

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

JUL 13 2009

Form C-141
Revised October 10, 2003

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

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

Release Notification and Corrective Action

ASEB 0900535437

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 Blast BLA Federal #1	API Number 30-015-36136	Facility Type Drilling Pad

Surface Owner Federal	Mineral Owner Federal	Lease No. NM-100549
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LOCATION OF RELEASE

Unit Letter J	Section 17	Township 26S	Range 27E	Feet from the 1980'	North/South Line South	Feet from the 1650'	East/West Line East	County Eddy
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Latitude 32.04040 Longitude 104.20855

NATURE OF RELEASE

Type of Release Drilling Mud	Volume of Release 50 B/DM	Volume Recovered 35 B/DM
Source of Release Steel Pit Closed Loop System	Date and Hour of Occurrence 12/9/2008; AM	Date and Hour of Discovery 12/9/2008; 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	
By Whom? Mike Stubblefield/Yates Petroleum Corporation	Date and Hour 12/9/2008; AM	
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		

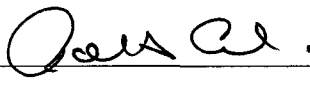

Describe Cause of Problem and Remedial Action Taken.*

During drilling operations the steel pit closed loop system over flowed. A vacuum truck was immediately called to the location. The free standing mud were recovered & then placed back into the closed loop system. A backhoe was called to the location and recovered 90% of the released mud and taken to an NMOCD approved facility. The drilling crew also recovered mud using shovels.

Describe Area Affected and Cleanup Action Taken.*

An approximate area of 30' X 20'. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX. Chlorides will be documented. **Depth to Ground Water: 50-99', Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 10.** Based on recovered amounts of drilling mud, soils excavated/removed and enclosed analytical results, 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		Signed By  Approved by District Supervisor:	
Title: Environmental Regulatory Agent		Approval Date: JUL 15 2009	Expiration Date: N/A
E-mail Address: boba@yatespetroleum.com		Conditions of Approval: N/A	Attached <input type="checkbox"/>
Date: Thursday, July 09, 2009	Phone: 505-748-4217	2RP-289	

* Attach Additional Sheets If Necessary

JUL 13 2009

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

July 9, 2009

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

Re: Blast BLA Federal #1
2RP-289
30-015-36136
Section 17, T26S-R27E
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 December 9, 2008 (50 bbls of drilling mud with 35 bbls recovered). The release was from the steel pit closed loop system that over flowed during drilling operations. Free standing drilling mud was recovered. Impacted soils were excavated on 2/12/2009 to a depth of three (3) feet and taken to an NMOCD approved facility and samples were taken on that same day for delineation per the C-141, Initial Report. Samples were sent to an OCD approved laboratory for analysis (results are below RRAL's based on the site ranking, chloride results show decreasing levels and are for documentation). Site ranking is ten (10), with the depth to ground water 50-99'. Yates Petroleum Corporation requests closure.

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)



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

ANALYTICAL RESULTS FOR
YATES PETROLEUM CORPORATION
ATTN: MIKE STUBBLEFIELD
105 SOUTH 4TH STREET
ARTESIA, NM 88210
FAX TO: (575) 748-4635

Receiving Date: 02/17/09
Reporting Date: 02/18/09
Project Number: 30-015-36136
Project Name: BLAST "BLA" FEDERAL #1
Project Location: SEC. 17-26S-27E

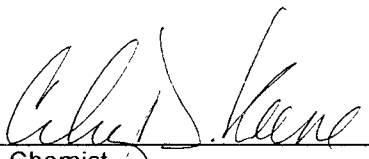
Analysis Date: 02/18/09
Sampling Date: 02/12/09
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: HM

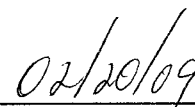
LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/kg)
H16908-1	01 IMPACTED AREA ON LOCATION SURFACE	45,600
H16908-2	02 IMPACTED AREA ON LOCATION 3' BGS.	8,640
H16908-3	03 IMPACTED AREA ON LOCATION 6' BGS.	176
Quality Control		490
True Value QC		500
% Recovery		98.0
Relative Percent Difference		4.0

METHOD: Standard Methods

4500-Cl⁻B

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


Chemist


Date

H16908 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.



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

ANALYTICAL RESULTS FOR
YATES PETROLEUM CORPORATION
ATTN MIKE STUBBLEFIELD
105 SOUTH 4TH STREET
ARTESIA, NM 88210
FAX TO (575) 748-4635

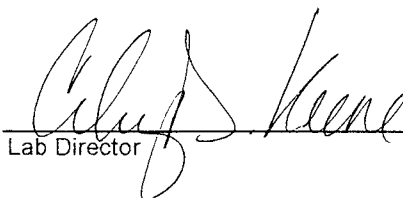
Receiving Date 02/17/09
Reporting Date 02/18/09
Project Number 30-015-36136
Project Name BLAST "BLA" FEDERAL #1
Project Location SEC 17-26S-27E

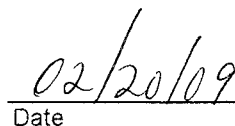
Sampling Date 02/12/09
Sample Type SOIL
Sample Condition INTACT
Sample Received By ML
Analyzed By: AB/ZL

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:		02/17/09	02/17/09	02/18/09	02/18/09	02/18/09	02/18/09
H16908-1	01 IMPACTED AREA ON LOCATION SURFACE.	<10.0	1,930	0.085	<0.050	0.069	0.392
Quality Control		528	577	0.051	0.049	0.049	0.147
True Value QC		500	500	0.050	0.050	0.050	0.150
% Recovery		106	115	102	98.0	98.0	98.0
Relative Percent Difference		0.6	2.1	2.5	2.0	1.9	1.9

METHODS TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8021B

TEXAS NELAP CERTIFICATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE,
AND TOTAL XYLENES


Lab Director


Date

H16908 BTEX8015 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.



