

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986



106 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (505) 748-1471

S.R. YATES  
CHAIRMAN EMERITUS  
JOHN A. YATES  
CHAIRMAN OF THE BOARD  
PEYTON YATES  
PRESIDENT  
FRANK YATES, JR.  
EXECUTIVE VICE PRESIDENT  
JOHN A. YATES, JR.  
SENIOR VICE PRESIDENT

May 24, 2007

Ms. Patricia Caperton  
NMOC District I  
1625 French Drive  
Hobbs, NM 88240

RE: 1RP-1269  
Hytech AUM State #1  
30-025-25749  
~~Section 10, T23S-R33E~~ SEC 2 10S 34E  
Lea County, New Mexico

Dear Ms. Caperton,

Enclosed please find a Form C-141, Final Report for the above captioned site regarding the release on March 19, 2007. Contaminated soils were excavated and taken to an OCD approved facility. A sampling event was requested and samples were taken on May 17, 2007. Samples were sent to an OCD approved laboratory for analysis. Based on the initial remediation work (excavation of contaminated soils) and the analytical reports (chlorides for reference only), no further remediation will be conducted at this site and Yates Petroleum Corporation requests closure.

If you have any questions, please call me at 505-748-4217.

Thank you.

YATES PETROLEUM CORPORATION

Robert Asher  
Environmental Regulatory Agent

/rca  
Enclosure(s)

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

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 <sup>TH</sup> Street	API Number 30-025-25749	Telephone No. 505-748-1471
Facility Name Hytch AUM State #1	Facility Type Flow Line	
Surface Owner State	Mineral Owner State	Lease No. VA-1338

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	2	10S	34E	660	South	660	West	Lea

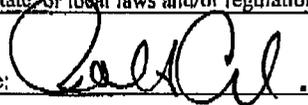
Latitude 33.47061 Longitude 103.44069

**NATURE OF RELEASE**

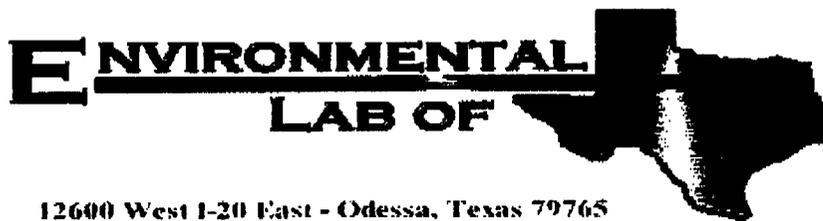
Type of Release Produced Water	Volume of Release 6 B/PW	Volume Recovered 0 B/PW
Source of Release Air Eliminator	Date and Hour of Occurrence 3/19/2007 PM	Date and Hour of Discovery 3/19/2007 PM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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.* Air eliminator on buried water line leaked. Repairs being made.		

Describe Area Affected and Cleanup Action Taken.\*  
An approximate area of 20' X 15'. No standing fluids to pick up. Contaminated soils were excavated and removed to an OCD approved land facility, vertical and horizontal delineation will be made and corrective action taken. **Depth to Ground Water: 50-99', Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 10. Based on contaminated soils being removed and enclosed analytical report, 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: <u>6/12/07</u>	Expiration Date:
E-mail Address: boba@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Thursday, May 24, 2007	Phone: 505-748-1471	

\* Attach Additional Sheets If Necessary



12600 West I-20 East - Odessa, Texas 79765

A Xenco Laboratories Company

## Analytical Report

**Prepared for:**

Robert Asher

Yates Petroleum Corp.

105 S. Fourth St.

Artesia, NM 88210

Project: Hytech AUM State # 1

Project Number: 30-025-25749

Location: Lea County

Lab Order Number: 7E18002

Report Date: 05/23/07

Yates Petroleum Corp.  
105 S. Fourth St.  
Artesia NM, 88210

Project: Hytech ADM State # 1  
Project Number: 30-025-25749  
Project Manager: Robert Asher

Fax: (505) 748-4662

## ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
GS/1.0-001	7E18002-01	Soil	05/17/07 10:35	05-18-2007 10:20
GS/2.0-002	7E18002-02	Soil	05/17/07 10:40	05-18-2007 10:20

Yates Petroleum Corp.  
105 S. Fourth St.  
Artesia NM, 88210

Project: Hytech AUM State # 1  
Project Number: 30-025-25749  
Project Manager: Robert Asher

