

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1200 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 Corp.	Contact- Jerry Fanning
Address- 105 South Fourth Street, Artesia, NM 88210	Telephone No.- 575-748-4195
Facility Name- Parton BGY St. #2	Facility Type- Well Site
Surface Owner State	Mineral Owner
API# 30-025-39003	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
P	8	10S	34E	660	South	660	East	Lea

Latitude 33°-24'-48.8"-N Longitude 103°-39'-07.8"-W Spill Site

NATURE OF RELEASE

Type of Release Brine Water and Drilling Mud	Volume of Release 20-bbl	Volume Recovered 0-bbl
Source of Release Truck Rollover	Date and Hour of Occurrence 8-31-08 @ 4:00AM	Date and Hour of Discovery Same
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
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. * I&B Trucking was transporting brine water and drilling mud to Gandy/Marley for disposal a cow was in the road at the cattle guard, the truck lost control and rolled over losing about 20 bbl of fluid the remaining fluid was pulled off by a vac truck.

Describe Area Affected and Cleanup Action Taken. * The spill site is 90' x 60' in size next to the road with some of the spill going out into the pasture. The impacted soils at the site will be excavated, loaded and transported off site for disposal at the Gandy/Marley disposal facility

NOTE: Please see attached work plan and site map

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 law, and/or regulations.

Signature: <i>Lisa Norton</i>	OIL CONSERVATION DIVISION	
Printed Name: LISA NORTON	<i>[Signature]</i> ENVIRONMENTAL ENGINEER	
Title: ENVIRONMENTAL DIVISION DIRECTOR	Approval Date: 9-22-08	Expiration Date: 11-21-08
E-mail Address: <i>lnorton@ypcna.com</i>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 9/18/08 Phone: 575-748-4185	SUBMIT FINAL C-141	IRP# 1954

* Attach Additional Sheets if Necessary

RECEIVED

SEP 22 2008

HOBBS OCD



PHOENIX ENVIRONMENTAL LLC

P.O. Box 1856

2113 French Dr.

Hobbs, NM 88241-1856

Office 505-391-9685

Fax 505-391-9687

September 17, 2008

Yates Petroleum Corp.
105 S. 4th Street
Artesia, New Mexico 88210

Attn: Mr. Jerry Fanning

**RE: Work Plan for the Parton BGY St. #2 Spill Site Located in UL-P, Sec 8,
T10S and R34E of Lea County, New Mexico API # 30-025-39003**

Dear Mr. Fanning:

Phoenix Environmental, LLC (Phoenix) would like to take this time to thank you and Yates Petroleum Corp., for the opportunity to provide our professional services. Please find attached our work plan for the above listed site.

If you have any questions and/or need more data in regards to projects please call at any time. My cell phone is 575-631-8314.

Sincerely,

Allen Hodge, REM
VP Operations
Phoenix Environmental LLC



Summary/Overview

The Parton BGY St. #2 Spill Site should be completed and remediated in accordance with the standards of the NMOCD. It is our understanding that any potential contamination from the site was a result of a truck rollover spilling an estimated 20bbl of brine water and drilling mud.

The potential contaminates of concern are mid to high-level concentrations of brine water and drilling mud that were lost from a truck rollover. The spill site is located on the Johnson Ranch @ se/se sec. 27-T10S-R32E of Lea co. with a GPS reading of 33°-24'-48.8"-N-103°-39'-07.8"-W on the east side of the road.

The lands primary use is domestic pasture for ranching and the production of oil and gas.

The ground water depth data available for this area showed the depth to ground water to be in the 100' range BGS.

Pursuant to the standards of the NMOCD, the clean up level for this site will be at <2,500ppm of TPH, <50ppm for BTEX and Chlorides less than <250ppm.

The following scope of work was based on data from our site visit and the requirements of the NMOCD for site clean up.

Scope of Work for Off-Site Disposal

NOTE: Phoenix, for the purpose of this work plan, will estimate that there is approximately 400 to 500cyds of impacted soils at the site that needs to be addressed for site closure.

1. Phoenix will mobilize to the site located west of Tatum, NM equipment and personnel necessary to start and complete the site remediation as required, getting the site back into compliance with the requirements of NMOCD.
2. At the site a staging area will be set up for site control and safety.



3. The impacted soils will be excavated, stockpiled and loaded into trucks for off-site disposal.
4. Impacted soils at the site will then be transported to a NMOCD approved disposal facility for disposal (Gandy/Marley).
5. Phoenix will field screen the site during the excavation, and, once the TPH BTEX and CL has dropped below clean-up requirements, final samples will be taken and sent to a third party lab for analysis to meet the requirements of the NMOCD.
6. Once all of the remediation criteria have been met for site closure and compliance, the site will be backfilled with clean material from the Johnson Ranch and contoured with a crown to prevent the ponding of water to meet the requirements of the NMOCD.
7. The site will be reseeded once backfilling operations have been completed to meet the requirements of the Johnson Ranch.
8. Once all of the closure criteria have been met, a final closure report will be prepared by Phoenix. This report will include a summary of remediation operations, findings on-site and lab analysis, site maps and project photos to meet the requirements of the NMOCD.

