

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	Contact Mike Stubblefield
Address 105 South 4 <sup>th</sup> Street, Artesia, N.M. 88210	Telephone No. 505-7484500 505-513-1712
Facility Name Pronghorn "AAP" Federal #1	Facility Type Water line

Surface Owner Federal	Mineral Owner	Lease No.
-----------------------	---------------	-----------

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	8	23s	33e	330'	FSL	330'	FWL	Lea

Latitude 32.31272 \_\_\_ Longitude 103.60137 \_\_\_

3002528927

**NATURE OF RELEASE**

Type of Release: Produced Water	Volume of Release 180 bbls Produced water with a skim of Oil.	Volume Recovered 80 bbls P.W. <i>WTR 500'</i>
Source of Release: Valve on Water Line in steel tub rusted & broke	Date and Hour of Occurrence 12/5/2005 over night	Date and Hour of Discovery 12/5/2005 8:30am
Was Immediate Notice Given? X Yes No Not Required	If YES, To Whom? Larry Johnson	
By Whom? Dan Dolan	Date and Hour 12/7/2005 11:00am	
Was a Watercourse Reached? <input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse	

If a Watercourse was Impacted, Describe Fully.\*

Describe Cause of Problem and Remedial Action Taken.\*  
Valve on water line in steel tub rusted & broke.

Describe Area Affected and Cleanup Action Taken.\*  
The affected area measured 30'X180' with most of the impacted area being a narrow flow path across the location. A small area located off location near the steel box was affected. Called a vacuum truck, sucked out tub, replaced valve. The location was back dragged. 9/7/2007 Soil samples were taken for analytical from the impacted area. Soil samples taken were submitted to a second party lab & then tested for TPH, B-tex, & Chlorides. Analytical results show the TPH & B-tex to be under the RRAL for the site. The Chlorides have been documented. Yates Petroleum Corporation request closure for the release that occurred on 12/5/2005.

Depth to ground water > 100', Wellhead protection area > 1000', Distance to surface water body > 1000' Site ranking 0.

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>L. Johnson</i> Approved by District Supervisor <b>ENVIRONMENTAL ENGINEER</b>	
Title: Environmental Regulatory Agent	Approval Date: 2.3.08	Expiration Date: —
E-mail Address: mikes@ypcnm.com	Conditions of Approval: <b>LIST AS RISK CLOSURE -</b> <b>CONTAMINATION ON WORKING LOCATION!</b>	

Date: 9/27/2007 Phone: 505 748 4500  
Attached   
RP# 1776



**ARDINAL  
LABORATORIES**

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
YATES PETROLEUM CORPORATION  
ATTN: MIKE STUBBLEFIELD  
105 SOUTH 4<sup>TH</sup> STREET  
ARTESIA, NM 88210  
FAX TO: (505) 748-4635

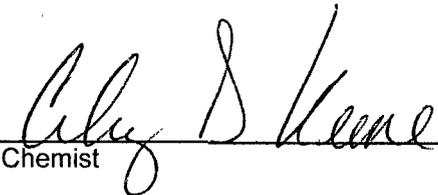
Receiving Date: 09/10/07  
Reporting Date: 09/13/07  
Project Number: 505-PROG.  
Project Name: PRONGHORN AAP FED. #1  
Project Location: SEC. 8-23S-33E

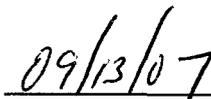
Sampling Date: 09/07/07  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: HM  
Analyzed By: CK

LAB NUMBER	SAMPLE ID	GRO	DRO
		(C <sub>6</sub> -C <sub>12</sub> ) (mg/Kg)	(>C <sub>12</sub> -C <sub>28</sub> ) (mg/Kg)

ANALYSIS DATE		09/11/07	09/11/07
H13276-1	A #1 IMPACTED AREA ON LOCATION SURFACE SAMPLE	<10.0	<10.0
H13276-2	B #2 IMPACTED AREA OFF LOCATION SURFACE SAMPLE	<10.0	<10.0
Quality Control		477	602
True Value QC		500	500
% Recovery		95.4	120
Relative Percent Difference		2.7	1.5

METHODS: TPH GRO & DRO: EPA SW-846 8015 M

  
\_\_\_\_\_  
Chemist

  
\_\_\_\_\_  
Date

H13276T YATES

PLEASE NOTE **Liability and Damages** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



# ARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

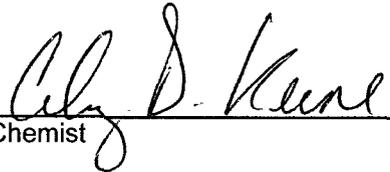
ANALYTICAL RESULTS FOR  
YATES PETROLEUM CORPORATION  
ATTN: MIKE STUBBLEFIELD  
105 SOUTH 4<sup>TH</sup> STREET  
ARTESIA, NM 88210  
FAX TO: (505) 748-4635

