

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

RECEIVED

FEB 23 2011
HOBBSOC

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. 575-748-1471
Facility Name Gill BGJ #1	API Number 30-025-37103	Facility Type Battery
Surface Owner Fee	Mineral Owner	Lease No.

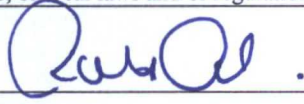
LOCATION OF RELEASE

Unit Letter L	Section 29	Township 19S	Range 35E	Feet from the 1650	North/South Line South	Feet from the 660	East/West Line West	County Lea
------------------	---------------	-----------------	--------------	-----------------------	---------------------------	----------------------	------------------------	---------------

Latitude 33.50238 Longitude 103.38888

NATURE OF RELEASE

Type of Release Oil	Volume of Release 20 B/O	Volume Recovered 15 B/O
Source of Release Production Tank	Date and Hour of Occurrence 2/8/2010, PM	Date and Hour of Discovery 2/8/2010, PM
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.* Equipment malfunction (knockout dumps not working properly) caused release on production tank. Vacuum truck called.		
Describe Area Affected and Cleanup Action Taken.* An approximate area of 15' X 40' (south side of battery) & 100' X 100' (overspray outside of fence on fee surface). Vacuum truck recovered oil inside bermed/lined battery, because of high winds at time of release approximately 5 B/O were not recovered and impacted area south of battery. Those soils were excavated at a depth of 6" and taken to an NMOCD approved facility. Initial samples taken and analysis ran for TPH & BTEX, based on results an additional 12" of impacted soils being excavated and taken to an NMOCD approved facility. Per the fee surface owner, Yates has been instructed to fence off overspray area, and microblaze applied, the area will be monitored and remediated per surface owner's request. Depth to Ground Water: >100' (approx. 135', per ChevronTexaco Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on enclosed analytical results, impacted soils excavated/removed, battery lined, 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: 	<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@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Monday, February 21, 2011	Phone: 575-748-4217	1RP-

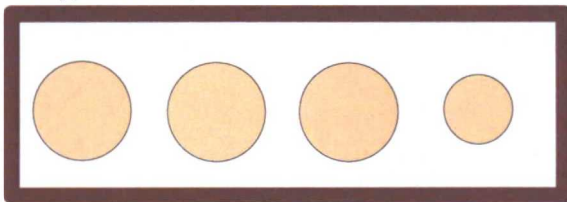
* Attach Additional Sheets If Necessary



Well Head

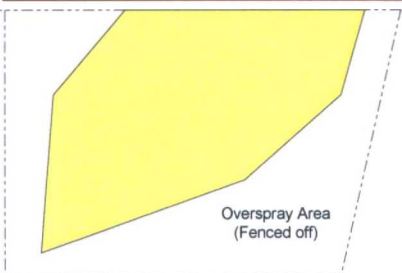
Lease
Road

Battery (Bermed & Lined)



Excavation/Sample Area

Fence



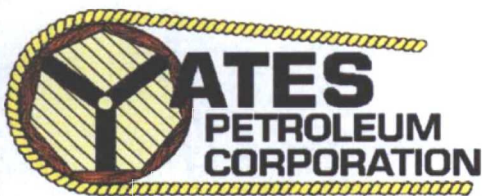
Overspray Area
(Fenced off)

Analytical Report- 407075	Sample Area	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TOTAL
Comp-00.5	Release Area	2/16/2011	Comp/Auger	6" (12" BSL)	5.650	930	1280	2210
Comp-01.0	Release Area	2/16/2011	Comp/Auger	12" (18" BSL)	0.300	1580	3610	5190
Comp-01.5	Release Area	2/16/2011	Comp/Auger	18" (24" BSL)	0.006	ND	20	20

Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 135', per Trend Map).

All results are ppm. BSL - Below Surface Level. **X** - Sample Points

Released: 20 B/O; Recovered: 15 B/O. Release Date: 2/8/2011



Gill BGJ #1

30-025-37103

Section 29, T9S-R35E

Lea County, NM

SAMPLE DIAGRAM (Not to Scale)

Xenco Laboratories: #407075
Report Date: 2/18/2011

Prepared by Robert Asher
Environmental Regulatory Agent

Analytical Report 407075

for
Yates Petroleum Corporation

Project Manager: Robert Asher

Gill BGJ # 1

30-025-37103

18-FEB-11

RECEIVED

FEB 23 2011

HOBBSOCD



Celebrating 20 Years of commitment to excellence in Environmental Testing Services



12600 West I-20 East Odessa, Texas 79765

Xenco-Houston (EPA Lab code: TX00122):

