

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986



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

AUG 29 2008

OCD-ARTESIA S.P. YATES  
CHAIRMAN EMERITUS

JOHN A. YATES  
CHAIRMAN OF THE BOARD

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PRESIDENT

PEYTON YATES  
DIRECTOR

JOHN A. YATES, JR.  
DIRECTOR

August 27, 2008

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

RE: Medano VA State #2  
2RP-187  
30-015-26382  
Section 16, T23S-R31E  
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 June 5, 2008. Vertical/horizontal delineation was conducted on August 13, 2008 and sent to an OCD approved laboratory (enclosed diagram and results). The depth to ground water is greater than 100' (168' per the New Mexico Office of the State Engineer) and the site ranking score is zero (0), RRAL's for BTEX is 50 ppm and TPH is 5000 ppm, the enclosed analytical results are below the Recommended Remediation Action Levels. Yates Petroleum Corporation requests closure.

Thank you.

YATES PETROLEUM CORPORATION

Robert Asher  
Environmental Regulatory Agent

Enclosure(s)  
/rca

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

Form C-141  
Revised October 10, 2003

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

AUG 29 2008  
OCD-ARTESIA

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 <sup>TH</sup> Street	Telephone No. 505-748-1471	
Facility Name Medano VA State #2	API Number 30-015-26382	Facility Type Well
		Order Number 2RP-187
Surface Owner State	Mineral Owner State	Lease No. VO-0120

**LOCATION OF RELEASE**

Unit Letter E	Section 16	Township 23S	Range 31E	Feet from the 1980	North/South Line North	Feet from the 660	East/West Line West	County Eddy
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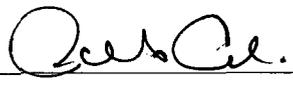
Latitude 32.30613 Longitude 103.78976

**NATURE OF RELEASE**

Type of Release Produced Water	Volume of Release 100 B/PW	Volume Recovered 0 B/PW
Source of Release Main water line	Date and Hour of Occurrence 6/5/2008, AM	Date and Hour of Discovery 6/5/2008, 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 District II,(Voicemail)	
By Whom? Bob Asher/YPC Environmental Department	Date and Hour 6/5/2008, PM	
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.* Main produce water line west of Medano VA State #2 ruptured. Isolated line, shut down well(s), called vacuum truck and repaired line.		

Describe Area Affected and Cleanup Action Taken.\*  
An approximate area of 125' X 10'. No produced water to recover. Vertical and horizontal delineation will be made and analysis ran for TPH/BTEX. If initial analytical results for TPH & BTEX are over RRAL's a work plan will be submitted. If initial analytical results for TPH & BTEX are under RRAL's a Final Report, C-141 will be submitted to the OCD requesting closure. **Depth to Ground Water: >100' (approx. 168' per New Mexico Office of the State Engineer), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. 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: 	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Robert Asher	Approved by District Supervisor:	
Title: Environmental Regulatory Agent	Approval Date:	Expiration Date:
E-mail Address: boba@ypcnm.com	Conditions of Approval:	
Date: Wednesday, August 27, 2008	Phone: 505-748-1471	Attached <input type="checkbox"/>

