

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

JAN 23 2009
OCD-ARTESIA
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	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 TH Street	Telephone No. 575-748-1471	
Facility Name Samuel Smith Unit #1	API Number 30-015- 32351 32581	Facility Type Battery
Surface Owner State	Mineral Owner	Lease No. V0-5824

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
1	32	23S	24E	1400	South	1170	East	Eddy

Latitude 32.25686 Longitude 104.51498

NATURE OF RELEASE

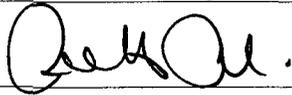
Type of Release Produced Water	Volume of Release 60 B/PW	Volume Recovered 0 B/PW
Source of Release Water Tank	Date and Hour of Occurrence 12/18/2008- PM	Date and Hour of Discovery 12/18/2008 - PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher, OCD, District II	
By Whom? Robert Asher, Yates Petroleum Corporation	Date and Hour 12/19/2008: AM (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	

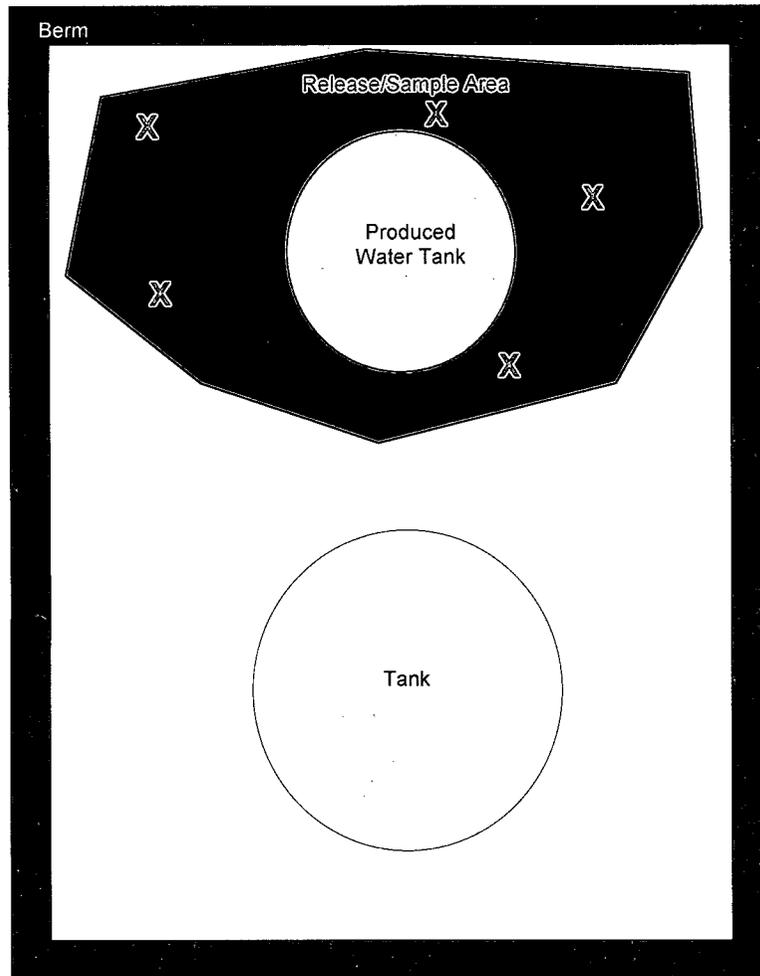
If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*
Water line off back of tank froze and pulled away from tank causing fiberglass to give way. Vacuum truck called to empty tank, crew called to make repairs.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 30' X 20'. Vacuum truck emptied tank, crew repaired water line. 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. 663', per NM Office of the State Engineer), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on analytical results are below RRAL's, depth to ground water and Site Ranking is Zero (0), 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 District Supervisor:	Accepted for record NMOCD
Title: Environmental Regulatory Agent	Approval Date:	Expiration Date:
E-mail Address: boba@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Wednesday, January 21, 2009	Phone: 575-748-4217	



Sample ID	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TPH TOTAL	Chlorides
GS/Comp-001	1/2/2009	Grab/Composite	4"	ND	ND	448	448	6920

Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 636'). All results are ppm. Chloride results are for reference purposes. Because of a rocky subsurface approximately 4" below ground surface, deeper delineation was not possible.