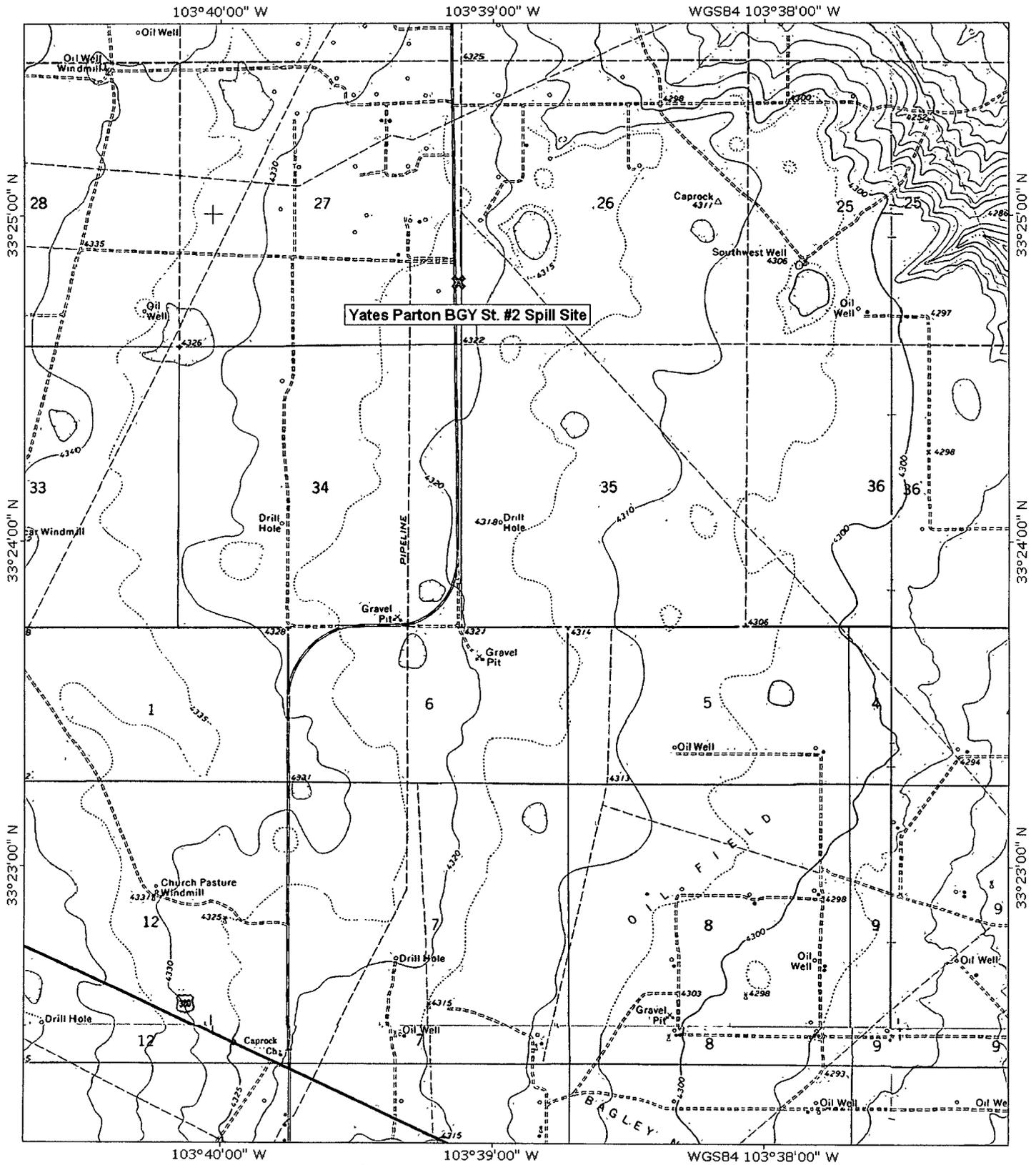
If you have any questions and/or need more data in regards to this project please call 505-631-8314 at any time.

Sincerely,



Allen Hodge, REM
VP Operations
Phoenix Environmental LLC





TN MN
8 1/2°

0 1 MILE
0 1000 FEET 0 500 1000 METERS

Map created with TOPO! © 2003 National Geographic (www.nationalgeographic.com/topo)

