

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



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



S.P. YATES
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DIRECTOR

August 12, 2008

AUG 13 2008
OCD-ARTESIA

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

Re: Flora AKF State #1
2RP-191
30-015-26973
Section 2, T22S-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 20, 2008 (4 B/O and 15 PW with 0 B/O and 0 B/PW recovered). Soils were excavated and taken to an OCD approved facility; samples were taken on August 6, 2008 and sent to an OCD approved laboratory (see enclosed analytical report and sample diagram). Site ranking is zero (0), with the depth to ground water >100' (approximately 125'). RRAL's based on the site ranking of 0, BTEX (ppm) @ 50 and TPH (ppm) @ 5000, sample results are within these limits. Based on described actions, no further remediation will be conducted 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

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

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 TH Street	Telephone No. 505-748-1471	AUG 13 2008
Facility Name Flora AKF State #1	API Number 30-015-26973	Facility Type Battery

OCD-ARTESIA

Surface Owner State	Mineral Owner State	Lease No. VO-2597
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LOCATION OF RELEASE

Unit Letter N	Section 2	Township 22S	Range 31E	Feet from the 660	North/South Line South	Feet from the 2310	East/West Line West	County Eddy
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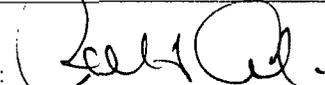
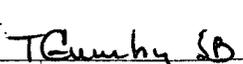
Latitude 32.41495 Longitude 103.74911

NATURE OF RELEASE

Type of Release Crude Oil & Produced Water	Volume of Release 4 B/O & 15 B/PW	Volume Recovered 0 B/O & 0 B/PW
Source of Release Steel Flow Line	Date and Hour of Occurrence 6/20/2008, AM	Date and Hour of Discovery 6/20/2008, AM
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.* Steel flow line on the west side of the battery developed a leak. Isolated line, shut down well(s), called vacuum truck, backhoe crew and crew to repaired line		

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 35' X 15'. No oil or produced water to recover. Vertical and horizontal delineation will be made and analysis ran for TPH/BTEX and chlorides (for reference purposes) 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. 125'), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on analytical results, 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: 	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Approved by District Supervisor: 	
Title: Environmental Regulatory Agent	Approval Date: 8/13/08	Expiration Date: N/A
E-mail Address: boba@ypcnm.com	Conditions of Approval: N/A	Attached <input type="checkbox"/> N/A
Date: Tuesday, August 12, 2008	Phone: 505-748-1471	

