

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

OCT 16 2007

OCD-ARTESIA

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

Release Notification and Corrective Action

30-015-34563

OPERATOR

X Initial Report ~~X~~ Final Report

Name of Company Yates Petroleum Corporation	Contact Mike Stubblefield
Address 105 South 4 th Street, Artesia, N.M. 88210	Telephone No. 505-7484500 505-513-1712
Facility Name Wyatt BHT State #1	Facility Type Drilling well

Surface Owner State	Mineral Owner	Lease No.
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LOCATION OF RELEASE

Unit Letter B	Section 6	Township 25s	Range 30e	Feet from the 330'	North/South Line FNL	Feet from the 2310'	East/West Line FWL	County Eddy
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Latitude 32.16557 Longitude 103.9192

NATURE OF RELEASE

Type of Release Diesel	Volume of Release 5.4 bbls	Volume Recovered 0 bbls
Source of Release Rig fuel tank	Date and Hour of Occurrence 10/9/2007 1:25pm	Date and Hour of Discovery 10/9/2007 1:25pm
Was Immediate Notice Given? Yes X No Not Required	If YES, To Whom? New Mexico Environmental Dept./Stephen Connolly	
By Whom? Mike Stubblefield	Date and Hour 10/10/2007 11:30am	
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.*

Driver holed up to the front valve to unload diesel unaware that the valve at the back of the tank was in the open position, both of these fill lines are connected together and into a T at the top of the tank. After unloading aprox 1000 gal. Diesel he noticed the fuel leaking and shut off pump, closed valve and continued to fill the tank.

Describe Area Affected and Cleanup Action Taken The affected area is on the South west side of the location on the well pad & in an area off location which runs parallel with the edge of the location. Remediation actions will be conducted by Ocotillo Environmental.

The impacted soils from the release will be excavated & hauled to and O.C.D. approved solid waste disposal facility. Soil samples will be taken from excavated area and sent to a second party lab. Soil samples will be tested for TPH & B-tex. When final analytical results reflect the TPH & B-tex to be under the RRAL for the site, a final C-141 form will be submitted to OCD requesting closure for the release that occurred on 10/9/2007.

Depth to ground water - > 50', Wellhead protection area - > 1000', Distance to surface water body - > 1000' Site ranking score 0 points.

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		Approved by District Supervisor: <i>[Signature]</i>	
Title: Environmental Regulatory Agent		Approval Date:	Expiration Date: OCT 16 2007
E-mail Address: mikes@ypcnm.com		Conditions of Approval:	Attached <input type="checkbox"/>
Date: 10/15/2007	Phone: 505-748-4500		

* Attach Additional Sheets If Necessary



PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
YATES PETROLEUM CORPORATION
ATTN: MIKE STUBBLEFIELD
105 SOUTH 4th STREET
ARTESIA, NM 88210
FAX TO: (505) 748-4335

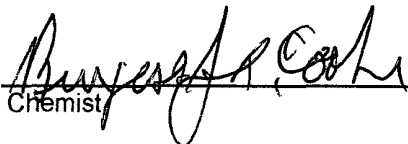
Receiving Date: 09/04/07
Reporting Date: 09/06/07
Project Number: NOT GIVEN
Project Name: ZINGARO ANG
Project Location: UT. H 1-22S-23E

Sampling Date: 08/29/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: BC/KS

LAB NUMBER	SAMPLE ID	GRO	DRO	CI*
		(C ₆ -C ₁₀) (mg/Kg)	(>C ₁₀ -C ₂₈) (mg/Kg)	(mg/Kg)
ANALYSIS DATE		09/04/07	09/04/07	09/06/07
H13226-1	SURF. SAMPLE IMPACTED	<10.0	<10.0	656
	AREA BY 8" WATER LINE			
Quality Control		771	779	500
True Value QC		800	800	500
% Recovery		97.4	96.4	100
Relative Percent Difference		3.7	4.0	<0.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; CI: Std. Methods 4500-CI-B

*Analysis performed on a 1:4 w:v aqueous extract.


Chemist

9/06/07
Date

H13226A 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.



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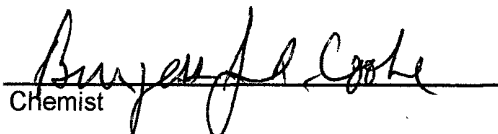
ANALYTICAL RESULTS FOR
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FAX TO: (505) 748-4335

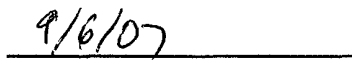
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Reporting Date: 09/06/07
Project Number: NOT GIVEN
Project Name: ZINGARO ANG
Project Location: UT. H 1-22S-23E

Sampling Date: 08/29/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: BC

LAB NO.	SAMPLE ID	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE		09/04/07	09/04/07	09/04/07	09/04/07
H13226-1	SURF. SAMPLE IMPACTED AREA BY 8" WATER LINE	<0.002	<0.002	<0.002	<0.006
Quality Control		0.102	0.096	0.092	0.256
True Value QC		0.100	0.100	0.100	0.300
% Recovery		102	96.1	91.6	85.2
Relative Percent Difference		5.3	0.9	4.1	3.9

METHOD: EPA SW-846 8260


Chemist


Date

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(325) 673-7001 Fax (325) 673-7020 (505) 393-2326 Fax (505) 393-2476

Page ____ of ____

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Term and Condition: 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 at costs of collections, including attorney's fees.

Sampler Relinquished By:  Relinquished By:		Date: 8/31/07 Time: 2:30 PM		Received By: 		Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No REMARKS:	
Delivered By: (Circle One) Sampler - UPS - <u>Bus</u> - Other:		Date: 9/4/07 Time: 12:30 PM		Received By: (Lab Staff) 		Sample Condition Temp. °C <input type="checkbox"/> Intact? <input type="checkbox"/>  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Checked By: (Initials)	

† Cardinal cannot accept verbal changes. Please fax written changes to (325) 673-7020.