Texas (T104704215-10-6-TX), Arizona (AZ0738), Arkansas (08-039-0), Connecticut (PH-0102), Florida (E871002)
Illinois (002082), Indiana (C-TX-02), Iowa (392), Kansas (E-10380), Kentucky (45), Louisiana (03054)
New Hampshire (297408), New Jersey (TX007), New York (11763), Oklahoma (9218), Pennsylvania (68-03610)
Rhode Island (LAO00312), USDA (S-44102)

Xenco-Atlanta (EPA Lab Code: GA00046):

Florida (E87429), North Carolina (483), South Carolina (98015), Utah (AALI1), West Virginia (362), Kentucky (85)
Louisiana (04176), USDA (P330-07-00105)

Xenco-Miami (EPA Lab code: FL01152): Florida (E86678), Maryland (330)

Xenco-Tampa Mobile (EPA Lab code: FL01212): Florida (E84900)

Xenco-Odessa (EPA Lab code: TX00158): Texas (T104704400-TX)

Xenco-Dallas (EPA Lab code: TX01468): Texas (T104704295-TX)

Xenco-Corpus Christi (EPA Lab code: TX02613): Texas (T104704370)

Xenco-Boca Raton (EPA Lab Code: FL01273):

Florida(E86240),South Carolina(96031001), Louisiana(04154), Georgia(917)
North Carolina(444), Texas(T104704468-TX), Illinois(002295), Florida(E86349)

Xenco Phoenix (EPA Lab Code: AZ00901):

Arizona(AZ0757), Texas(104704435-10-2), Nevada(NAC-445A), DoD(65816)

Xenco-Phoenix Mobile (EPA Lab code: AZ00901): Arizona (AZM757)

Xenco Tucson (EPA Lab code:AZ000989): Arizona (AZ0758)



18-FEB-11

Project Manager: **Robert Asher**
Yates Petroleum Corporation
105 South Fourth St.
Artesia, NM 88210

Reference: XENCO Report No: **407075**
Gill BGJ # 1
Project Address: Lea County

Robert Asher:

We are reporting to you the results of the analyses performed on the samples received under the project name referenced above and identified with the XENCO Report Number 407075. All results being reported under this Report Number apply to the samples analyzed and properly identified with a Laboratory ID number. Subcontracted analyses are identified in this report with either the NELAC certification number of the subcontract lab in the analyst ID field, or the complete subcontracted report attached to this report.

Unless otherwise noted in a Case Narrative, all data reported in this Analytical Report are in compliance with NELAC standards. Estimation of data uncertainty for this report is found in the quality control section of this report unless otherwise noted. Should insufficient sample be provided to the laboratory to meet the method and NELAC Matrix Duplicate and Matrix Spike requirements, then the data will be analyzed, evaluated and reported using all other available quality control measures.

The validity and integrity of this report will remain intact as long as it is accompanied by this letter and reproduced in full, unless written approval is granted by XENCO Laboratories. This report will be filed for at least 5 years in our archives after which time it will be destroyed without further notice, unless otherwise arranged with you. The samples received, and described as recorded in Report No. 407075 will be filed for 60 days, and after that time they will be properly disposed without further notice, unless otherwise arranged with you. We reserve the right to return to you any unused samples, extracts or solutions related to them if we consider so necessary (e.g., samples identified as hazardous waste, sample sizes exceeding analytical standard practices, controlled substances under regulated protocols, etc).

We thank you for selecting XENCO Laboratories to serve your analytical needs. If you have any questions concerning this report, please feel free to contact us at any time.

Respectfully,

Brent Barron, II

Odessa Laboratory Manager

Recipient of the Prestigious Small Business Administration Award of Excellence in 1994.

Certified and approved by numerous States and Agencies.

A Small Business and Minority Status Company that delivers SERVICE and QUALITY

Houston - Dallas - San Antonio - Austin - Tampa - Miami - Atlanta - Corpus Christi - Latin America

Sample Cross Reference 407075**Yates Petroleum Corporation, Artesia, NM**

Gill BGJ # 1

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
Comp-00.5	S	Feb-16-11 10:19	6 - 6 In	407075-001
Comp-01.0	S	Feb-16-11 10:32	12 - 12 In	407075-002
Comp-01.5	S	Feb-16-11 10:47	18 - 18 In	407075-003



CASE NARRATIVE

Client Name: Yates Petroleum Corporation

Project Name: Gill BGJ # 1



Project ID: 30-025-37103

Work Order Number: 407075

Report Date: 18-FEB-11

Date Received: 02/17/2011

Sample receipt non conformances and Comments:

None

Sample receipt Non Conformances and Comments per Sample:

None

Analytical Non Conformances and Comments:

Batch: LBA-844211 BTEX by EPA 8021B

SW8021BM

Batch 844211, Benzene, Ethylbenzene, Toluene, m_p-Xylenes, o-Xylene recovered below QC limits in the Matrix Spike.

