

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

OCT 01 2008
OCD-ARTESIA

Form C-141
Revised October 10, 2003

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

nMLB 0900630709

Release Notification and Corrective Action

30-005-64003

OPERATOR

X Initial Report Final Report

Name of Company Yates Petroleum Corporation 25575	Contact Mike Stubblefield
Address 105 South 4 th Street, Artesia, N.M 88210	Telephone No. 505-7484500 505-513-1712
Facility Name Oreck BDO Com #1 30-005-63595 → CANCEL (NAPD)	Facility Type Drilling Pit

Surface Owner Fec	Mineral Owner	Lease No.
-------------------	---------------	-----------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	21	10s	26c	990' 2150 N	FNL	1980' 1780 E	FEL	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Drilling Fluids	Volume of Release Unknown	Volume Recovered 0
Source of Release Drilling pit	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 9/26/2008
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.*

Describe Cause of Problem and Remedial Action Taken.*
The drilling reserve pit located at the Oreck "BDO" Com #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 facility. Soil samples were taken on 9/25/2008 from bottom of the cleaned out drilling pit. Soil samples taken were submitted to a second party Lab and analysis ran for THP using EPA Method 8015M & 418.1, B-TEX using EPA Method 8021, and Chlorides using EPA Method 4500 CL-B. Analytical results dated 9/26/2008 from Cardinal Lab. reported the GRO-<25 mg/kg, DRO-<25. mg/kg, Total TPH <100 mg/kg, B-TEX <50mg/kg, Benzene .050 mg/kg and Chlorides 5,200 mg/kg. The GRO, DRO, Total TPH, B-TEX and Benzene did not exceed the requirements for closure of the drilling pit under NMOCD Rule 17. The Chlorides were reported to be above the closure requirements of 500 mg/kg

Describe Area Affected and Cleanup Action Taken.*
The Chloride impacted soil located in the cleaned out drilling pit bottom will be excavated and hauled to Gandy Marley Inc. When analytical results from a five spot composite soil sample taken from the bottom of the cleaned out drilling pit area, report the Chlorides not to exceed 500 mg/kg or the background concentration what ever is greater, the excavation will be concluded. The cleaned out drilling pit area will then be backfilled back to grade with earthen material using the division prescribed soil cover on the site re-vegetate
Depth to ground water < 50', Wellhead protection area > 1000', Distance to surface water body > 1000' Site ranking 20.

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: <u>Mike Stubblefield</u>	TIM GUM OIL CONSERVATION DIVISION by MB	
Printed Name: Mike Stubblefield	Approved by District Supervisor	Signed By <u>Mike Stubblefield</u>
Title: Environmental Regulatory Agent	Approval Date: <u>10/24/08</u>	Expiration Date: <u>N/A</u>
E-mail Address: mikes@ypcnm.com	Conditions of Approval <u>Closure per meeting 10/14/08 - Submit a Final Report C-141 - Submit Closure Report per 19.15.17 NMAC</u>	Attached <input type="checkbox"/>
Date: 9/29/2008 Phone: 505-748-4500		

* Attach Additional Sheets If Necessary



**ARDINAL
LABORATORIES**

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

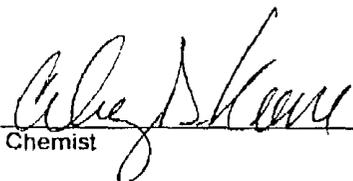
ANALYTICAL RESULTS FOR
YATES PETROLEUM CORPORATION
ATTN: MIKE STUBBLEFIELD
105 SOUTH 4TH STREET
ARTESIA, NM 88210
FAX TO: (575) 748-4635

Receiving Date: 09/25/08
Reporting Date: 09/26/08
Project Number: 30-005
Project Name: ORECK BDO COM.#1
Project Location: SEC. 21-10S-28E

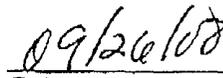
Sampling Date: 09/24/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: HM
Analyzed By: AB/HM

LAB NUMBER SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (>C ₁₀ -C ₂₈) (mg/kg)	TOTAL TPH (mg/kg)	CI* (mg/kg)
ANALYSIS DATE	09/26/08	09/26/08	09/25/08	09/25/08
H15973-1 CLEANED OUT DRILLING PIT BOTTOM 9' DEPTH	<25.0	<25.0	<100	5,200
Quality Control	584	586	323	490
True Value QC	500	500	300	500
% Recovery	117	117	108	98.0
Relative Percent Difference	9.6	18.5	3.9	2.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; EPA 418.1; CI-: Std. Methods 4500-CI-B
*Analyses performed on 1:4 w:v aqueous extracts.



Chemist



Date

H15973 TPH2CL 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.



