

# RECEIVED

## OCT 15 2008

# HOBBS OIL

District I  
1625 N French Dr, Hobbs, NM 88240  
District II  
1301 W Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Artesia, NM 88210  
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 Lotus "ALT" tank battery <i>Well #2</i>	Facility Type Tank Battery

Surface Owner Federal	Mineral Owner	Lease No.
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#### LOCATION OF RELEASE

*API 30 02S 31699*

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	32	22s	32e	1980'	FNL	1980'	FEL	Lea

Latitude 32.56673 Longitude 103.74277

*GW ~ 350'*

#### NATURE OF RELEASE

Type of Release: Produced water	Volume of Release >330 bbls Produced water	Volume Recovered 330 bbls produced water
Source of Release High pressure discharge line at pump.	Date and Hour of Occurrence 10/19/2007 4:00pm	Date and Hour of Discovery 10/19/2007 4:00pm
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Jerry Fanning left release report on after hour's office voice mail box.	
By Whom? Jerry Fanning, Jr.	Date and Hour 10/20/2007 12:40pm	
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.\*  
The high pressure line coming off of the transfer pump ruptured. The pump was shut down and the line was repaired. A vacuum truck was called to the facility & free waters were recovered.

Describe Area Affected and Cleanup Action Taken. The affected area was the bermed area of the tank battery, there was and impacted area outside of the berm located north east of the tank battery on and off the location. The impacted area located off the location measured 75'x 15'. Free standing water was recovered by a vacuum truck. Soil samples were taken for analytical from the impacted area located in the berm area of the tank battery and the impacted area off the location on 9/17/2008. Soil samples taken were submitted to a second party lab & analysis ran for TPH using EPA Method 8015M, B-TEX using EPA Method 8021. The Chlorides were analyzed using EPA Method 4500-CLB. Analytical results dated 9/17/2008 from Cardinal Lab reported TPH & B-TEX to under the RRAL for the site. The Chlorides were documented to be 2,880 ppm at the surface of the impacted area located with-in the berm at the tank battery, Cl. 160 ppm 3' BGS in the impacted area located with-in the berm. The Chlorides were documented to be 64 ppm at the surface in the impacted area off location, Cl. 336 ppm 3' BGS in the impacted area off the location. The Chlorides as documented pose no threat to ground waters and are reasonable for the area. Yates Petroleum Corporation is submitting the final C-141 form for the release that occurred on 10/19/2007 at the Lotus "ALT" tank battery and requesting closure.  
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>Johnson</i> Approved by District Supervisor: <b>ENVIRONMENTAL ENGINEER</b>	
Title: Environmental Regulatory Agent	Approval Date: <b>10.16.08</b>	Expiration Date:
E-mail Address: mikes@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 10/9/2008 Phone: 505-748-4500	—	<b>IRP # 1978</b>

\* Attach Additional Sheets If Necessary

FGRL0834541989



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

Receiving Date: 09/25/08  
 Reporting Date: 09/29/08  
 Project Number: 30-025-31694  
 Project Name: LOTUS "ALT" TANK BATTERY  
 Project Location: SEC. 32-22S-32E

Sampling Date: 09/17/08  
 Sample Type: SOIL  
 Sample Condition: INTACT  
 Sample Received By: ML  
 Analyzed By: AB

LAB NUMBER	SAMPLE ID	GRO (C <sub>6</sub> -C <sub>10</sub> ) (mg/kg)	DRO (>C <sub>10</sub> -C <sub>28</sub> ) (mg/kg)
ANALYSIS DATE:		09/26/08	09/26/08
H15983-1	IMPACTED AREA INSIDE BERM SURFACE	<25.0	<25.0
H15983-3	IMPACTED AREA OFF LOCATION SURFACE	<25.0	<25.0
Quality Control		563	496
True Value QC		500	500
% Recovery		113	99.2
Relative Percent Difference		17.8	14.9

METHOD: SW-846 8015 M

  
 Lab Director

  
 Date

H15983T 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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