Samples affected are: 407075-002, -001, -003.

The Laboratory Control Sample for Toluene, Benzene, Ethylbenzene, m_p-Xylenes , o-Xylene is within laboratory Control Limits

SW8021BM

Batch 844211, 1,4-Difluorobenzene recovered below QC limits . Matrix interferences is suspected; data confirmed by re-analysis

Samples affected are: 407075-001.

4-Bromofluorobenzene recovered above QC limits . Matrix interferences is suspected; data confirmed by re-analysis

Samples affected are: 407075-002,407075-001.

Batch: LBA-844225 TPH By SW8015B Mod



Certificate of Analysis Summary 407075

Yates Petroleum Corporation, Artesia, NM

Project Name: Gill BGJ # 1



Project Id: 30-025-37103

Contact: Robert Asher

Date Received in Lab: Thu Feb-17-11 09:45 am

Report Date: 18-FEB-11


Project Manager: Brent Barron, II

Project Location: Lea County

<i>Analysis Requested</i>	<i>Lab Id:</i>	407075-001	407075-002	407075-003			
	<i>Field Id:</i>	Comp-00.5	Comp-01.0	Comp-01.5			
	<i>Depth:</i>	6-6 In	12-12 In	18-18 In			
	<i>Matrix:</i>	SOIL	SOIL	SOIL			
	<i>Sampled:</i>	Feb-16-11 10:19	Feb-16-11 10:32	Feb-16-11 10:47			
BTEX by EPA 8021B	<i>Extracted:</i>	Feb-17-11 14:23	Feb-17-11 14:23	Feb-17-11 14:23			
	<i>Analyzed:</i>	Feb-17-11 19:54	Feb-17-11 18:00	Feb-17-11 16:52			
	<i>Units/RL:</i>	mg/kg RL	mg/kg RL	mg/kg RL			
Benzene		0.0880 0.0496	ND 0.00495	ND 0.000996			
Toluene		0.570 0.0992	ND 0.00990	ND 0.00199			
Ethylbenzene		2.84 0.0496	0.115 0.00495	0.00312 0.000996			
m_p-Xylenes		1.34 0.0992	0.130 0.00990	0.00242 0.00199			
o-Xylene		0.810 0.0496	0.0549 0.00495	0.00109 0.000996			
Total Xylenes		2.15 0.0496	0.185 0.00495	0.00351 0.000996			
Total BTEX		5.65 0.0496	0.300 0.00495	0.00663 0.000996			
Percent Moisture	<i>Extracted:</i>	Feb-17-11 17:00	Feb-17-11 17:00	Feb-17-11 17:00			
	<i>Analyzed:</i>	Feb-17-11 17:00	Feb-17-11 17:00	Feb-17-11 17:00			
	<i>Units/RL:</i>	% RL	% RL	% RL			
Percent Moisture		11.6 1.00	10.4 1.00	9.54 1.00			
TPH By SW8015B Mod	<i>Extracted:</i>	Feb-17-11 11:00	Feb-17-11 11:00	Feb-17-11 11:00			
	<i>Analyzed:</i>	Feb-17-11 15:12	Feb-17-11 15:31	Feb-17-11 15:50			
	<i>Units/RL:</i>	mg/kg RL	mg/kg RL	mg/kg RL			
C6-C10 Gasoline Range Hydrocarbons		930 16.9	1580 166	ND 16.5			
C10-C28 Diesel Range Hydrocarbons		1280 16.9	3610 166	20.0 16.5			
Total TPH		2210 16.9	5190 166	20.0 16.5			

This analytical report, and the entire data package it represents, has been made for your exclusive and confidential use. The interpretations and results expressed throughout this analytical report represent the best judgment of XENCO Laboratories. XENCO Laboratories assumes no responsibility and makes no warranty to the end use of the data hereby presented. Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

Houston - Dallas - San Antonio - Atlanta - Tampa - Boca Raton - Latin America - Odessa - Corpus Christi


