

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

AUG 25 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 Corral Draw AQH Federal #1 30-015-29396	Facility Type Tank Battery

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

LOCATION OF RELEASE

Unit Letter L	Section 13	Township 24s	Range 29e	Feet from the 2310'	North/South Line FSL	Feet from the 330'	East/West Line FWL	County Eddy
------------------	---------------	-----------------	--------------	------------------------	-------------------------	-----------------------	-----------------------	----------------

Latitude 32.21642 Longitude 103.44524

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 25 bbls Produced Water	Volume Recovered 15 bbls PW
Source of Release Water transfer pump	Date and Hour of Occurrence 2/10/2008 pm.	Date and Hour of Discovery 2/11/2008 am.
Was Immediate Notice Given? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Called OCD after hour's answering service.	
By Whom? Jerry Fanning	Date and Hour 2/11/2008 5:20pm	
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.* Mechanical seal wore out on the water transfer pump, causing leak on pump. The seal was replaced on the transfer pump.		
Describe Area Affected and Cleanup Action Taken.* The impacted area was the bermed area of the tank battery. The west section of the berm is lined with a 20 mil. Liner. The east section of the berm is not lined. Soil samples were taken from the unlined section of the berm on 3/11/08 & 3/19/08. The analytical results were submitted to NMOCD on The TPH and the B-TEX was reported by analytical results to be under the RRAL for the site. The Chlorides were delineated from 25,000 ppm at the surface to 128 ppm at the 4' depth. 7/16/2008 The impacted soil located in the unlined area of the bermed area was excavated to a depth of 3' BGS. The removed soil was then hauled to Lea Land Inc an NMOCD approved Solid Waste Disposal facility. A total of 156 cu yds of impacted soil was hauled to the facility. The excavated area was then backfilled back to grade with clean soil The nearest ground water as listed by the NMOSE water data base is located in sec. 19-24s-30e. Depth to groundwater in sec. 19-24s-30e is 150' BGS. Yates Petroleum Corp. is submitted a final C-141 form and requesting closure for the release that occurred on 2/10/2008. 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.		

OIL CONSERVATION DIVISION

Signature: <i>Mike Stubblefield</i>	Approved by District Supervisor: <i>TCum by SB</i>	
Printed Name: Mike Stubblefield	Approval Date: <i>10-20-08</i>	Expiration Date: <i>N/A</i>
Title: Environmental Regulatory Agent	Conditions of Approval: <i>N/A</i>	
E-mail Address: mikes@ypcnm.com	Attached <input type="checkbox"/> <i>N/A</i>	
Date: 8/21/2008 Phone: 505-748-4500		

* Attach Additional Sheets If Necessary

2RP-131



CARDINAL LABORATORIES, INC.

2111 Beachwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
 (325) 673-0001 Fax (325) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page of