* Attach Additional Sheets If Necessary

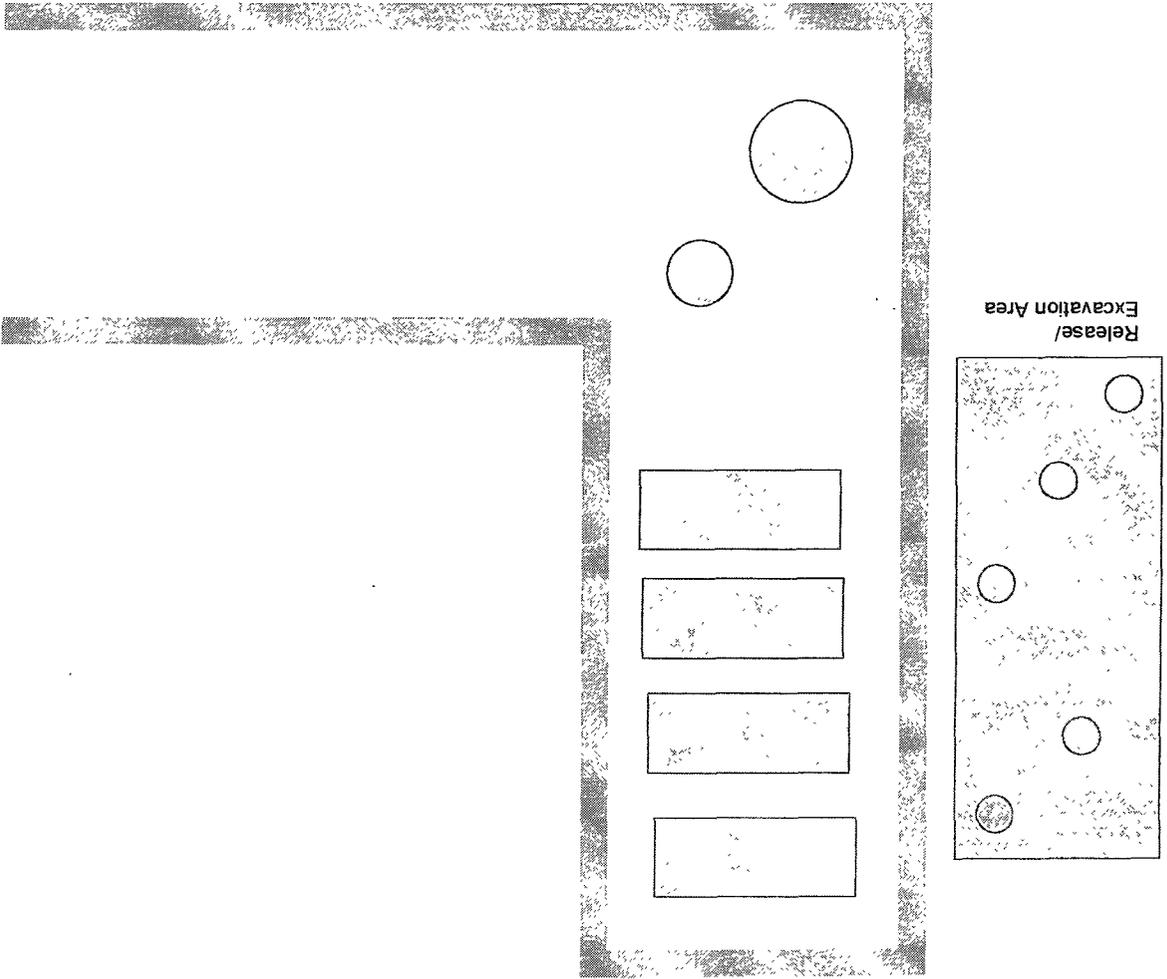


Flora AKF State #1
 Section 2, T22S-R31E
 Eddy County, NM

EXHIBIT
 Sample Diagram (Not to Scale)
 Prepared by Robert Asher
 Environmental Regulatory Agent
 August 12, 2008

Site Report 9-2-08 (p. 125). All results are ppm. Depth to Ground Water > 100' (approx. 125').

Sample ID	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TPH TOTAL	Chlorides
GS/Comp-001	8/6/2008	Grab/Auger	1'	ND	2.47	ND	2.47	<100
GS/Comp-002	8/6/2008	Grab/Auger	2'	ND	1.30	ND	1.3	<100
GS/Comp-003	8/6/2008	Grab/Auger	3'	0.0225	1.00	ND	1	<100





601 American Highway, Suite 700 El Paso, Texas 79926 NRP • 78 • 1215 BRG • 201 • 200 TCS • 781 • 74 • 1198
 280 East Sunset Road, Suite 200 El Paso, Texas 79927 898 • 898 • 3 • 41 214 • 301 • 1003 505 • 075 • 0 • 004
 6001 Preston Avenue, Suite 7 El Paso, Texas 79703 432 • 093 • 301 100 • 131 • 27 • 617
 600 East 4th Parkway, Suite 100 El Paso, Texas 79912 817 • 01 • 010

NELAP Certifications

Lubbock: T104704219-08-TX
 LELAP-02003
 Kansas E-10317

El Paso: T104704221-08-TX
 LELAP-02002

Midland: T104704392-08-TX

Analytical and Quality Control Report

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

Report Date: August 8, 2008

Work Order: 8080718



Project Location: Eddy County, NM
 Project Name: Flora AKF State #1
 Project Number: 30-015-26793

Enclosed are the Analytical Report and Quality Control Report for the following sample(s) submitted to TraceAnalysis, Inc.

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
169781	GS/Comp-001	soil	2008-08-06	10:31	2008-08-07
169782	GS/Comp-002	soil	2008-08-06	10:46	2008-08-07
169783	GS/Comp-003	soil	2008-08-06	11:00	2008-08-07

These results represent only the samples received in the laboratory. The Quality Control Report is generated on a batch basis. All information contained in this report is for the analytical batch(es) in which your sample(s) were analyzed.

This report consists of a total of 15 pages and shall not be reproduced except in its entirety, without written approval of TraceAnalysis, Inc.

Michael Abel

Dr. Blair Leftwich, Director

Standard Flags

B - The sample contains less than ten times the concentration found in the method blank.

Case Narrative

Samples for project Flora AKF State #1 were received by TraceAnalysis, Inc. on 2008-08-07 and assigned to work order 8080718. Samples for work order 8080718 were received intact at a temperature of 2.5 deg. C.

Samples were analyzed for the following tests using their respective methods.

Test	Method
BTEX	S 8021B
Chloride (Titration)	SM 4500-Cl B
TPH DRO	Mod. 8015B
TPH GRO	S 8015B

Results for these samples are reported on a wet weight basis unless data package indicates otherwise.

A matrix spike (MS) and matrix spike duplicate (MSD) sample is chosen at random from each preparation batch. The MS and MSD will indicate if a site specific matrix problem is occurring, however, it may not pertain to the samples for work order 8080718 since the sample was chosen at random. Therefore, the validity of the analytical data reported has been determined by the laboratory control sample (LCS) and the method blank (MB). These quality control measures are performed with each preparation batch to ensure data integrity.

All other exceptions associated with this report have been footnoted on the appropriate analytical page to assist in general data comprehension. Please contact the laboratory directly if there are any questions regarding this project.

Summary Report

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

Report Date: August 8, 2008

Work Order: 8080718



Project Location: Eddy County, NM
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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)
169781 - GS/Comp-001	<0.0100	<0.0100	<0.0100	<0.0100	<50.0	2.47
169782 - GS/Comp-002	<0.0100	<0.0100	<0.0100	<0.0100	<50.0	1.30
169783 - GS/Comp-003	<0.0100	<0.0100	<0.0100	0.0225	<50.0	1.00

Sample: 169781 - GS/Comp-001

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 169782 - GS/Comp-002

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 169783 - GS/Comp-003

continued ...

Report Date: August 8, 2008
30-015-26793

Work Order: 8080718
Flora AKF State #1

Page Number: 2 of 2
Eddy County, NM

sample 169783 continued . . .

Param	Flag	Result	Units	RL
Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

