

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. 1st Street, 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 Amber Cannon
Address 105 S. 4 TH Street		Telephone No. 575-748-1471
Facility Name Kruiser BLK State #2	API Number 30-005-29131	Facility Type Well

Surface Owner State	Mineral Owner State	Lease No. NM-106692
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	36	15S	30E	1980	South	2130	East	Chaves

Latitude 32.97041 Longitude 103.87629

NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release 15 B/O	Volume Recovered 0 B/O
Source of Release Frac tank ran over.	Date and Hour of Occurrence 5/8/2012; AM	Date and Hour of Discovery 5/8/2012; 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.*
Pumper failed to call in oil and frac tank ran over. The unit was turned off and a hauler was called in. No oil was recovered.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 30' X 12' (on production pad). Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX. If initial analytical results for TPH & BTEX are under RRAL's (site ranking is 0) a Final Report, C-141 will be submitted to the OCD requesting closure. If the analytical results are above the RRAL a work plan will be submitted to the OCD. **Depth to Ground Water: >100' (100-150', trend map), Wellhead Protection Area: No, Distance to Surface Water Body: > 1000', SITE RANKING IS 0.** Based on analytical results, Yates Petroleum 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: <i>Amber Cannon</i>	OIL CONSERVATION DIVISION	
Printed Name: Amber Cannon	ENV SPECIALIST: Approved by District Supervisor: <i>Jeff Lebrun</i>	
Title: Environmental Regulatory Agent	Approval Date: <u>7/11/12</u>	Expiration Date: <u>—</u>
E-mail Address: <u>acannon@yatespetroleum.com</u>	Conditions of Approval: <u>—</u>	Attached <input type="checkbox"/>
Date: Tuesday, June 12, 2012 Phone: 575-748-4111		

* Attach Additional Sheets If Necessary

1-RP-6-12-2821

AUG 20 2012

Kruiser BLK State #2

Analytical Report- 436241 & 436243	Sample Area	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TOTAL	Chlorides
Field 6"	Release Area	6/1/2012	Comp	6"	0.178	ND	10.5	10.5	N/A
Pad 6"	Release Area	6/1/2012	Comp	6"	2.505	82.1	2710	2792.1	N/A

Site Ranking is ZERO (0). Depth to Ground Water >100' (approx. 100-150', per Trend Map).

All results are ppm.

Released: 15 B/O; Recovered: 0 B/O. Release Date: 5/8/2012



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

June 12, 2012

AMBER CANNON

Yates Energy Petroleum Corp

105 S 4th Street

Artesia, NM 88210

RE: KRUISER BLK STATE #2

Enclosed are the results of analyses for samples received by the laboratory on 06/07/12 10:00.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Celey D. Keene". The signature is written in a cursive style.

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 Yates Energy Petroleum Corp
 AMBER CANNON
 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

Received:	06/07/2012	Sampling Date:	06/01/2012
Reported:	06/12/2012	Sampling Type:	Soil
Project Name:	KRUISER BLK STATE #2	Sampling Condition:	Cool & Intact
Project Number:	30-005-29131	Sample Received By:	Jodi Henson
Project Location:	CHAVES COUNTY, NM		

Sample ID: FIELD 6" (H201275-01)

BTX 8021B		mg/kg		Analyzed By: ZZZ					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	06/11/2012	ND	1.71	85.3	2.00	4.32	
Toluene*	0.114	0.050	06/11/2012	ND	1.71	85.5	2.00	3.11	
Ethylbenzene*	0.064	0.050	06/11/2012	ND	1.74	86.8	2.00	3.06	
Total Xylenes*	<0.150	0.150	06/11/2012	ND	5.25	87.6	6.00	2.52	

Surrogate: 4-Bromofluorobenzene (PIL) 104 % 89.4-126

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	06/08/2012	ND	182	91.1	200	4.54	
DRO >C10-C28	10.5	10.0	06/08/2012	ND	184	92.2	200	7.32	

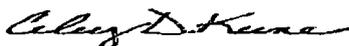
Surrogate: 1-Chlorooctane 94.4 % 65.2-140

Surrogate: 1-Chlorooctadecane 113 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



Analytical Results For:

 Yates Energy Petroleum Corp
 AMBER CANNON
 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

Received:	06/07/2012	Sampling Date:	06/01/2012
Reported:	06/12/2012	Sampling Type:	Soil
Project Name:	KRUISER BLK STATE #2	Sampling Condition:	Cool & Intact
Project Number:	30-005-29131	Sample Received By:	Jodi Henson
Project Location:	CHAVES COUNTY, NM		

Sample ID: PAD 6" (H201275-02)

BTEX 8021B		mg/kg		Analyzed By: ZZZ						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.250	0.250	06/09/2012	ND	1.71	85.3	2.00	4.32		
Toluene*	<0.250	0.250	06/09/2012	ND	1.71	85.5	2.00	3.11		
Ethylbenzene*	0.635	0.250	06/09/2012	ND	1.74	86.8	2.00	3.06		
Total Xylenes*	1.87	0.750	06/09/2012	ND	5.25	87.6	6.00	2.52		

Surrogate: 4-Bromofluorobenzene (PIE) 108 % 89.4-126

TPH 8015M		mg/kg		Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	82.1	50.0	06/08/2012	ND	182	91.1	200	4.54		
DRO >C10-C28	2710	50.0	06/08/2012	ND	184	92.2	200	7.32		

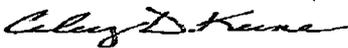
Surrogate: 1-Chlorooctane 101 % 65.2-140

Surrogate: 1-Chlorooctadecane 150 % 63.6-154

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* = Accredited Analyte

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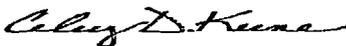
Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

- ND Analyte NOT DETECTED at or above the reporting limit
- RPD Relative Percent Difference
- ** Samples not received at proper temperature of 6°C or below.
- *** Insufficient time to reach temperature.
- Chloride by SM4500Cl-B does not require samples be received at or below 6°C
Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories*=**Accredited Analyte**

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Celey D. Keene, Lab Director/Quality Manager

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

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June 13, 2012

Mr. Geoffrey Leking
NMOCD District I
1625 N. French Dr.
Hobbs, NM 88240

Re: Kruiser BLK State #2
30-005-29131
Section 36, T15S-R30E
Chaves County, New Mexico

Dear Mr. Leking,

Enclosed please find a Form C-141, Final Report for the above captioned site regarding release on May 8, 2012 (1-RP-6-12-2821). Impacted soils from this release were excavated and hauled to an NMOCD approved facility. Vertical and horizontal delineation samples were taken and sent to an NMOCD approved laboratory. Enclosed are the analytical reports, results show TPH and BTEX, to be below RRAL's, based on a site ranking of zero (depth to ground water recorded at 100-150' per Trend Map); Yates Petroleum Corporation requests closure based on impacted soils excavated/hailed to an approved NMOCD disposal facility and analytical results.

If you have any questions, please call me at 575-748-4111.

Thank you.

YATES PETROLEUM CORPORATION

Amber Cannon
Environmental Regulatory Agent

/anc
Enclosure(s)