Brent Barron, II
Odessa Laboratory Manager

Flagging Criteria

- X** In our quality control review of the data a QC deficiency was observed and flagged as noted. MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to effect the recovery of the spike concentration. This condition could also effect the relative percent difference in the MS/MSD.
 - B** A target analyte or common laboratory contaminant was identified in the method blank. Its presence indicates possible field or laboratory contamination.
 - D** The sample(s) were diluted due to targets detected over the highest point of the calibration curve, or due to matrix interference. Dilution factors are included in the final results. The result is from a diluted sample.
 - E** The data exceeds the upper calibration limit; therefore, the concentration is reported as estimated.
 - F** RPD exceeded lab control limits.
 - J** The target analyte was positively identified below the MQL and above the SQL.
 - U** Analyte was not detected.
 - L** The LCS data for this analytical batch was reported below the laboratory control limits for this analyte. The department supervisor and QA Director reviewed data. The samples were either reanalyzed or flagged as estimated concentrations.
 - H** The LCS data for this analytical batch was reported above the laboratory control limits. Supporting QC Data were reviewed by the Department Supervisor and QA Director. Data were determined to be valid for reporting.
 - K** Sample analyzed outside of recommended hold time.
 - JN** A combination of the "N" and the "J" qualifier. The analysis indicates that the analyte is "tentatively identified" and the associated numerical value may not be consistent with the amount actually present in the environmental sample.
- BRL** Below Reporting Limit.
- RL** Reporting Limit
- MDL** Method Detection Limit
- PQL** Practical Quantitation Limit
- * Outside XENCO's scope of NELAC Accreditation.

Recipient of the Prestigious Small Business Administration Award of Excellence in 1994.

Certified and approved by numerous States and Agencies.

A Small Business and Minority Status Company that delivers SERVICE and QUALITY

Houston - Dallas - San Antonio - Corpus Christi - Midland/Odessa - Tampa - Miami - Latin America

	Phone	Fax
4143 Greenbriar Dr, Stafford, Tx 77477	(281) 240-4200	(281) 240-4280
9701 Harry Hines Blvd , Dallas, TX 75220	(214) 902 0300	(214) 351-9139
5332 Blackberry Drive, San Antonio TX 78238	(210) 509-3334	(210) 509-3335
2505 North Falkenburg Rd, Tampa, FL 33619	(813) 620-2000	(813) 620-2033
5757 NW 158th St, Miami Lakes, FL 33014	(305) 823-8500	(305) 823-8555
12600 West I-20 East, Odessa, TX 79765	(432) 563-1800	(432) 563-1713
842 Cantwell Lane, Corpus Christi, TX 78408	(361) 884-0371	(361) 884-9116

**XENCO Laboratories**

Atlanta, Boca Raton, Corpus Christi, Dallas

Houston, Miami, Odessa, Philadelphia

Phoenix, San Antonio, Tampa

Document Title: Sample Receipt Checklist

Document No.: SYS-SRC

Revision/Date: No. 01, 5/27/2010

Effective Date: 6/1/2010 Page 1 of 1

Prelogin / Nonconformance Report - Sample Log-In

Client: Yates Petroleum
Date/Time: 2-17-11 9:45
Lab ID #: 407075
Initials: AZ

Sample Receipt Checklist

1. Samples on ice?	Blue	<u>Water</u>	No	
2. Shipping container in good condition?	<u>Yes</u>	No	None	
3. Custody seals intact on shipping container (cooler) and bottles?	<u>Yes</u>	No	N/A	
4. Chain of Custody present?	<u>Yes</u>	No		
5. Sample instructions complete on chain of custody?	<u>Yes</u>	No		
6. Any missing / extra samples?	Yes	<u>No</u>		
7. Chain of custody signed when relinquished / received?	<u>Yes</u>	No		
8. Chain of custody agrees with sample label(s)?	<u>Yes</u>	No		
9. Container labels legible and intact?	<u>Yes</u>	No		
10. Sample matrix / properties agree with chain of custody?	<u>Yes</u>	No		
11. Samples in proper container / bottle?	<u>Yes</u>	No		
12. Samples properly preserved?	<u>Yes</u>	No	N/A	
13. Sample container intact?	<u>Yes</u>	No		
14. Sufficient sample amount for indicated test(s)?	<u>Yes</u>	No		
15. All samples received within sufficient hold time?	<u>Yes</u>	No		
16. Subcontract of sample(s)?	Yes	No	<u>N/A</u>	
17. VOC sample have zero head space?	<u>Yes</u>	No	N/A	
18. Cooler 1 No.	Cooler 2 No.	Cooler 3 No.	Cooler 4 No.	Cooler 5 No.
lbs 1.1 °C	lbs °C	lbs °C	lbs °C	lbs °C

Nonconformance Documentation

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

Regarding: _____

Corrective Action Taken: _____

Check all that apply: ☐ Cooling process has begun shortly after sampling event and out of temperature condition acceptable by NELAC 5.5.8.3.1.a.1.
☐ Initial and Backup Temperature confirm out of temperature conditions
☐ Client understands and would like to proceed with analysis