



# AE Order Number Banner

## Report Description

This report shows an AE Order Number in Barcode format for purposes of scanning. The Barcode format is Code 39.



**App Number: pGRL0835839609**

**1RP - 2054**

**YATES PETROLEUM CORPORATION**

3/1/2016

MAR 07 2016

District I  
1625 N. French  
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

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

**RECEIVED**  
NOV 19 2008  
**HOBBS**

**Release Notification and Corrective Action**

**OPERATOR**

Initial Report  Final Report

Name of Company Yates Petroleum Corporation	Contact Mike Stubblefield
Address 105 South 4 <sup>th</sup> Street, Artesia, N.M. 88210	Telephone No. 505-748-4500 505-513-1712
Facility Name Merle State Unit #9 30-025-38185	Facility Type Drilling well.

Surface Owner State	Mineral Owner. State	Lease No.
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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
E	24	10s	34e	1650'	FNL	330'	FWL	Lea

Latitude \_\_\_ Longitude

**NATURE OF RELEASE**

Type of Release Drilling fluids	Volume of Release 200-300 bbls	Volume Recovered 270
Source of Release. Drilling reserve pit	Date and Hour of Occurrence 3/19/2008 3:00 am	Date and Hour of Discovery 3//2008 3:00am
Was Immediate Notice Given? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Larry Johnson	
By Whom? Mike Stubblefield	Date and Hour 3/25/2008 10:30am	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.\*

Describe Cause of Problem and Remedial Action Taken.\* During the transfer of drilling mud from a steel pit to the middle drilling reserve pit, the volume of the middle reserve pit was exceeded, the middle reserve pit overflowed onto the drilling location. A backhoe was called to the location, the impacted area was the area around the steel pits & mud pumps. The backhoe recovered 90% of the released mud which was placed back into the drilling reserve pit. The drilling crew recovered mud using shovels.

Describe Area Affected and Cleanup Action Taken.

The impacted area was the area around the steel pit closed loop system. The remaining drilling mud was excavated and then placed back into the drilling pit. This material was placed into the encapsulation trench during the closure of the drilling pit. The location material was excavated & stockpiled from the P&A location at the Merle State Unit #9. As per the Work plan approved by NMOCD/Larry Johnson. Soil samples were taken from the impacted area located on the excavated location and the stockpiled material. Soil samples were submitted to Xenco Laboratories for analysis. Analytical results dated 10/31/2008 received from Xenco Laboratories reported the Chlorides to be ND for the composite soil sample taken from the excavated location. Chlorides were reported to be 675 ppm for the composite soil sample taken from the stockpiled material. After approved was obtained from Larry Johnson part of the stockpiled material was used for the backfilling of the cleaned out drilling pit at the Merle State Unit #14. The remaining stockpiled material has been moved to the off set location and then will be used for the construction of lease roads in the same area as the Merle State Unit #9. Analytical attached.

The nearest water information is from a monitor well drilled on 5/21/07 by TalonLPE at the Ut.P 14-10s-34e Merle State Unit #3.

The monitor well was TD at 70'. Monitor well found to be dry.

Site ranking Depth to ground water - 50'-99', Wellhead protection area - > 1000'. Distance to surface water body - > 1000' site ranking score - 10

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>Mike Stubblefield</i>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Mike Stubblefield	<i>Larry Johnson</i>	
Title: Environmental Regulatory Agent	Approved by District Supervisor: <b>ENVIRONMENTAL ENGINEER</b>	Approval Date: <b>12.18.08</b>
E-mail Address: mikes@ypcnm.com	Expiration Date: _____	Attached <input type="checkbox"/> <b>IRP # 2034</b>
Date: 11/10/2008 Phone: 505-748-4500	Conditions of Approval: _____	

\* Attach Additional Sheets If Necessary