\* Attach Additional Sheets If Necessary

## Summary Report

Robert Asher  
Yates Petroleum Corp.  
105 South 4th South  
Artesia, NM, 88210

Report Date: August 22, 2008

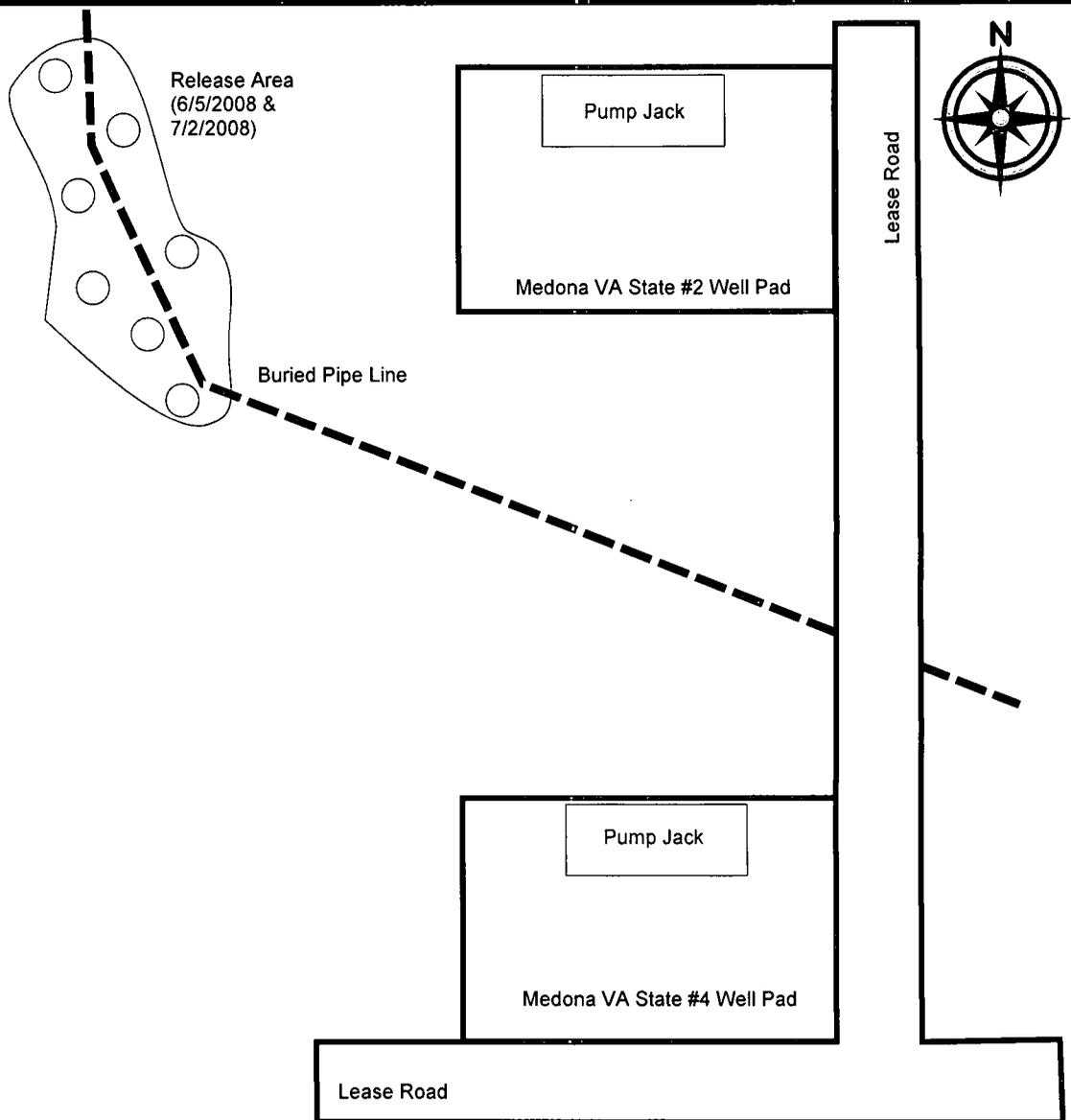
Work Order: 8081526



Project Location: Eddy Co., NM  
Project Name: Medona VA State #2  
Project Number: 30-015-26382

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
170823	GS/Comp.-001	soil	2008-08-13	12:52	2008-08-15
170824	GS/Comp.-002	soil	2008-08-13	13:06	2008-08-15
170825	GS/Comp.-003	soil	2008-08-13	13:20	2008-08-15

Sample - Field Code	BTEX				TPH DRO	TPH GRO
	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Xylene (mg/Kg)	DRO (mg/Kg)	GRO (mg/Kg)
170823 - GS/Comp.-001	<0.0100	<0.0100	<0.0100	<0.0100	<50.0	<1.00
170824 - GS/Comp.-002	<0.0100	<0.0100	<0.0100	<0.0100	456	<1.00
170825 - GS/Comp.-003	0.0253	0.0333	<0.0100	0.0231	78.6	1.05



Sample ID	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TPH TOTAL
GS/Comp-001	8/13/2008	Grab/Auger	1'	<0.04	<1.0	<50.0	<51.0
GS/Comp-002	8/13/2008	Grab/Auger	2'	<0.04	<1.0	456.0	456.0
GS/Comp-003	8/13/2008	Grab/Auger	3'	0.0817	1.05	78.6	79.7

Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 168'). All results are ppm.



**Medona VA State #2**  
**Section 16, T23S-R31E**  
**Eddy County, NM**

**EXHIBIT**  
**Sample Diagram (Not to Scale)**  
 Prepared by Robert Asher  
 Environmental Regulatory Agent  
 August 27, 2008

*New Mexico Office of the State Engineer*  
**Point of Diversion Summary**

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(quarters are 1=NW 2=NE 3=SW 4=SE)  
 (quarters are biggest to smallest)

POD Number	Tws	Rng	Sec	q	q	q	Zone	X	Y
C 03351 POD1	23S	31E	04	4	1	4			

Driller Licence: 421	GLENN'S WATER WELL SERVICE	Source: Shallow
Driller Name: GLENN, CLARK A.		Drill Finish Date: 11/20/2007
Drill Start Date: 11/20/2007		PCW Received Date:
Log File Date: 12/04/2007		Pipe Discharge Size:
Pump Type:		Estimated Yield: 25
Casing Size: 6.63		Depth Water: 168
Depth Well: 320		

Water Bearing Stratifications:	Top	Bottom	Description
	240	265	Other/Unknown
Casing Perforations:	Top	Bottom	
	152	304	

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