Samuel Smith Unit #1
Section 32, T23S-R24E
Eddy County, NM

Sample Diagram
(Not to Scale)
Prepared by Robert Asher
Environmental Regulatory Agent
January 21, 2009

Analytical Report 321709

for

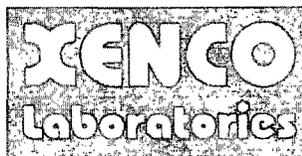
Yates Petroleum Corporation

Project Manager: Robert Asher

Samuel Smith Unit # 1

30-015-32581

09-JAN-09



12600 West I-20 East Odessa, Texas 79765

Texas certification numbers:

Houston, TX T104704215-08B-TX - Odessa/Midland, TX T104704400-08-TX

Florida certification numbers:

Houston, TX E871002 - Miami, FL E86678 - Tampa, FL E86675

Norcross(Atlanta), GA E87429

South Carolina certification numbers:

Norcross(Atlanta), GA 98015

North Carolina certification numbers:

Norcross(Atlanta), GA 483

Houston - Dallas - San Antonio - Tampa - Miami - Latin America

Midland - Corpus Christi - Atlanta



09-JAN-09

Project Manager: **Robert Asher**
Yates Petroleum Corporation
105 South Fourth St.
Artesia, NM 88210

Reference: XENCO Report No: **321709**
Samuel Smith Unit # 1
Project Address: Eddy County

Robert Asher:

We are reporting to you the results of the analyses performed on the samples received under the project name referenced above and identified with the XENCO Report Number 321709. All results being reported under this Report Number apply to the samples analyzed and properly identified with a Laboratory ID number. Subcontracted analyses are identified in this report with either the NELAC certification number of the subcontract lab in the analyst ID field, or the complete subcontracted report attached to this report.

Unless otherwise noted in a Case Narrative, all data reported in this Analytical Report are in compliance with NELAC standards. Estimation of data uncertainty for this report is found in the quality control section of this report unless otherwise noted. Should insufficient sample be provided to the laboratory to meet the method and NELAC Matrix Duplicate and Matrix Spike requirements, then the data will be analyzed, evaluated and reported using all other available quality control measures.

The validity and integrity of this report will remain intact as long as it is accompanied by this letter and reproduced in full, unless written approval is granted by XENCO Laboratories. This report will be filed for at least 5 years in our archives after which time it will be destroyed without further notice, unless otherwise arranged with you. The samples received, and described as recorded in Report No. 321709 will be filed for 60 days, and after that time they will be properly disposed without further notice, unless otherwise arranged with you. We reserve the right to return to you any unused samples, extracts or solutions related to them if we consider so necessary (e.g., samples identified as hazardous waste, sample sizes exceeding analytical standard practices, controlled substances under regulated protocols, etc).

We thank you for selecting XENCO Laboratories to serve your analytical needs. If you have any questions concerning this report, please feel free to contact us at any time.

Respectfully,

Brent Barron, II

Odessa Laboratory Manager

Recipient of the Prestigious Small Business Administration Award of Excellence in 1994.

Certified and approved by numerous States and Agencies.

A Small Business and Minority Status Company that delivers SERVICE and QUALITY

Houston - Dallas - San Antonio - Austin - Tampa - Miami - Atlanta - Corpus Christi - Latin America



Sample Cross Reference 321709



Yates Petroleum Corporation, Artesia, NM
Samuel Smith Unit # 1

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
GS/Comp-001	S	Jan-02-09 11:05	4 - 6 In	321709-001



Certificate of Analysis Summary 321709

Yates Petroleum Corporation, Artesia, NM



Project Id: 30-015-32581

Contact: Robert Asher

Project Location: Eddy County

Project Name: Samuel Smith Unit # 1

Date Received in Lab: Tue Jan-06-09 11:50 am

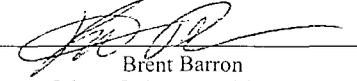
Report Date: 09-JAN-09

Project Manager: Brent Barron, II

<i>Analysis Requested</i>	<i>Lab Id:</i>	321709-001					
	<i>Field Id:</i>	GS/Comp-001					
	<i>Depth:</i>	4-6 In					
	<i>Matrix:</i>	SOIL					
	<i>Sampled:</i>	Jan-02-09 11:05					
BTEX by EPA 8021B	<i>Extracted:</i>	Jan-07-09 10:00					
	<i>Analyzed:</i>	Jan-07-09 20:25					
	<i>Units/RL:</i>	mg/kg RL					
Benzene		ND 0.0011					
Toluene		ND 0.0021					
Ethylbenzene		ND 0.0011					
m,p-Xylenes		ND 0.0021					
o-Xylene		ND 0.0011					
Total Xylenes		ND 0.0021					
Total BTEX		ND 0.0011					
Percent Moisture	<i>Extracted:</i>	Jan-06-09 17:00					
	<i>Analyzed:</i>	Jan-06-09 17:00					
	<i>Units/RL:</i>	% RL					
Percent Moisture		5.72 1.00					
TPH By SW8015B Mod	<i>Extracted:</i>	Jan-07-09 13:51					
	<i>Analyzed:</i>	Jan-07-09 13:51					
	<i>Units/RL:</i>	mg/kg RL					
C6-C10 Gasoline Range Hydrocarbons		ND 15.9					
C10-C28 Diesel Range Hydrocarbons		448 15.9					
Total TPH		448 15.9					

