

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

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

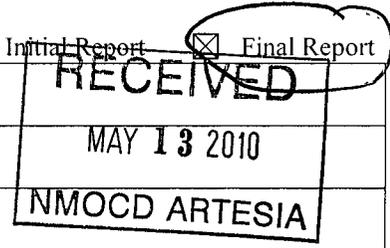
NMLB1014047877

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 TH Street	Telephone No. 575-748-1471	
Facility Name Compromise SWD #1	API Number 30-015-25665	Facility Type Battery



Surface Owner Federal (Bureau of Reclamation)	Mineral Owner Federal	Lease No. NM-65392
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LOCATION OF RELEASE

Unit Letter H	Section 30	Township 18S	Range 27E	Feet from the 1980	North/South Line North	Feet from the 800	East/West Line East	County Eddy
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Latitude 32.72051 Longitude 104.31146

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 20 B/PW	Volume Recovered 12 B/PW
Source of Release Murphy Switch gauge	Date and Hour of Occurrence 8/15/2009 - PM	Date and Hour of Discovery 8/15/2009 - PM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour N/A	
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.*
Nipple broke on Murphy Switch gauge.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 30' X 45'. Impacted soils to be scraped up and taken to an NMOCD approved facility. Vertical/horizontal delineation will be conducted to determine extent of impacted soils. sample will be analysed for THP/BTEX (chlorides for documentation), if results are within RRAL's for the site ranking a request for closure will be submitted. **Depth to Ground Water: < 50' (approximately 35'), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 20. Based on impacted soils excavated/removed and analytical results, Yates Petroleum Corporation requests closure.**

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:	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Approved by	
Title: Environmental Regulatory Agent	Approval Date: MAY 20 2010	Expiration Date: NA
E-mail Address: boba@yatespetroleum.com	Conditions of Approval:	Attached <input checked="" type="checkbox"/>
Date: Tuesday, May 11, 2010	Phone: 575-748-4217	

* Attach Additional Sheets If Necessary

JRP-412



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Yates Petroleum Corporation
104 S. 4th St.
Artesia, NM 88210
ATTN: Robert Asher

May 20, 2010

Reference: Compromise SWD 30-015-25662 H-30-18S-27E Eddy County, New Mexico

Dear Mr. Asher,

In reviewing the closure proposal submitted for the 8/15/09 release at the above referenced well site, it is noted that Yates proposes to leave what OCD considers to be elevated chloride impacted soils in place. Be advised that typically in areas such as this, where depth to ground water is less than 50 feet bgs, OCD would likely require removal of some, or all, of this material. It has been observed that while performing remedial investigations at this site previously, there exists an extremely compacted clay soil layer that is encountered at approximately 4 feet to 10 feet bgs.

In this instance, OCD will take into consideration the naturally occurring clay stratum, and, the relatively low volume and salt content of the material proposed to leave in place, and accept this closure proposal.

While OCD does not consider the clay stratum to be a complete retardant to migrating contaminants, OCD does agree, that in this case, the likelihood of significant impact to ground water, surface water, human health and the environment is limited.

For future releases that may occur at this site, OCD may consider the accumulative amount of contaminants based on current and past releases, and require more stringent remedial actions.

Be advised that OCD acceptance and/or approval of this closure does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment. In addition, OCD acceptance and/or approval of this closure does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

Mike Bratcher
NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
575-748-1283 Ext. 108