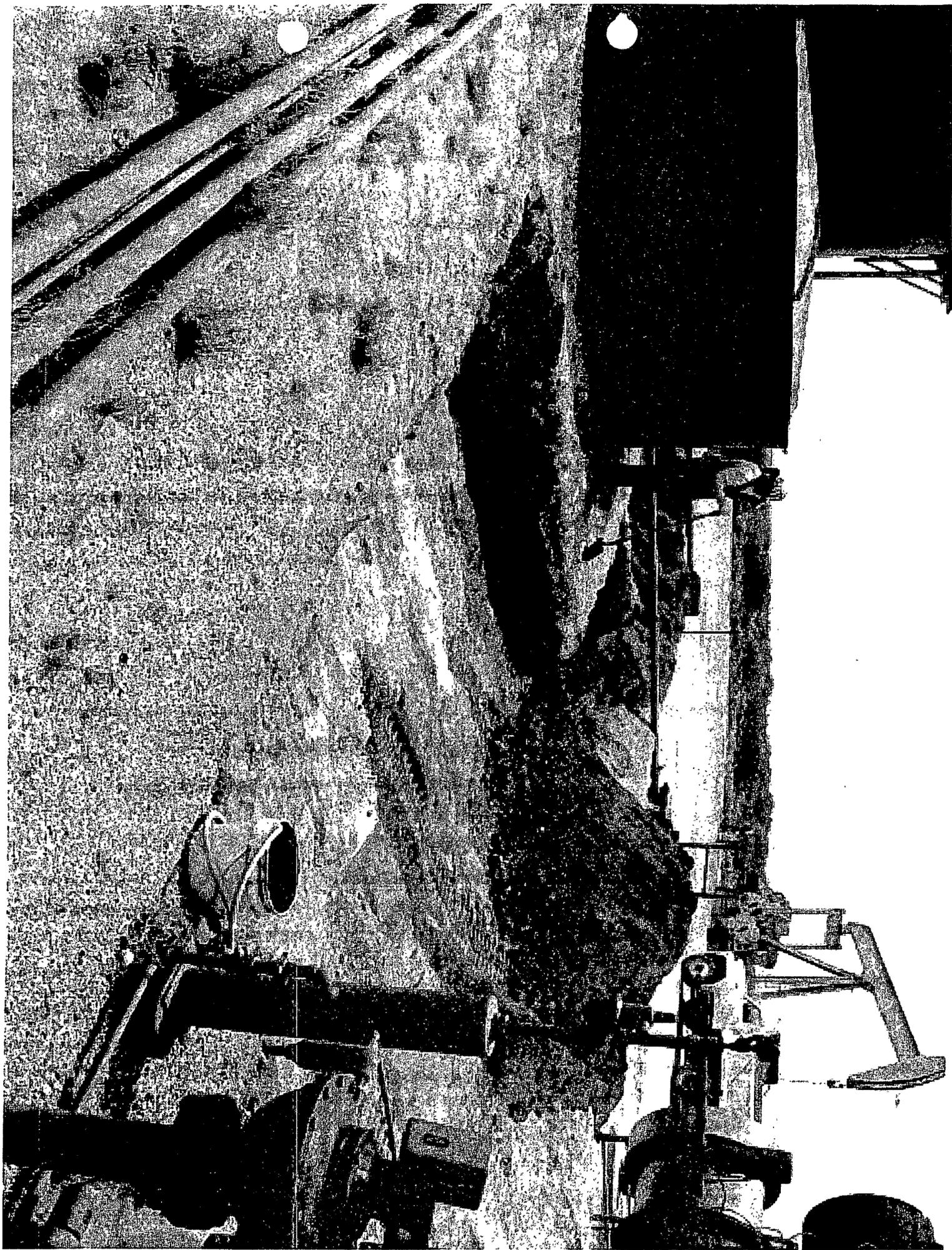
Company Name: <u>Valco Petroleum Corporation</u>		TRILISTO		ANALYSIS REQUEST											
Project Manager: <u>Mike Stubblefield</u>		P.O. #:													
Address: <u>105 South 4th Street</u>		Company: <u>Valco Petro Corp</u>													
City: <u>Artesia</u> State: <u>N.M.</u> Zip: <u>88210</u>		Attn: <u>Mike Stubblefield</u>													
Phone #: <u>505-513-1912</u> Fax #: <u>505-748-4335</u>		Address: <u>105 South 4th Street</u>													
Project #: <u> </u> Project Owner: <u>Mike Stubblefield</u>		City: <u>Artesia</u>													
Project Name: <u>Corral Draw AQH Feb. #1 Tank battery</u>		State: <u>N.M.</u> Zip: <u>88210</u>													
Project Location: <u>Sec. 13-245-29e</u>		Phone #: <u>505-748-4500</u>													
Sampler Name: <u>Mike Stubblefield</u>		Fax #: <u>505-748-4635</u>													
FOR LAB USE ONLY															
Lab I.D.	Sample I.D.	GIRAS OR (COMP. # CONTAINERS)	MATRIX								PRESERV.		SAMPLING		Chlorides
			GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:	DATE	TIME		
H14491-1	WLB2 Impacted area in the unlined section of berm 4' depth	G											3/19/08	9:30AM	✓
-2	WLB2 Impacted area in the unlined section of berm 6' depth	G											3/19/08	9:45AM	✓
-3	WLB2 Impacted area in the unlined section of berm 8' depth	G											3/19/08	10:00AM	✓
-4	WLB2 Impacted area in the unlined section of berm 10' depth	G											3/19/08	10:30AM	✓