This analytical report, and the entire data package it represents, has been made for your exclusive and confidential use. The interpretations and results expressed throughout this analytical report represent the best judgment of XENCO Laboratories. XENCO Laboratories assumes no responsibility and makes no warranty to the end use of the data hereby presented. Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

Since 1990 Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America - Atlanta - Corpus Christi


Brent Barron
Odessa Laboratory Director



Flagging Criteria



- X** In our quality control review of the data a QC deficiency was observed and flagged as noted. MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to effect the recovery of the spike concentration. This condition could also effect the relative percent difference in the MS/MSD.
- B** A target analyte or common laboratory contaminant was identified in the method blank. Its presence indicates possible field or laboratory contamination.
- D** The sample(s) were diluted due to targets detected over the highest point of the calibration curve, or due to matrix interference. Dilution factors are included in the final results. The result is from a diluted sample.
- E** The data exceeds the upper calibration limit; therefore, the concentration is reported as estimated.
- F** RPD exceeded lab control limits.
- J** The target analyte was positively identified below the MQL and above the SQL.
- U** Analyte was not detected.
- L** The LCS data for this analytical batch was reported below the laboratory control limits for this analyte. The department supervisor and QA Director reviewed data. The samples were either reanalyzed or flagged as estimated concentrations.
- H** The LCS data for this analytical batch was reported above the laboratory control limits. Supporting QC Data were reviewed by the Department Supervisor and QA Director. Data were determined to be valid for reporting.
- K** Sample analyzed outside of recommended hold time.
- JN** A combination of the "N" and the "J" qualifier. The analysis indicates that the analyte is "tentatively identified" and the associated numerical value may not be consistent with the amount actually present in the environmental sample.

* Outside XENCO's scope of NELAC Accreditation.

*Recipient of the Prestigious Small Business Administration Award of Excellence in 1994.
Certified and approved by numerous States and Agencies.*

A Small Business and Minority Status Company that delivers SERVICE and QUALITY

Houston - Dallas - San Antonio - Corpus Christi - Midland/Odessa - Tampa - Miami - Latin America

	Phone	Fax
4143 Greenbriar Dr, Stafford, Tx 77477	(281) 240-4200	(281) 240-4280
9701 Harry Hines Blvd , Dallas, TX 75220	(214) 902 0300	(214) 351-9139
5332 Blackberry Drive, San Antonio TX 78238	(210) 509-3334	(210) 509-3335
2505 North Falkenburg Rd, Tampa, FL 33619	(813) 620-2000	(813) 620-2033
5757 NW 158th St, Miami Lakes, FL 33014	(305) 823-8500	(305) 823-8555
12600 West I-20 East, Odessa, TX 79765	(432) 563-1800	(432) 563-1713
842 Cantwell Lane, Corpus Christi, TX 78408	(361) 884-0371	(361) 884-9116

Analytical Report 321710

for

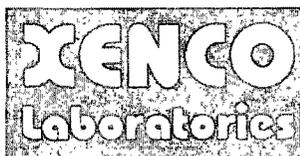
Yates Petroleum Corporation

Project Manager: Robert Asher

Samuel Smith Unit # 1

30-015-32581

08-JAN-09



12600 West I-20 East Odessa, Texas 79765

Texas certification numbers:

Houston, TX T104704215-08B-TX - Odessa/Midland, TX T104704400-08-TX

Florida certification numbers:

Houston, TX E871002 - Miami, FL E86678 - Tampa, FL E86675

Norcross(Atlanta), GA E87429

South Carolina certification numbers:

Norcross(Atlanta), GA 98015

North Carolina certification numbers:

Norcross(Atlanta), GA 483

Houston - Dallas - San Antonio - Tampa - Miami - Latin America

Midland - Corpus Christi - Atlanta



08-JAN-09

Project Manager: **Robert Asher**
Yates Petroleum Corporation
105 South Fourth St.
Artesia, NM 88210

Reference: XENCO Report No: **321710**
Samuel Smith Unit # 1
Project Address: Eddy County

Robert Asher:

We are reporting to you the results of the analyses performed on the samples received under the project name referenced above and identified with the XENCO Report Number 321710. All results being reported under this Report Number apply to the samples analyzed and properly identified with a Laboratory ID number. Subcontracted analyses are identified in this report with either the NELAC certification number of the subcontract lab in the analyst ID field, or the complete subcontracted report attached to this report.

