

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S.P. YATES
CHAIRMAN EMERITUS

JOHN A. YATES
CHAIRMAN OF THE BOARD

PEYTON YATES
PRESIDENT

FRANK YATES, JR.
EXECUTIVE VICE PRESIDENT

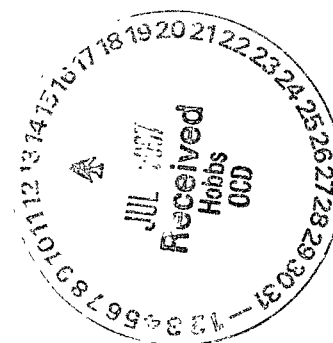
JOHN A. YATES, JR.
SENIOR VICE PRESIDENT

July 11, 2007

Mr. Chris Williams
NMOCD District I
1625 French Drive
Hobbs, NM 88240

RE: Quay AQU State #1
30-025-26766
Section 10, T23S-R33E
Lea County, New Mexico

RP 910



Dear Mr. Williams,

Enclosed please find a Form C-141, Final Report for the above captioned site regarding the release on May 24, 2006. I am resubmitting this closure request (originally submitted on October 16, 2006). A vacuum truck picked up oil and produced water; the contaminated soils were excavated and taken to an OCD approved land facility. A sampling event was requested and samples were taken on August 4, 2006. Samples were sent to an OCD approved laboratory for analysis. Site ranking is zero (0), with the depth to ground water > 100' (approximately 425'). Based on the remedial and cleanup actions taken (oil and produced water recovered, soils excavated), analytical report and that any remaining contaminants will not pose a threat to fresh water, public health and the environment in the release area, Yates Petroleum Corporation requests no further remediation and site closure.

If you have any questions, please call me at 505-748-4217.

Thank you.

YATES PETROLEUM CORPORATION

Robert Asher
Environmental Regulatory Agent

/rca
Enclosure(s)

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

Release Notification and Corrective Action

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. 505-748-1471
Facility Name Quay AQU State #1	API Number 30-025-26766	Facility Type Battery

Surface Owner State	Mineral Owner State	Lease No. V-3959
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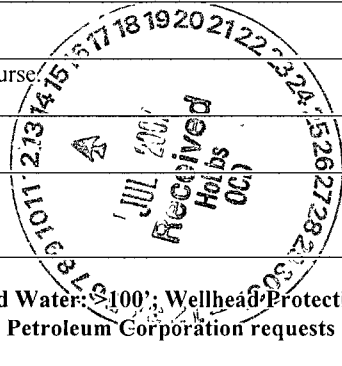
LOCATION OF RELEASE

Unit Letter C	Section 10	Township 23S	Range 33E	Feet from the 660	North/South Line North	Feet from the 1980	East/West Line West	County Lea
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Latitude 32.32462 Longitude 103.56173

NATURE OF RELEASE

Type of Release Crude Oil & Produced Water	Volume of Release 4 B/O & 25 B/PW	Volume Recovered 0 B/O & 0 B/PW
Source of Release Stock Tank	Date and Hour of Occurrence 5/24/2006 - AM	Date and Hour of Discovery 5/24/2006 - AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour N/A	
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.* Truck backed into load line on stock tank, breaking connection. Load line to be repaired.		
Describe Area Affected and Cleanup Action Taken.* An approximate area of 30' X 50', within the berm. Well is not producing. Area to be evaluated. Depth to Ground Water: 100'; Wellhead Protection Area: No; Distance to Surface Water Body: >1000'; SITE RANKING IS 0. With enclosed information, Yates Petroleum Corporation requests closure.		



