

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

DEC 17 2008

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form
OCD-ARTESIA

Release Notification and Corrective Action

17 SEP 09 00535437

OPERATOR		X 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. 505-748-4500 505-513-1712	
Facility Name Blast "BLA" Federal #1-30-025-36136		Facility Type drilling well.	
Surface Owner Federal		Mineral Owner.	Lease No.

3001536136

LOCATION OF RELEASE								
Unit Letter J	Section 17	Township 26s	Range 27e	Feet from the 1980'	North/South Line FSL	Feet from the 1650'	East/West Line FEL	County Eddy

Latitude __ Longitude

NATURE OF RELEASE

Type of Release Drilling fluids	Volume of Release 50 bbls	Volume Recovered 35 bbls
Source of Release. Steel pit closed loop system	Date and Hour of Occurrence 12/9/2008 6:00 am	Date and Hour of Discovery same
Was Immediate Notice Given? Yes X No Not Required	If YES, To Whom? Mike Bratcher.	
By Whom? Mike Stubblefield	Date and Hour 12/9/2008 8:30 am	
Was a Watercourse Reached? <input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* During drilling operations the steel pit closed loop system over flowed. A vacuum truck was immediately called to the location. The free standing fluids were recovered & then placed back into the closed loop system. A backhoe was called to the location. The backhoe recovered 90% of the released mud which was then placed into the roll off bend and hauled to and NMOCD approved Solid waste disposal facility. The drilling crew recovered mud using shovels.

Describe Area Affected and Cleanup Action Taken.
The impacted area was located around the steel pit closed loop system. When the drilling equipment is moved off the location. The remaining drilling mud will be excavated and then hauled to and NMOCD approved Solid waste disposal facility. Soil samples will be taken for analytical from the impacted area. Soil samples taken will be submitted to a second party lab. Analysis will be run for TPH using EPA method 8015M, B-TEX using EPA method 8260. The Chlorides will be analyzed using EPA method 4500 CL-B. When analytical results report the TPH & B-TEX to be under the RRAL. The Chlorides will be documented. A final C-141 form will be submitted to the NMOCD requesting closure for the release that occurred on 12/9/2008.
Site ranking Depth to ground water - 50'-100', Wellhead protection area - > 1000', Distance to surface water body - > 1000' Site ranking score - 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>	OIL CONSERVATION DIVISION	
Printed Name: Mike Stubblefield	Accepted for record	
Title: Environmental Regulatory Agent	NMOCD	
E-mail Address: mikes@ypcnm.com	Approved by District Supervisor:	Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/documentation on or before the Expiration Date.
Date: 12/17/2008	Approval Date: <i>1-3-09</i>	Expiration Date: <i>03-05-09</i>
Phone: 505-748-4500	Conditions of Approval: <i>WORK PLAN REQUEST LETTER</i>	Attached <input checked="" type="checkbox"/>

2RP - *289*

* Attach Additional Sheets If Necessary



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



January 5, 2009

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

RE: Blast BLA Federal 001 30-015-36136
J-17-26S-27E Eddy County, New Mexico
2RP-289

Dear Operator:

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

NMOCD Rule 19.15.3.116 NMAC states in part, "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 results of sampling and the work plan proposal (plan) for remediation, removal and/or clean up of contaminants that may be present at the site.

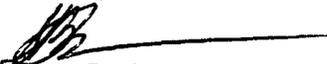
Notify the OCD **48** hours prior to obtaining samples where analyses of samples obtained are to be submitted to the OCD. Notification is to include date and time of sample event.

Within 30 days, **on or before February 5, 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

