

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

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

NSEB0836151238 **OPERATOR** Initial Report Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 TH Street	Facility Name Saguaro Water Transfer	Telephone No. 575-748-1471
Facility Name Saguaro Water Transfer	API Number 30-015-20396	Facility Type Battery
Surface Owner Federal	Mineral Owner Federal	Lease No. NM-84608

LOCATION OF RELEASE

Unit Letter P	Section 23	Township 20S	Range 24E	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy
	15	20	24					
				Latitude 32.57531		Longitude 104.57860		

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 50 B/PW	Volume Recovered 40 B/PW
Source of Release Gun Barrel	Date and Hour of Occurrence 12/14/2008 - PM	Date and Hour of Discovery 12/14/2008 - PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher, OCD, District II	
By Whom? Robert Asher, Yates Petroleum Corporation	Date and Hour 12/15/2008: PM (Voicemail and e-mail)	
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.* High winds broke water leg on gun barrel causing release. Vacuum truck called		
Describe Area Affected and Cleanup Action Taken.* An approximate area of 75' X 50'. Vacuum truck picked up remaining produced water, crew repaired water leg. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX. If initial analytical results for TPH & BTEX are under RRAL's a Final Report, C-141 will be submitted to the OCD requesting closure. If the analytical results are above the RRAL a work plan will be submitted to the OCD. Depth to Ground Water: >100' (approx. 268', per NM Office of the State Engineer), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 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:	Accepted for Release NMOCD		Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/documentation on or before the Expiration Date
Printed Name: Robert Asher	Approved by District Supervisor:		
Title: Environmental Regulatory Agent	Approval Date:	Expiration Date: 03-01-09	
E-mail Address: boba@ypenm.com	Conditions of Approval: SEE ATTACHED STIPULATIONS		Attached <input checked="" type="checkbox"/> <u>2RP-284</u>
Date: Tuesday, December 23, 2008	Phone: 575-748-4217		

* Attach Additional Sheets If Necessary

Notify OCD 48 hours prior to obtaining samples where analyses are to be presented to OCD



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



December 26, 2008

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

RE: Saguaro Water Transfer 30-015-20396
15-20S-24E Eddy County, New Mexico
2RP-284

Dear Operator:

This office is in receipt of your C-141 regarding the produced water release at this facility.

NMOCD Rule 19.15.3.116 in part states, "The responsible person must complete division approved corrective action for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC."

A guide document intended to provide direction for remediation of soils and fresh waters contaminated as a result of leaks, spills, or releases of oilfield wastes and products is found on OCD's web site at the following link:
http://www.emnrd.state.nm.us/ocd/documents/7C_spill1.pdf

The following actions are **required** to be addressed in the **remediation plan**:

- Horizontal and vertical delineation of the spill by soil sampling. Delineation is required until contamination reaches background levels or a site specific acceptable level. Any constituent(s) of concern—to include but not limited to TPH, BTEX, and Chlorides—are to be addressed in the delineation and remediation plan.
- Prepare a sketch of the site indicating where and at what depths the samples were taken.
- Submit laboratory analyses, performed by an independent commercial laboratory, of the sampling. Submit the work plan proposal (plan) for remediation, removal and/or clean up of contaminants that may be present at the site.

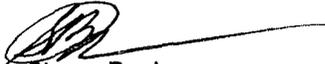
Notify the OCD **48** hours prior to obtaining samples where analyses of samples obtained are to be submitted to the OCD. Notifications are to include date and time of sample event.

Within 30 days, **on or before January 29, 2009**, completion of a remediation work plan should be finalized and submitted to the Division summarizing all actions taken or to be taken to mitigate environmental damage related to the leak, spill or release for approval.

Please be advised that NMOCD acceptance and/or approval of documents or work plans 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 and/or approval of documents or work plans do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I may be of further assistance with this matter or should you have any questions, please feel free to contact me.

Sincerely,



Sherry Bonham
NMOCD District II
575.748.1283 X109