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:	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Approved by District Supervisor:	
Title Environmental Regulatory Agent	Approval Date: 7/17/07	Expiration Date: 7/17/07
E-mail Address: boba@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Wednesday, July 11, 2007	Phone: 505-748-1471	

* Attach Additional Sheets If Necessary

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
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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.
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Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
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Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

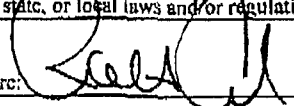

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 TH Street	Telephone No. 505-748-1471	
Facility Name Quay AQU State #1	API Number 30-025-26766	Facility Type Battery
Surface Owner State	Mineral Owner State	Lease No. V-3959

LOCATION OF RELEASE

Unit Letter C	Section 10	Township 23S	Range 33E	Feet from the 660	North/South Line North	Feet from the 1980	East/West Line West	County Lea
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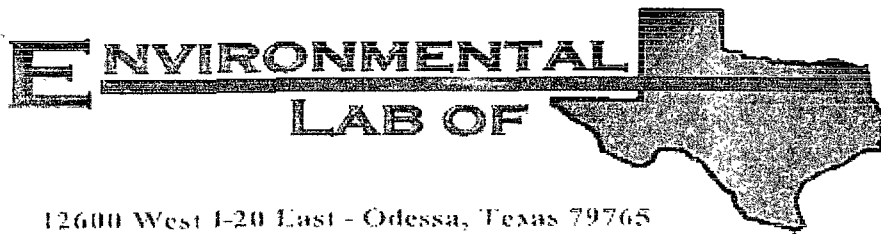
Latitude 32.32462 Longitude 103.56173

NATURE OF RELEASE

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Source of Release Stock Tank	Date and Hour of Occurrence 5/24/2006 - AM	Date and Hour of Discovery 5/24/2006 - AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour N/A	
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.* Truck backed into load line on stock tank, breaking connection. Load line to be repaired.		
Describe Area Affected and Cleanup Action Taken.* An approximate area of 30' X 50', within the berm. Well is not producing. Area to be evaluated. 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 NMOC 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 NMOC 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, NMOC 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: 	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Approved by District Supervisor: 	
Title: Environmental Regulatory Agent	Approval Date: <u>7/17/07</u>	Expiration Date: <u>7/17/07</u>
E-mail Address: boba@ypenm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Friday, June 02, 2006	Phone: 505-748-1471	

* Attach Additional Sheets If Necessary

incident - n PACO 616533307
application - p PACO 616533556



12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

Robert Asher

Yates Petroleum Corp.

105 S. Fourth St.

Artesia, NM 88210

Project: Quay AQU State #1

Project Number: 30-025-26766

Location: Lea County, NM

Lab Order Number: 6J05016

Report Date: 10/14/06

Yates Petroleum Corp.
105 S. Fourth St
Artesia NM, 88210

Project: Quay AQU State #1
Project Number 30-025-26766
Project Manager Robert Asher

Fax (505) 748-4662

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
GS/ 1.0-001	6105016-01	Soil	10/04/06 10:20	10-05-2006 17:10

Yates Petroleum Corp.
105 S. Fourth St.
Artesia NM, 88210

Project: Quay AQU State #1
Project Number: 30-025-26766
Project Manager: Robert Asher

Fax. (505) 748-4662

Organics by GC
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
GS/ 1.0-001 (6J05016-01) Soil									
Benzene	ND	0.0250	mg/kg dry	25	E161207	10/12/06	10/12/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		83.8 %	80-120	"	"	"	"	"	
Surrogate: 4-Bromofluorobenzene		96.8 %	80-120	"	"	"	"	"	
Carbon Ranges C6-C10	ND	10.0	mg/kg dry	1	E160613	10/06/06	10/07/06	EPA 8015B	
Carbon Ranges >C10-C28	ND	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		104 %	70-130	"	"	"	"	"	
Surrogate: 1-Chlorooctadecane		98.4 %	70-130	"	"	"	"	"	

Yates Petroleum Corp.
105 S Fourth St
Artesia NM, 88210

Project: Quay AQU State #1
Project Number 30-025-26766
Project Manager: Robert Asher

Fax: (505) 748-4662

General Chemistry Parameters by EPA / Standard Methods
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
GS/ 1.0-001 (6J05016-01) Soil									
Chloride	86.0	10.0	mg/kg	20	ETG0604	10/06/06	10/06/06	EPA 300.0	

Yates Petroleum Corp
105 S Fourth St
Arlisia NM 88210

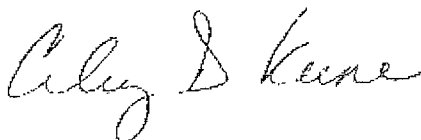
Project: Quay AQU State #1
Project Number: 30-025-26766
Project Manager: Robert Asher

