

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

SEP - 9 2008
OCD-ARTESIA

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. 505-7484500 505-513-1712	
Facility Name Clayton BFO State Com.#1 30-015-33733	Facility Type Tank Battery	
Surface Owner Fee	Mineral Owner State	Lease No. E-2781

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
I	16	19s	26e	1980'	FSL	660'	FEL	Eddy

Latitude 32.65865 Longitude 104.37979

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 50 bbls Produced Water	Volume Recovered 0 bbls PW.
Source of Release Load valve	Date and Hour of Occurrence 1/18/08 pm or 1/19/2008 am.	Date and Hour of Discovery 1/19/2008 2:30pm
Was Immediate Notice Given? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher voice mail box.	
By Whom? Mike Stubblefield	Date and Hour 1/21/2008 8:30am	
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.*

Vandals unscrewed 3" load line to the F/G/tank. Drained water out on ground. Shut-in well temporarily, installed new 3" ball valve on the fiberglass tank.

Describe Area Affected and Cleanup Action Taken.*

The impacted area was the bermed area of the tank battery. The impacted soil located with-in the bermed area of the tank battery were excavated and hauled to Lea Land Inc. After notification was provided to the NMOCD soil samples were taken for analytical from the impacted area on 8/15/2008.

Soil samples were submitted to a second party lab & analysis ran for TPH using EPA Method 8015M, B-TEX using EPA Method 8021B. The Chlorides were tested using EPA Method 4500-CL B. The analytical results dated 8/22/2008 reported the TPH & B-TEX to be under the RRAL for the site The Chlorides have been documented. Yates Petroleum Corporation is submitting the C-141 form for the release that occurred on 1/19/2007 and requesting closure.

Depth to ground water >50' and <100', Wellhead protection area > 1000', Distance to surface water body > 1000' Site ranking 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>	<u>OIL CONSERVATION DIVISION</u>	
Printed Name: Mike Stubblefield	Approved by District Supervisor: <i>TCumby SD</i>	
Title: Environmental Regulatory Agent	Approval Date: <i>9/15/08</i>	Expiration Date: <i>N/A</i>
E-mail Address: mikes@ypcnm.com	Conditions of Approval: <i>N/A</i>	Attached <input type="checkbox"/> <i>N/A</i>
Date: 9/8/2008 Phone: 505-748-4500		

* Attach Additional Sheets If Necessary

cc: WELL FILE

2RP-222



ANALYTICAL RESULTS FOR
 YATES PETROLEUM CORPORATION
 ATTN: MIKE STUBBLEFIELD
 105 SOUTH 4TH STREET
 ARTESIA, NM 88210
 FAX TO: (575) 748-4635

Receiving Date: 08/20/08
 Reporting Date: 08/21/08
 Project Number: 30-015-33333
 Project Name: CLAYTON BFO STATE COM. #1
 Project Location: SEC. 16-19S-26E

Sampling Date: 08/15/08
 Sample Type: SOIL
 Sample Condition: COOL & INTACT
 Sample Received By: AB
 Analyzed By: ZL

LAB NUMBI SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE	08/20/08	08/20/08	08/20/08	08/20/08
H15767-1 EXCAVATED AREA INSIDE BERM SURFACE SAMPLE	<0.050	0.051	<0.050	<0.150
Quality Control	0.053	0.045	0.046	0.151
True Value QC	0.050	0.050	0.050	0.150
% Recovery	106	90.0	92.0	101
Relative Percent Difference	18.9	18.6	19.6	17.4

METHOD: EPA SW-846 8021B

TEXAS NELAP CERTIFICATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE,
 AND TOTAL XYLENES.

Ally D. Keene
 Lab Director

08/22/08
 Date

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. **H15767-1 YATES** shall 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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



CARDINAL LABORATORIES, INC.

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

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page of

Company Name: Yates Petroleum Corporation	BILL TO	ANALYSIS REQUEST
Project Manager: Mike Stubblefield	P.O. #:	
Address: 105 South 4th Street	Company: Yates Pet Corp	
City: Artesia State: N.M. Zip: 88210	Attn: Mike Stubblefield	
Phone #: 505-913-1212 Fax #: 505-748-4335	Address: 105 South 4th Street	
Project #: 30-015-37227 Project Owner: Mike Stubblefield	City: Artesia	
Project Name: Clayton GFO State Com. #1	State: N.M. Zip: 88210	
Project Location: Sec. 16-19c-26c	Phone #: 505-748-4300	
Sampler Name: Mike Stubblefield	Fax #: 505-748-4635	

FOR LAB USE ONLY		Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP. # CONTAINERS	MATRIX							PRESERV.		SAMPLING		DATE	TIME	TPH 8015 P	B-TET	Chlorides
					GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE/COOL	OTHER:							
H15767-1	Excavated area inside Basin.	C	Surface sample.			✓					✓		8/15/2008	9:30 AM	✓	✓	✓			
-2	Excavated area inside Basin 3' depth BAS.	G				✓					✓		8/6/2008	9:40 AM			✓			

PLEASE NOTE: Liability and Damages: Cardinal's liability and certain exclusions (if any) shall be limited to the amount paid by the client for the analysis. 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 analysis. In no event shall Cardinal be liable for incidental or consequential damages including indirect damages, business interruption, 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 provided by Cardinal, its partners or other personnel based upon any of the above stated exclusions or otherwise.

Terms and Conditions: Interest will be charged on all payments more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Relinquished By: Mike Stubblefield	Date: 8/19/2008 Time: 2:30 PM	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	REMARKS:
Relinquished By: Mike Stubblefield	Date: 8/19/2008 Time: 2:30 PM	Received By: (Lab Staff) JCB 08/20/08			
Delivered By: (Circle One) Sampler - UPS - <input checked="" type="radio"/> Bus - Other:		Sample Condition Temp. °C Intact? By: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No JCB			

† Cardinal cannot accept verbal changes. Please fax written changes to (325) 673-7020.