Fax: (505) 748-4662

**Organics by GC**  
**Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
<b>GS/1, 0-001 (7E18002-01) Soil</b>									
Benzene	ND	0.00200	mg/kg dry	2	BB72207	05/22/07	05/22/07	EPA 8021B	
Toluene	ND	0.00200	"	"	"	"	"	"	
Ethylbenzene	ND	0.00200	"	"	"	"	"	"	
Xylene (p/m)	ND	0.00200	"	"	"	"	"	"	
Xylene (o)	ND	0.00200	"	"	"	"	"	"	
Surrogate: <i>a,a,a</i> -Trifluorotoluene		76.2 %	75-125	"	"	"	"	"	
Surrogate: <i>p</i> -Bromofluorobenzene		73.4 %	75-125	"	"	"	"	"	S-04
Carbon Ranges C6-C10	ND	10.0	mg/kg dry	1	EE71811	05/18/07	05/21/07	EPA 8015B	
Carbon Ranges >C10-C28	27.4	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	27.4	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		96.6 %	70-130	"	"	"	"	"	
Surrogate: 1-Chlorooctadecane		103 %	70-130	"	"	"	"	"	
<b>GS/2, 0-002 (7E18002-02) Soil</b>									
Benzene	0.00575	0.00200	mg/kg dry	2	BB72207	05/22/07	05/22/07	EPA 8021B	
Toluene	0.0164	0.00200	"	"	"	"	"	"	
Ethylbenzene	0.00724	0.00200	"	"	"	"	"	"	
Xylene (p/m)	0.0527	0.00200	"	"	"	"	"	"	
Xylene (o)	0.0182	0.00200	"	"	"	"	"	"	
Surrogate: <i>a,a,a</i> -Trifluorotoluene		103 %	75-125	"	"	"	"	"	
Surrogate: <i>p</i> -Bromofluorobenzene		101 %	75-125	"	"	"	"	"	
Carbon Ranges C6-C10	13.9	10.0	mg/kg dry	1	EE71811	05/18/07	05/21/07	EPA 8015B	
Carbon Ranges >C10-C28	73.2	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	87.1	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		85.4 %	70-130	"	"	"	"	"	
Surrogate: 1-Chlorooctadecane		90.4 %	70-130	"	"	"	"	"	

Environmental Lab of Texas

A Xenco Laboratories Company

The results in this report apply to the samples analyzed in accordance with the samples received in the laboratory. This analytical report must be reproduced in its entirety, with written approval of Environmental Lab of Texas.

Page 2 of 8

Yates Petroleum Corp.  
105 S. Fourth St.  
Artesia NM, 88210

Project: Hyltech AUM State # 1  
Project Number: 30-025-25749  
Project Manager: Robert Ashur

Fax: (505) 748-4662

**General Chemistry Parameters by EPA / Standard Methods**  
**Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
<b>GS/1.0-001 (7E18002-01) Soil</b>									
Chloride	24.7	5.00	mg/kg	10	EE72315	05/23/07	05/23/07	EPA 300.0	
% Moisture	12.7	0.1	%	1	EE71901	05/18/07	05/19/07	% calculation	
<b>GS/2.0-002 (7E18003-02) Soil</b>									
Chloride	1030	20.0	mg/kg	40	EE72315	05/23/07	05/23/07	EPA 300.0	
% Moisture	13.9	0.1	%	1	EE71901	05/18/07	05/19/07	% calculation	

Environmental Lab of Texas

A Xenco Laboratories Company

*The results in this report apply to the samples analyzed in accordance with the samples received in the laboratory. This analytical report must be reproduced in its entirety, with written approval of Environmental Lab of Texas.*

Page 3 of 8



**Environmental Lab of Texas**

Variance/ Corrective Action Report- Sample Log-In

Client: Yates  
 Date/ Time: 5/12/07 10:20  
 Lab ID #: 7E18002  
 Initials: CPK

**Sample Receipt Checklist**

				Client Initials
#1 Temperature of container/ cooler?	<u>Yes</u>	No	0.5 °C	
#2 Shipping container in good condition?	<u>Yes</u>	No		
#3 Custody Seals intact on shipping container/ cooler?	<u>Yes</u>	No	Not Present	
#4 Custody Seals intact on sample bottles/ container?	<u>Yes</u>	No	Not Present	
#5 Chain of Custody present?	<u>Yes</u>	No		
#6 Sample instructions complete of Chain of Custody?	<u>Yes</u>	No		
#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	ID written on Cont./ Lid	
#9 Container label(s) legible and intact?	<u>Yes</u>	No	Not Applicable	
#10 Sample matrix/ properties agree with Chain of Custody?	<u>Yes</u>	No		
#11 Containers supplied by ELOT?	<u>Yes</u>	No		
#12 Samples in proper container/ bottle?	<u>Yes</u>	No	See Below	
#13 Samples properly preserved?	<u>Yes</u>	No	See Below	
#14 Sample bottles intact?	<u>Yes</u>	No		
#15 Preservations documented on Chain of Custody?	<u>Yes</u>	No		
#16 Containers documented on Chain of Custody?	<u>Yes</u>	No		
#17 Sufficient sample amount for Indicated test(s)?	<u>Yes</u>	No	See Below	
#18 All samples received within sufficient hold time?	<u>Yes</u>	No	See Below	
#19 Subcontract of sample(s)?	Yes	<u>No</u>	Not Applicable	
#20 VOC samples have zero headspace?	<u>Yes</u>	No	Not Applicable	