Fax: (505) 748-4662

Notes and Definitions

DET Analyte DETECTED -
ND Analyte NOT DETECTED at or above the reporting limit
NR Not Reported
dry Sample results reported on a dry weight basis
RPD Relative Percent Difference
LCS Laboratory Control Spike
MS Matrix Spike
Dup Duplicate

Report Approved By



Date

10/14/2006

Raland K Tuttle, Lab Manager
Celey D Keene, Lab Director, Org. Tech Director
Peggy Allen, QA Officer

Jeanne Mc Murrey, Inorg Tech Director
La Tasha Cornish, Chemist
Sandra Sanchez, Lab Tech

This material is intended only for the use of the individual (s) or entity to whom it is addressed, and may contain information that is privileged and confidential

If you have received this material in error, please notify us immediately at 432-563-1800.

Environmental Lab of Texas

13600 West I-20 East
Odessa, Texas 79765

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

Phone: 432-563-1800
Fax: 432-563-1713

Project Manager: Robert Asher
Company Name: Yates Petroleum Corporation
Company Address: 105 South Fourth Street
City/State/Zip: Artesia, NM 88210
Telephone No.: 505-748-4217
Sampler Signature: [Signature]
Project Name: Quay AQU State #1
Project #: 30-025-26766
Project Loc: Lea County, NM
PO #: 105632
Report Format: ☒ Standard ☐ TRRP ☐ NPDES
Fax No: 505-748-4862
e-mail: boba@ypcnm.com

ORDER #: 6305016
(lab use only)
Lab # (lab use only): 501
FIELD CODE: GS10-001
Beginning Depth: 12" Ending Depth: 12" Date Sampled: 10/4/2006 Time Sampled: 10:20 AM
No. of Containers: 1
Preservation & # of Containers: 1
Matrix: Soil
Analysis For: TPH 418 1 401518 1005 1006
Cations (Ca, Mg, Na, K) Artena (Cl, SO4, CO3, HCO3)
SAR / ESP / CEC Metals As Ag Ba Cd Cr Pb Hg Se
Volatile Soil
Soil TPH 418 1 401518 1005 1006
Chlorides Chlorides
RUSH TAT (Pre-Schedule) 24, 48, 72 hrs X

Special Instructions: TPH: 8015B BTEX 8021B. Please put Chloride results on separate report. Thank you.
Relinquished by: Robert Asher Date: 10/05/06 Time: 3:05 AM
Relinquished by: [Signature] Date: 10/5/06 Time: 5:10
Relinquished by: [Signature] Date: 10/5/06 Time: 10:08
Received by: [Signature] Date: 10/5/06 Time: 8:00
Received by: [Signature] Date: 10/5/06 Time: 8:10
Laboratory Comments: Sample Containers Intact? N
VOCs Free of Headspace? N
Custody seals on container(s) Y
Custody seals on cooler(s) Y
Sample Hand Delivered Y
by Sample/Client Rep? Y
by Courier? Y
DHL FedEx Lone Star
Temperature Upon Receipt 71.0 °C

Environmental Lab of Texas
Variance/ Corrective Action Report- Sample Log-In

Client: Yates Petroleum
Date/ Time: 10-05-06 @ 1710
Lab ID #: 6-JC5-014
Initials: JMM