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

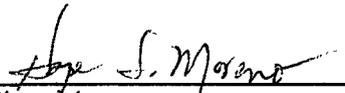
Receiving Date: 09/25/08  
Reporting Date: 09/26/08  
Project Number: NOT GIVEN  
Project Name: LOTUS "ALT" TANK BATTERY  
Project Location: SEC. 32-22S-32E

Analysis Date: 09/26/08  
Sampling Date: 09/17/08  
Sample Type: SOIL  
Sample Condition: INTACT  
Sample Received By: ML  
Analyzed By: TR

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/kg)
H15983-1	1. IMPACTED AREA INSIDE BERM SURFACE.	2,880
H15983-2	2. IMPACTED AREA INSIDE BERM 3' BGS.	160
H15983-3	3. IMPACTED AREA OFF LOCATION SURFACE.	64
H15983-4	4. IMPACTED AREA OFF LOCATION 3' BGS.	336
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		2.0

METHOD: Standard Methods 4500-Cl<sup>-</sup>B

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

  
Chemist

09-29-08  
Date

H15983 YATES

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**CARDINAL LABORATORIES, INC.**

2111 Beechwood, Abilene, TX 79603 301 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: <b>Vates Petroleum Corporation</b>		<b>BILL TO</b>		<b>ANALYSIS REQUEST</b>																																																			
Project Manager: <b>Mike Stubblefield</b>		P.O. #:		<table border="1"> <tr><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td><td></td></tr> </table>																																																			
Address: <b>105 South 4th Street</b>		Company: <b>Vates Pet Co. P.A.</b>																																																					
City: <b>Artesia</b> State: <b>N.M.</b> Zip: <b>88210</b>		Attn: <b>Mike Stubblefield</b>																																																					
Phone #: <b>505-913-1912</b> Fax #: <b>505-748-4335</b>		Address: <b>105 South 4th Street</b>																																																					
Project #: <b>30-025-31694</b> Project Owner: <b>Mike Stubblefield</b>		City: <b>Artesia</b>																																																					
Project Name: <b>Lotus "ALT" Tank battery.</b>		State: <b>N.M.</b> Zip: <b>88210</b>																																																					
Project Location: <b>Sec. 32-225-32c</b>		Phone #: <b>505-748-4500</b>																																																					
Sampler Name: <b>Mike Stubblefield</b>		Fax #: <b>505-748-4635</b>																																																					

FOR LAB USE ONLY		GRAB OR (COMP. # CONTAINERS)	MATRIX						PRESERV.		SAMPLING		TPH 8015m	G-TEX 8021G	CHLORIDES 4500 CL-B
Lab I.D.	Sample I.D.		GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:	DATE			
H15983-1	1. Impacted area inside berm surface.	G			✓				✓		9/17/2008	1:30 pm	✓	✓	✓
-2	2. Impacted area inside berm. 3' BGS	G			✓				✓		9/17/2008	1:45 pm			✓
-3	3. Impacted area off location. Surface	G			✓				✓		9/17/2008	2:00 pm	✓	✓	✓
-4	4. Impacted area off location. 3' BGS	G			✓				✓		9/17/2008	2:30 pm			✓

PLEASE NOTE: Liability and Damages Cardinal's liability and their's 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 service. In no event shall Cardinal be liable for indirect or consequential damages including without limitation, 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 be either by Cardinal regardless of whether such claim is based upon any of the above stated matrices or otherwise.

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

Sampler Relinquished By: <b>Mike Stubblefield</b>		Date: <b>9/23/2008</b>	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No
Relinquished By: <b>Mike Stubblefield</b>		Time: <b>3:00 PM</b>	Received By: (Lab Staff) <b>9/25/08</b>	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No
Delivered By: (Circle One)		Date: <b>9/23/2008</b>	Time: <b>4:45</b>	REMARKS:
Sampler - UPS - <input checked="" type="radio"/> Bus - Other:		Sample Condition Temp. °C	Intact? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Checked By: (Initials) <b>MLB</b>

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

sec 32-22s-32e Lotus "ALT" tank battery

