

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

**RECEIVED**

Form C-141  
Revised October 10, 2003

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

MAR 02 2009

**HOBBSOCD**

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

**Release Notification and Corrective Action**

**OPERATOR**

X 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 Abby BLF State #1 30-025-38951	Facility Type Drilling Pit

Surface Owner Fee	Mineral Owner	Lease No.
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**LOCATION OF RELEASE**

Unit Letter N	Section 10	Township 9s	Range 33e	Feet from the	North/South Line FNL	Feet from the	East/West Line FEL	County Lea
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Latitude 35.54234 Longitude 103.55526

**NATURE OF RELEASE**

Type of Release Drilling Fluids	Volume of Release Unknown	Volume Recovered 0
Source of Release Drilling reserve pit.	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 2/6/2009
Was Immediate Notice Given? Yes No X Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.\*  
  
*WATER @ 65'*

Describe Cause of Problem and Remedial Action Taken.\*  
The drilling reserve pit located at the Abby BLF State #1 is currently being closed with an approved C-144 form under NMOCD Rule 17. The pit material was excavated and hauled to Gandy Marley Inc. an NMOCD approved Solid waste disposal facilities. The drilling reserve pit was excavated to an average depth of 8' bgs. Soil samples were taken on 2/6/2009 from the bottom of the cleaned out drilling pit bottom. The soil samples were submitted to a second party Lab for analysis. The Chlorides were reported to be above the closure requirements of 500 mg/kg. in the bottom of the cleaned out drilling reserve pit. Analytical results reported by Cardinal Lab showed the NW section of the cleaned out drilling pit Chlorides-15,600 ppm; NE section CL.-1,710 ppm, SW section CL.-27,600 ppm, SE section CL.-11,600 ppm & center section CL.-7,120 ppm.

Describe Area Affected and Cleanup Action Taken.\*  
Vertical delineation for Chlorides will be taken in the bottom of the drilling pit using an auger rig. A five spot composite soil sample will be taken from the bottom of the drilling pit bottom. The soil samples taken will be submitted to a second party Lab and analysis ran for THP using EPA Method 8015M & 418 1, B-TEX using EPA Method 8021. The Chlorides will be analyzed using EPA Method 4500 CL-B. The Chlorides will be documented to 500 mg/kg. A 20 mil Liner will be installed in the bottom of the cleaned out drilling pit at a minimum depth of 4' bgs. The cleaned out drilling pit area will then be backfilled back to grade with clean soil using the division prescribed soil cover. A final C-141 form will be submitted for the closure of the release that occurred at the Abby BLF State #1. Depth to ground water 50'-100', Wellhead protection area > 1000', Distance to surface water body > 1000' Site ranking 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>mae Stubblefield</i>		<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Mike Stubblefield		Approved by District Supervisor: <i>Jeffrey Laking</i>	
Title: Environmental Regulatory Agent		Approval Date: 03/02/2009	Expiration Date: 05/01/2009
E-mail Address: mikes@ypcnm.com		Conditions of Approval: SUBMIT FINAL C-141 BY 05/01/09.	
Date: 2/24/2009	Phone: 505-748-4500	Attached <input type="checkbox"/> RP:09.03.2114	

- Attach Additional Sheets If Necessary

AGRL0906147584



# ARDINAL LABORATORIES

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

ANALYTICAL RESULTS FOR  
YATES PETROLEUM CORPORATION  
ATTN: SCOTT PITTS  
105 SOUTH 4TH STREET  
ARTESIA, NM 88210  
FAX TO: (575) 748-4229

Receiving Date: 02/19/09  
Reporting Date: 02/19/09  
Project Number: NOT GIVEN  
Project Name: ABBY BLF ST. #1  
Project Location: NOT GIVEN

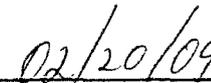
Analysis Date: 02/19/09  
Sampling Date: 02/18/09  
Sample Type: SOIL  
Sample Condition: INTACT  
Sample Received By: ML  
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/kg)
H16930-1	ABBY NW	15,600
H16930-2	ABBY NE	1,710
H16930-3	ABBY SW	27,600
H16930-4	ABBY SE	11,600
H16930-5	ABBY CENTER	7,120
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods	4500-Cl <sup>-</sup> B
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Note: Analyses performed on 1:4 w:v aqueous extracts.

  
Cheryl Keene  
Chemist

  
Date

H16930 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.



# CARDINAL LABORATORIES

101 East Mariand, Hobbs, NM 88240  
(575) 393-2326 Fax (575) 393-2476

E-mail [scottp@yatespetroleum.com](mailto:scottp@yatespetroleum.com)

Page \_\_\_\_ of \_\_\_\_

Company Name: <u>Yates Petroleum Corp</u>		<b>BILL TO</b>		<b>ANALYSIS REQUEST</b>									
Project Manager: <u>Scott Pitts</u>		P.O. #: <u>103-2542</u>											
Address: <u>105 S. 4th</u>		Company: <u>Yates Petroleum</u>											
City: <u>Artesia</u> State: <u>NM</u> Zip: <u>88210</u>		Attn: <u>Scott Pitts</u>											
Phone #: <u>(575) 385-4716</u> Fax #: <u>575-748-4229</u>		Address:											
Project #: _____ Project Owner: _____		City:											
Project Name: <u>Abby BLE ST #1</u>		State: _____ Zip: _____											
Project Location: _____		Phone #: _____											
Sampler Name: <u>Scott Pitts</u>		Fax #: _____											

Chlorides 300.1

FOR LAB USE ONLY		(GRAB OR (C)OMP)	# CONTAINERS	MATRIX						PRESERV			SAMPLING	
Lab I.D.	Sample I.D.			GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACID/BASE	ICE/COOL	OTHER	DATE	TIME
H16930-1	Abby NW										2-18-09	11 AM	✓	
-2	Abby NE										"	"	✓	
-3	Abby SW										"	"	✓	
-4	Abby SE										"	"	✓	
-5	Abby Center										"	"	✓	

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 the client for the 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 30 days after completion of the applicable analysis. 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, or other persons 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.

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 collections, including attorney's fees.

Sampler Relinquished By: <u>To Mike Goodloe</u>		Date: <u>2-19-09</u>	Received By: <u>Mike Goodloe</u>	Phone Result: <input type="checkbox"/>	No Add'l Phone #:
Relinquished By: <u>[Signature]</u>		Time: <u>2:00 PM</u>	Date: <u>2-19-09</u>	Fax Result: <input type="checkbox"/>	No Add'l Fax #:
Delivered By: <u>[Signature]</u>		Time: <u>3:05</u>	Received By: <u>Nancy LeBout</u>	REMARKS: <u>Push of</u>	
Sampler - UPS - Bus - Other:		Temp. _____	Sample Condition: Cool <input type="checkbox"/> Intact <input checked="" type="checkbox"/>	CHECKED BY: <u>(Initials) NCLB</u>	
			Yes <input type="checkbox"/> No <input type="checkbox"/>		

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.