Sample Receipt Checklist

				Client Initials
#1	Temperature of container/ cooler?	(Yes)	No	2.0 °C
#2	Shipping container in good condition?	(Yes)	No	
#3	Custody Seals intact on shipping container/ cooler?	Yes	No	(Not Present) *
#4	Custody Seals intact on sample bottles/ container?	(Yes)	No	Not Present
#5	Chain of Custody present?	(Yes)	No	
#6	Sample instructions complete of Chain of Custody?	(Yes)	No	
#7	Chain of Custody signed when relinquished/ received?	(Yes)	No	
#8	Chain of Custody agrees with sample label(s)?	(Yes)	No	ID written on Cont./ Lid
#9	Container label(s) legible and intact?	(Yes)	No	Not Applicable
#10	Sample matrix/ properties agree with Chain of Custody?	(Yes)	No	
#11	Containers supplied by ELOT?	(Yes)	No	
#12	Samples in proper container/ bottle?	(Yes)	No	See Below
#13	Samples properly preserved?	(Yes)	No	See Below
#14	Sample bottles intact?	(Yes)	No	
#15	Preservations documented on Chain of Custody?	(Yes)	No	
#16	Containers documented on Chain of Custody?	(Yes)	No	
#17	Sufficient sample amount for indicated test(s)?	(Yes)	No	See Below
#18	All samples received within sufficient hold time?	(Yes)	No	See Below
#19	VOC samples have zero headspace?	(Yes)	No	Not Applicable

* Seal on ziplock bag

Variance Documentation

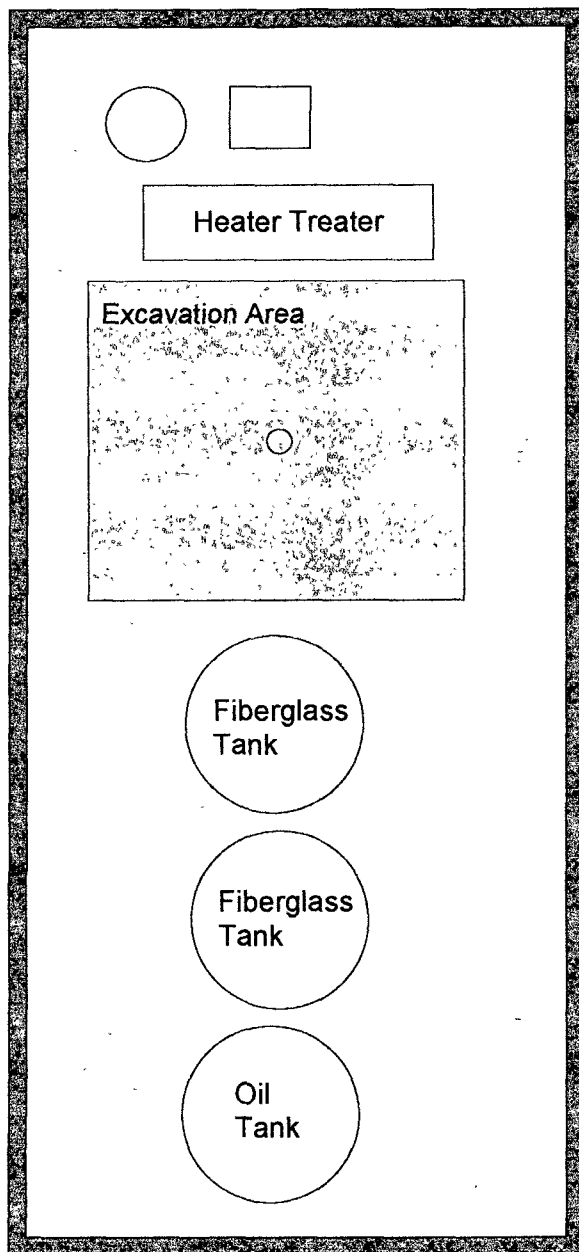
Contact: _____ Contacted by: _____ Date/ Time: _____

Regarding: _____

Corrective Action Taken:

- Check all that Apply:
- ☐ See attached e-mail/ fax
 - ☐ Client understands and would like to proceed with analysis
 - ☐ Cooling process had begun shortly after sampling event

Berm



Sample-ID	Sample Date	Sample Type	Depth	BTEX	Chlorides	TPH (GRO)	TPH (DRO)	TPH (TOTAL)
GS/100001	10/4/2006	Grab/Auger	12"	ND	86	ND	ND	ND

Site Ranking is Zero (0). Depth to Ground Water >100" (approx. 425')

All results are ppm.



Quay AQU State #1
Section 10 T23S-R33E
Lea County, NM

EXHIBIT 1
Sample Diagram
(Not to Scale)

Prepared by Robert Asher
Environmental Regulatory Agent
July 11, 2007