PLEASE NOTE: Liability and Damages Cardinal's liability and extent is strictly limited by the terms and conditions of the contract or job, 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 90 days after completion of the analysis. In no event shall Cardinal be liable for incidental or consequential damages including without limitation, business interruption, loss of use, or loss of profits incurred by client, in whole or in part, in connection with the performance of services provided by Cardinal, regardless of whether such claims are based on contract or other theory of liability. Cardinal's liability shall be limited to the amount paid by the client for the analysis.

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

Sampler Relinquished: <u>Mike Stubblefield</u>		Date: <u>3/19/08</u>	Time: <u>3:45 PM</u>	Received By: <u> </u>	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Fix Result: <input type="checkbox"/> Yes <input type="checkbox"/> No
Relinquished By: <u>Mike Stubblefield</u>		Date: <u>3/19/08</u>	Time: <u>3:45 PM</u>	Received By: (Lab Staff) <u> </u>	REMARKS:	
Delivered By: (Circle One) <u>Bus</u>		Sampler - UPS - <input checked="" type="checkbox"/> Bus - Other: <input type="checkbox"/>		Sample Condition Intact? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Checked By: <u> </u>	

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





**ARDINAL
LABORATORIES**

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
YATES PETROLEUM CORPORATION
ATTN: MIKE STUBBLEFIELD
105 SOUTH 4TH STREET
ARTESIA, NM 88210
FAX TO: (575) 748-4335

Receiving Date: 03/12/08
Reporting Date: 03/13/08
Project Number: NOT GIVEN
Project Name: CORRAL DRAW AQH FEDERAL #1
Project Location: UT. L-13-24S-29E

Sampling Date: 03/11/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: CK/AB/KS

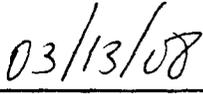
LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (>C ₁₀ -C ₂₈) (mg/kg)	Cl* (mg/kg)
ANALYSIS DATE		03/12/08	03/12/08	03/12/08
H14432-1	1. UNLINED AREA OF BERM SURFACE.	<10.0	<10.0	25,200
H14432-2	2. UNLINED AREA OF BERM 3' DEPTH	<10.0	<10.0	16,000
Quality Control		554	550	500
True Value QC		500	500	500
% Recovery		111	110	100
Relative Percent Difference		13.7	7.2	2.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl: Std. Methods 4500-ClB

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



Chemist



Date

H14432A YATES



ANALYTICAL RESULTS FOR
 YATES PETROLEUM CORPORATION
 ATTN: MIKE STUBBLEFIELD
 105 SOUTH 4TH STREET
 ARTESIA, NM 88210
 FAX TO: (575) 748-4335

Receiving Date: 03/12/08
 Reporting Date: 03/13/08
 Project Number: NOT GIVEN
 Project Name: CORRAL DRAW AQH FEDERAL #1
 Project Location: UT. L-13-24S-29E

Sampling Date: 03/11/08
 Sample Type: SOIL
 Sample Condition: COOL & INTACT
 Sample Received By: ML
 Analyzed By: AB

LAB NUMBER	SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE		03/12/08	03/12/08	03/12/08	03/12/08
H14432-1	1. UNLINED AREA OF BERM SURFACE.	<0.001	<0.001	<0.001	<0.003
H14432-2	2. UNLINED AREA OF BERM 3' DEPTH	<0.001	<0.001	<0.001	<0.003
Quality Control		0.097	0.090	0.085	0.270
True Value QC		0.100	0.100	0.100	0.300
% Recovery		97.4	90.0	84.7	90.1
Relative Percent Difference		0.3	0.9	1.3	1.4

METHOD: EPA SW-846 8021B


 Chemist

03/13/08
 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. **H14432-1 & 2** Cardinal 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.

