



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: pCOH0812939008

1RP - 1852

YATES PETROLEUM CORPORATION

strict I
25 N. French Dr., Hobbs, NM 88240
strict II
01 W. Grand Avenue, Artesia, NM 88210
strict III
00 Rio Brazos Road, Aztec, NM 87410
strict IV
20 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	Contact Mike Stubblefield
Address 105 South 4 th Street, Artesia, N.M. 88210	Telephone No. 505-748-4500 505-513-1712
Facility Name Merle State Unit #18 30-025-38821	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	23	10s	34e	1650'	FNL	990'	FWL	Lea

Latitude ___ Longitude

NATURE OF RELEASE

Type of Release Drilling fluids	Volume of Release 150-200 bbls	Volume Recovered 125 bbls
Source of Release. Steel pit closed loop system	Date and Hour of Occurrence 5/2/2008 3:00 am	Date and Hour of Discovery same
Was Immediate Notice Given? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Larry Johnson voice mailbox follow up by E-mail.	
By Whom? Mike Stubblefield	Date and Hour 5/2/2008 2:30pm	
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 drilling operations a hose busted on the steel pit closed loop system. The hose was repaired. A backhoe was called to the location; the impacted area was the area around the steel pits & the edge of the drilling reserve pit. 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 edge of the drilling reserve pit. The remaining drilling mud was excavated and then placed 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 #18. As per work plan approved by NMOCD/Larry Johnson. 10/29/2008 soil samples were taken from the impacted area on the location & the stockpiled location material. The soil samples were submitted to Xenco Laboratories for analysis. Analytical results dated 11/4/2008 received from Xenco Laboratories reported the TPH & B-TEX to be under the RRAL for the site. The Chlorides were documented to be 33.2 mg/kg in the composite soil sample taken from the impacted area on the excavated location. Chlorides were reported to be 894 mg/kg in the composite soil sample taken from the stockpiled material. The stockpiled material has been moved to the off set location and will be used for the construction of lease roads in the same area as the Merle State Unit #18. 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>	OIL CONSERVATION DIVISION <i>L. Johnson</i>	
Printed Name: Mike Stubblefield	Approved by District <i>ENVIRONMENTAL ENGINEER</i>	
Title: Environmental Regulatory Agent	Approval Date: 12-15-08	Expiration Date:
E-mail Address: mikes@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 11/10/2008	Phone: 505-748-4500	

* Attach Additional Sheets If Necessary

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