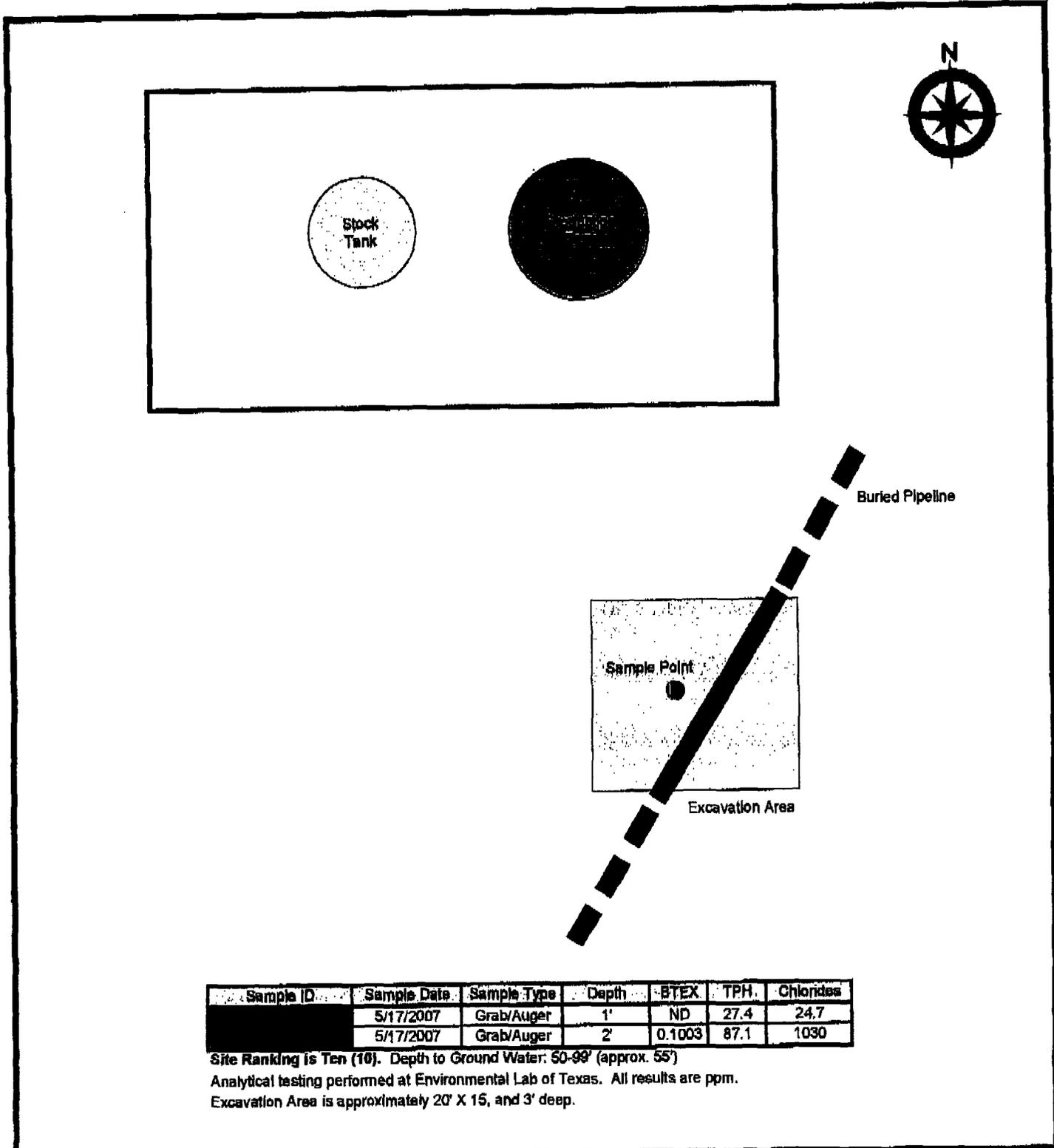
**Variance Documentation**

Contact: \_\_\_\_\_ Contacted by: \_\_\_\_\_ Date/ Time: \_\_\_\_\_

Regarding: \_\_\_\_\_

Corrective Action Taken: \_\_\_\_\_

- Check all that Apply:
- See attached e-mail/ fax
  - Client understands and would like to proceed with analysis
  - Cooling process had begun shortly after sampling event



Sample ID	Sample Date	Sample Type	Depth	-BTEX	TPH	Chlorides
	5/17/2007	Grab/Auger	1'	ND	27.4	24.7
	5/17/2007	Grab/Auger	2'	0.1003	87.1	1030

Site Ranking is Ten (10). Depth to Ground Water: 50-99' (approx. 55')  
 Analytical testing performed at Environmental Lab of Texas. All results are ppm.  
 Excavation Area is approximately 20' X 15, and 3' deep.



**Hytech AUM State #1**  
**Section 2, T10S-R34E**  
**Lea County, NM**

**EXHIBIT 1**  
**Sample Diagram**  
**(Not to Scale)**  
 Prepared by Robert Asher  
 Environmental Regulatory Agent  
 May 24, 2007