Unless otherwise noted in a Case Narrative, all data reported in this Analytical Report are in compliance with NELAC standards. Estimation of data uncertainty for this report is found in the quality control section of this report unless otherwise noted. Should insufficient sample be provided to the laboratory to meet the method and NELAC Matrix Duplicate and Matrix Spike requirements, then the data will be analyzed, evaluated and reported using all other available quality control measures.

The validity and integrity of this report will remain intact as long as it is accompanied by this letter and reproduced in full, unless written approval is granted by XENCO Laboratories. This report will be filed for at least 5 years in our archives after which time it will be destroyed without further notice, unless otherwise arranged with you. The samples received, and described as recorded in Report No. 321710 will be filed for 60 days, and after that time they will be properly disposed without further notice, unless otherwise arranged with you. We reserve the right to return to you any unused samples, extracts or solutions related to them if we consider so necessary (e.g., samples identified as hazardous waste, sample sizes exceeding analytical standard practices, controlled substances under regulated protocols, etc).

We thank you for selecting XENCO Laboratories to serve your analytical needs. If you have any questions concerning this report, please feel free to contact us at any time.

Respectfully,

Brent Barron, II

Odessa Laboratory Manager

*Recipient of the Prestigious Small Business Administration Award of Excellence in 1994.
Certified and approved by numerous States and Agencies.
A Small Business and Minority Status Company that delivers SERVICE and QUALITY
Houston - Dallas - San Antonio - Austin - Tampa - Miami - Atlanta - Corpus Christi - Latin America*



Sample Cross Reference 321710



Yates Petroleum Corporation, Artesia, NM
Samuel Smith Unit # 1

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
GS/Comp-001	S	Jan-02-09 11:05		321710-001



Certificate of Analysis Summary 321710

Yates Petroleum Corporation, Artesia, NM



Project Id: 30-015-32581
 Contact: Robert Asher
 Project Location: Eddy County

Date Received in Lab: Tue Jan-06-09 11:50 am
 Report Date: 08-JAN-09
 Project Manager: Brent Barron, II

Analysis Requested	Lab Id:	321710-001				
	Field Id:	GS/Comp-001				
Anions by EPA 300	Depth:					
	Matrix:	SOIL				
	Sampled:	Jan-02-09 11:05				
Percent Moisture	Extracted:					
	Analyzed:	Jan-07-09 17:10				
	Units/RL:	mg/kg RL				
Percent Moisture	Extracted:					
	Analyzed:	Jan-06-09 17:00				
	Units/RL:	% RL				
Chloride		6920	106			
Percent Moisture		5.72	1.00			

This analytical report, and the entire data package it represents, has been made for your exclusive and confidential use. The interpretations and results expressed throughout this analytical report represent the best judgment of XENCO Laboratories. XENCO Laboratories assumes no responsibility and makes no warranty to the end use of the data hereby presented. Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

Since 1990 Houston • Dallas • San Antonio • Austin • Tampa • Miami • Latin America • Atlanta • Corpus Christi

Brent Barron
 Odessa Laboratory Director



Flagging Criteria



- X** In our quality control review of the data a QC deficiency was observed and flagged as noted. MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to effect the recovery of the spike concentration. This condition could also effect the relative percent difference in the MS/MSD.
 - B** A target analyte or common laboratory contaminant was identified in the method blank. Its presence indicates possible field or laboratory contamination.
 - D** The sample(s) were diluted due to targets detected over the highest point of the calibration curve, or due to matrix interference. Dilution factors are included in the final results. The result is from a diluted sample.
 - E** The data exceeds the upper calibration limit; therefore, the concentration is reported as estimated.
 - F** RPD exceeded lab control limits.
 - J** The target analyte was positively identified below the MQL and above the SQL.
 - U** Analyte was not detected.
 - L** The LCS data for this analytical batch was reported below the laboratory control limits for this analyte. The department supervisor and QA Director reviewed data. The samples were either reanalyzed or flagged as estimated concentrations.
 - H** The LCS data for this analytical batch was reported above the laboratory control limits. Supporting QC Data were reviewed by the Department Supervisor and QA Director. Data were determined to be valid for reporting.
 - K** Sample analyzed outside of recommended hold time.
 - JN** A combination of the "N" and the "J" qualifier. The analysis indicates that the analyte is "tentatively identified" and the associated numerical value may not be consistent with the amount actually present in the environmental sample.
- * Outside XENCO's scope of NELAC Accreditation.