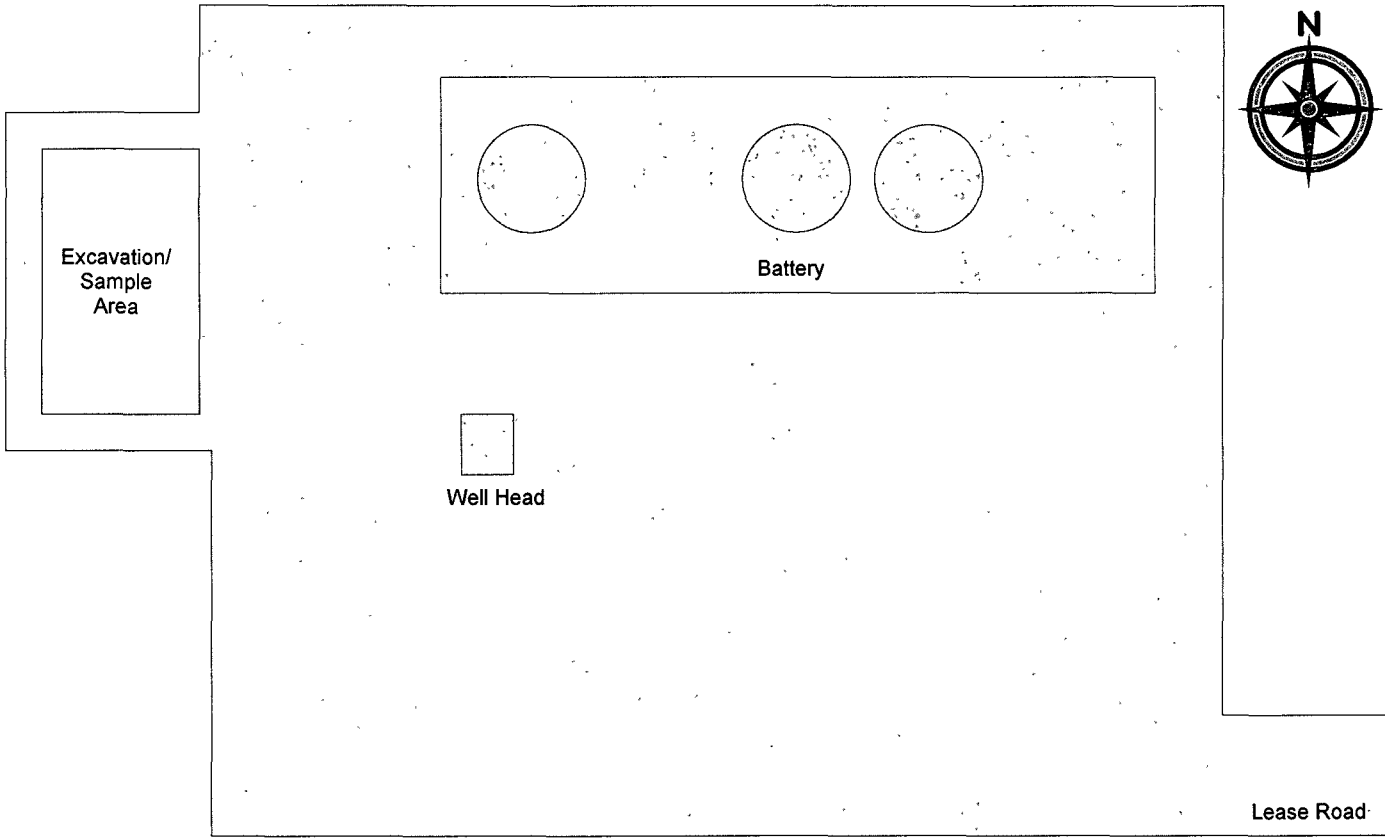
2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240

{325} 673-7001 Fax {325} 673-7020 {505} 393-2326 Fax {505} 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page of _____

† Cardinal cannot accept verbal changes, please fax written changes to (325) 673-7020.



Sample ID	Sample Area	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TOTAL	Chlorides
O1	Impacted Area	2/12/2009	Grab	Surface	0.596	<10.0	1930	1930	45,600
O2	Impacted Area	2/12/2009	Grab	3' BGS					8,640
O3	Impacted Area	2/12/2009	Grab	6' BGS					176

Site Ranking is Ten (10). Depth to Ground Water 50-99'. All results are ppm.
Chloride results are for documentation.



Blast BLA Federal #1
30-015-36136
Section 17, T26S-R27E
Eddy County, NM

SAMPLE DIAGRAM (Not to Scale)

Cardinal Report #: H16908
Sample Date: 2/12/2009

Prepared by Robert Asher
Environmental Regulatory Agent