Points



Gushwa DR Battery
Pipelines

Section 28, T18S-R25E

Eddy County, NM

SAMPLE DIAGRAM (Not to Scale)
Xenco Laboratories: #348476 & 348480
Report Date: 10/16/2009
Xenco Laboratories: #351954
Report Date: 11/13/2009
Prepared by Robert Asher
Environmental Regulatory Agent

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

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

30-015-21002

Release Notification and Corrective Action

11MLB 0929331842

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 TH Street		Telephone No. 575-748-1471
Facility Name Gushwa DR Battery	API Number 30-015-21002	Facility Type Flow Lines

Surface Owner Fee	Mineral Owner	Lease No.
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LOCATION OF RELEASE

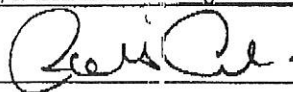
Unit Letter C	Section 28	Township 18S	Range 25E	Feet from the 1980	North/South Line South	Feet from the 1980	East/West Line East	County Eddy
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Latitude 32.65161 Longitude -104.62956

NATURE OF RELEASE

Type of Release Natural Gas & Produced Water	Volume of Release Unknown amounts of Gas & PW	Volume Recovered None
Source of Release Flow Lines	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 10/7/2009, AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher/NMOCD Artesia	
By Whom? Jerry Fanning/YPC Environmental	Date and Hour 10/8/2009, AM (voicemail & e-mail)	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	
If a Watercourse was Impacted, Describe Fully.* N/A		
Describe Cause of Problem and Remedial Action Taken.* 2 1/2" pvc gas & water line clamps and dresser sleeves leaked due to age/corrosion. Shut in lines, excavated soils around lines.		
Describe Area Affected and Cleanup Action Taken.* An approximate area of 120' X 30'. No gas or produced water to recover. Impacted soils excavated and stockpiled around excavation. Will conduct vertical & horizontal delineation to determine extent of contamination (samples will be sent to an NMOCD approved laboratory). Sample results will determine next actions (closure request or a work plan will be submitted). Depth to Ground Water: >100' (approx. 200', Section 26, T18S-R25E, per New Mexico Office of the State Engineer). Wellhead Protection Area: No, Distance to Surface Water Body: >1000'. SITE RANKING IS 0.		
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.		

Signature:



Printed Name: Robert Asher

Title: Environmental Regulatory Agent

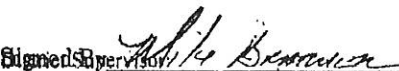
E-mail Address: boba@yatespetroleum.com

Date: Friday, October 16, 2009

Phone: 575-748-4217

OIL CONSERVATION DIVISION

Approved by



Approval Date: OCT 20 2009

Expiration Date:

Conditions of Approval:

Attached ☐

* Attach Additional Sheets If Necessary

REMEDATION per OCD Rules and
Guidelines. SUBMIT REMEDIATION
PROPOSAL BY: 11/20/09

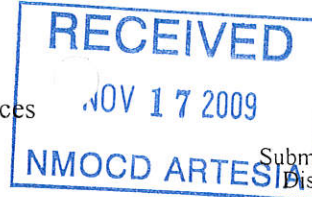
2RP-351

11MLB 0929332501

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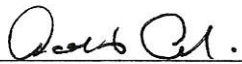
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Signature: 		<u>OIL CONSERVATION DIVISION</u>	
Printed Name: Robert Asher		Approved by District Supervisor:	
Title: Environmental Regulatory Agent		Approval Date:	Expiration Date:
E-mail Address: boba@yatespetrpoleun.com		Conditions of Approval:	
Date: Tuesday, November 17, 2009 Phone: 575-748-4217		Attached <input type="checkbox"/>	
		2RP-351	

* Attach Additional Sheets If Necessary