Recipient of the Prestigious Small Business Administration Award of Excellence in 1994.

Certified and approved by numerous States and Agencies.

A Small Business and Minority Status Company that delivers SERVICE and QUALITY

Houston - Dallas - San Antonio - Corpus Christi - Midland/Odessa - Tampa - Miami - Latin America

	Phone	Fax
4143 Greenbriar Dr, Stafford, Tx 77477	(281) 240-4200	(281) 240-4280
9701 Harry Hines Blvd , Dallas, TX 75220	(214) 902 0300	(214) 351-9139
5332 Blackberry Drive, San Antonio TX 78238	(210) 509-3334	(210) 509-3335
2505 North Falkenburg Rd, Tampa, FL 33619	(813) 620-2000	(813) 620-2033
5757 NW 158th St, Miami Lakes, FL 33014	(305) 823-8500	(305) 823-8555
12600 West I-20 East, Odessa, TX 79765	(432) 563-1800	(432) 563-1713
842 Cantwell Lane, Corpus Christi, TX 78408	(361) 884-0371	(361) 884-9116

Environmental Lab of Texas
Variance/ Corrective Action Report- Sample Log-In

Client: Yates Pet.
 Date/ Time: 1-6-09 11:50
 Lab ID #: 321709 / 321710
 Initials: AL

Sample Receipt Checklist

			Client Initials		
#1	Temperature of container/ cooler?	Yes	No	3.5 °C	
#2	Shipping container in good condition?	Yes	No		
#3	Custody Seals intact on shipping container/ cooler?	Yes	No	Not Present	
#4	Custody Seals intact on sample bottles/ container?	Yes	No	Not Present	
#5	Chain of Custody present?	Yes	No		
#6	Sample instructions complete of Chain of Custody?	Yes	No		
#7	Chain of Custody signed when relinquished/ received?	Yes	No		
#8	Chain of Custody agrees with sample label(s)?	Yes	No	ID written on Cont / Lid	
#9	Container label(s) legible and intact?	Yes	No	Not Applicable	
#10	Sample matrix/ properties agree with Chain of Custody?	Yes	No		
#11	Containers supplied by ELOT?	Yes	No		
#12	Samples in proper container/ bottle?	Yes	No	See Below	
#13	Samples properly preserved?	Yes	No	See Below	
#14	Sample bottles intact?	Yes	No		
#15	Preservations documented on Chain of Custody?	Yes	No		
#16	Containers documented on Chain of Custody?	Yes	No		
#17	Sufficient sample amount for indicated test(s)?	Yes	No	See Below	
#18	All samples received within sufficient hold time?	Yes	No	See Below	
#19	Subcontract of sample(s)?	Yes	No	Not Applicable	
#20	VOC samples have zero headspace?	Yes	No	Not Applicable	

Variance Documentation

Contact: _____ Contacted by: _____ Date/ Time: _____

Regarding: _____

Corrective Action Taken: _____

- Check all that Apply:
- See attached e-mail/ fax
 - Client understands and would like to proceed with analysis
 - Cooling process had begun shortly after sampling event

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986

S. P. YATES
1914-2008



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

JOHN A. YATES
CHAIRMAN OF THE BOARD
PRESIDENT

DAVID LANNING
CHIEF OPERATING OFFICER

JAN 23 2009
OCD-ARTESIA

January 21, 2009

Mr. Mike Bratcher
NMOCD District II
1301 West Grand
Artesia, NM 88210

Re: Samuel Smith Unit #1
2RP-285
30-015-32581
Section 32, T23S-R24E
Eddy County, New Mexico

Dear Mr. Bratcher,

Enclosed please find a Form C-141, Final Report for the above captioned site regarding the release on 12/18/2008 (60 B/PW with 0 B/PW recovered). Samples were taken (1/2/2009), an OCD approved laboratory tested the samples and the results (enclosed with a sample diagram) are within the RRAL's for the site ranking (BTEX, <50 ppm; TPH, <5000 ppm), chloride results are for reference. Further delineation was not possible due to a rocky subsurface (approximately 4" below the ground surface). Site ranking is zero (0), with the depth to ground water >100' (approximately 636', per New Mexico Office of the State Engineer). Yates Petroleum Corporation requests closure.

If you have any questions, please call me at 505-748-4217.

Thank you.

YATES PETROLEUM CORPORATION

A handwritten signature in black ink, appearing to read 'Robert Asher'.

Robert Asher
Environmental Regulatory Agent

/rca
Enclosure(s)