Receiving Date: 09/10/07  
Reporting Date: 09/13/07  
Project Number: 505-PROG.  
Project Name: PRONGHORN AAP FED. #1  
Project Location: SEC. 8-23S-33E

Sampling Date: 09/07/07  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: HM  
Analyzed By: CK

LAB NUMBER	SAMPLE ID	BENZENE (mg/L)	TOLUENE (mg/L)	ETHYL BENZENE (mg/L)	TOTAL XYLENES (mg/L)
	ANALYSIS DATE	09/11/07	09/11/07	09/11/07	09/11/07
H13276-1	A #1 IMPACTED AREA ON LOCATION SURFACE SAMPLE	<0.001	<0.001	<0.001	<0.003
H13276-2	B #2 IMPACTED AREA OFF LOCATION SURFACE SAMPLE	<0.001	<0.001	<0.001	<0.003
	Quality Control	0.109	0.099	0.099	0.300
	True Value QC	0.100	0.100	0.100	0.300
	% Recovery	109	99.0	98.6	100
	Relative Percent Difference	2.8	0.7	0.3	0.4

METHOD: EPA SW-846 8021B

  
\_\_\_\_\_  
Chemist

  
\_\_\_\_\_  
Date

H13276 YATES

PLEASE NOTE **Liability and Damages** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



# CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603  
(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: Yates Petroleum Corporation		<b>BILL TO</b>				<b>ANALYSIS REQUEST</b>																		
Project Manager: Mike Stubblefield		P.O. #:																						
Address: 105 South 4th Street		Company: YPC																						
City: Artesia State: NM Zip: 88210		Attn: Mike Stubblefield																						
Phone #: 505-748-4500 Fax #: 505-748-4635		Address: 105 South 4th Street																						
Project #: 505-Prng. Project Owner: Mike Stubblefield		City: Artesia																						
Project Name: Pronghorn AAP Fed #1		State: N.M. Zip: 88210																						
Project Location: sec. 8-235-33e		Phone #: 505-748-4500																						
Sampler Name: Mike Stubblefield		Fax #: 505-748-4635																						
FOR LAB USE ONLY				MATRIX		PRESERV.		SAMPLING																
Lab I.D.	Sample I.D.	(GRAB OR (C)OMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACID/BASE	ICE / COOL	OTHER	DATE	TIME	TPH	B-TOC								
H13276-1	A #1 Impacted Area on Location surface sample	C				✓				✓			9/2/07	10:00 AM	✓	✓								
-2	B #2 Impacted Area off Location surface sample.	C				✓				✓			9/2/07	10:15 AM	✓	✓								

PLEASE NOTE: Liability and Damages Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Relinquished By: <i>Mike Stubblefield</i>	Date: 9/10/2007	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No 'Add'l Phone #:
	Time: 1:00 PM		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No 'Add'l Fax #:
Relinquished By:	Date: 09/11/07	Received By: <i>Hope S. Medina</i>	REMARKS:
	Time: 8:55		
Delivered By: (Circle One) Sampler - UPS - <input checked="" type="radio"/> Bus - Other:	Sample Condition Cool <input checked="" type="checkbox"/> Intact <input checked="" type="checkbox"/> <input type="checkbox"/> Yes <input type="checkbox"/> No	CHECKED BY: (Initials) <i>HS</i>	

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476



**ARDINAL  
LABORATORIES**

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
YATES PETROLEUM CORPORATION  
ATTN: MIKE STUBBLEFIELD  
105 SOUTH 4<sup>TH</sup> STREET  
ARTESIA, NM 88210  
FAX TO: (505) 748-4635

Receiving Date: 09/10/07

Reporting Date: 09/13/07

Project Number: 505-PROG.

Project Name: PRONGHORN AAP FED. #1

Project Location: SEC. 8-23S-33E

Sampling Date: 09/07/07

Sample Type: SOIL

Sample Condition: COOL & INTACT

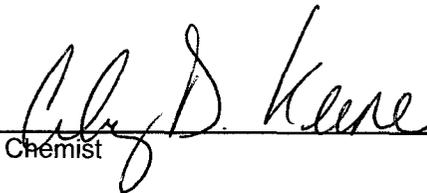
Sample Received By: HM

Analyzed By: KS

LAB NUMBER	SAMPLE ID	Cl* (mg/Kg)
	ANALYSIS DATE	09/11/07
H13276-1	A #1 IMPACTED AREA ON LOCATION SURFACE SAMPLE	5358
H13276-2	B #2 IMPACTED AREA OFF LOCATION SURFACE SAMPLE	<16
H13276-3	C #3 IMPACTED AREA ON LOCATION 3' DEPTH	48
	Quality Control	500
	True Value QC	500
	% Recovery	100
	Relative Percent Difference	2.0

METHODS: Std. Methods 4500-Cl<sup>-</sup>B

\*Analyses performed on 1:4 w:v aqueous extracts.

  
\_\_\_\_\_  
Chemist

  
\_\_\_\_\_  
Date

H13276CL YATES

PLEASE NOTE **Liability and Damages** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