ANALYTICAL RESULTS FOR
 YATES PETROLEUM CORPORATION
 ATTN: MIKE STUBBLEFIELD
 105 SOUTH 4TH STREET
 ARTESIA, NM 88210
 FAX TO: (575) 748-4635

Receiving Date: 09/25/08
 Reporting Date: 09/26/08
 Project Number: 30-005
 Project Name: ORECK BDO COM.#1
 Project Location: SEC. 21-10S-26E

Sampling Date: 09/24/08
 Sample Type: SOIL
 Sample Condition: COOL & INTACT
 Sample Received By: HM
 Analyzed By: ZL

LAB NUMBER	SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE		09/26/08	09/26/08	09/26/08	09/26/08
H15973-1	CLEANED OUT DRILLING PIT BOTTOM 9' DEPTH	<0.050	<0.050	<0.050	<0.150
Quality Control		0.053	0.049	0.049	0.161
True Value QC		0.050	0.050	0.050	0.150
% Recovery		106	98.0	98.0	107
Relative Percent Difference		3.1	2.0	2.0	1.9

METHOD: EPA SW-846 8021

TEXAS NELAP CERTIFICATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE,
 AND TOTAL XYLENES.

Lab Director

09/26/08
 Date

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 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, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(326) 673-1001 Fax (326) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ____ of ____

Company Name: Yates Petroleum Corporation		P.O. #:		ANALYSIS REQUEST	
Project Manager: Mike Stubblefield		Company: Yates Pet Co			
Address: 105 South 4th Street		Attn: Mike Stubblefield			
City: Artesia	State: N.M.	Zip: 88210	Address: 105 South 4th Street		
Phone #: 505-313-1212	Fax #: 505-718-4335		City: Artesia		
Project #: 20-005-	Project Owner: Mike Stubblefield		State: N.M. Zip 88210		
Project Name: Oreck BDO Com. #1	Phone #: 505-718-4300		Fax #: 505-718-4335		
Project Location: Sec. 21-105-26c					
Sampler Name: Mike Stubblefield					

FOR LAB USE ONLY	Lab I.D.	Sample I.D.	GRAB OR (COMP. # CONTAINERS)	MATRIX								PRESERV.		SAMPLING		DATE	TIME	B-TEX 80218	TPH 418.1	TPH 8015 M	Chlorides 300.1	
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:										
	A15973-1	Cleaned out drilling pit bottom 9' depth	C														9/24/02	2:00 PM				

PLEASE NOTE: Liability and Damages: Cardinal's liability and limit is restricted to the amount of the amount paid by the client for the analysis. All claims, including those for negligence and any other cause of action 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 held liable for indirect or consequential damages including without limitation, lost time or loss of profits incurred by client, its subsidiaries, affiliates or licensees arising out of or related to the performance or non-performance of services provided by Cardinal, regardless of whether such claims based upon any of the above stated causes of action.

Lead and Cadmium Standard will be charged on all requests made less than 30 days past due at the rate of 24% per annum from the original date of invoice, and at each of such times, including attorney's fees.

Sampler Acquired By:	Date: 9-24-02	Received By:	Phone Request: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Time: 2:05 PM		Fax Request: <input type="checkbox"/> Yes <input type="checkbox"/> No
Relinquished By: Mike Stubblefield	Date: 9/25/02	Received By: (Lab Staff)	REMARKS:
Delivered By: (Circle One)	Time: 1:00 PM		
Sampler - UPS - <input checked="" type="checkbox"/> Bus - <input type="checkbox"/> Other:	Sample Condition (Temp. °C Impact?)	Checked By:	
	Cool <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

† Cardinal cannot accept verbal changes, please fax written changes to (326) 673-7020.

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



July 24, 2008

MEMORANDUM

Clarification of analytical test method, EPA Method 300.1, for chloride in regards to 19.15.36 NMAC and 119.15.17 NMAC.

On June 16, 2008 a new regulation regarding the permitting, design and construction, operations and closure of pits, closed-loop systems, below-grade tanks, and sumps, 19.15.17 NMAC, went into effect. On February 14, 2007 the new surface waste management regulation, 19.15.36 NMAC, also went into effect. Each of these rules, 19.15.17 NMAC and 19.15.36 NMAC, established EPA test methods for chlorides.

The Oil Conservation Division (OCD) has received several inquiries regarding implementation of EPA Method 300.1 for chloride, as specified in the above referenced rules. In order to address these inquiries and to provide clarification to operators and laboratories, OCD wishes to identify the following test methods as "other approved methods" that OCD will considered acceptable in lieu of EPA Method 300.1, as specified in 19.15.17 NMAC and 19.15.36 NMAC:

EPA Method 300.0 (extraction utilizing deionized water)
Standard Method 4500B

If you have any questions regarding this matter, please contact Brad A. Jones of my staff at (505) 476-3487 or brad.a.jones@state.nm.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire".

Mark E. Fesmire
Director, Oil Conservation Division

MF/baj

cc: Daniel Sanchez, Enforcement & Compliance Manager, OCD, Santa Fe, NM
Wayne Price, Bureau Chief, Environmental Bureau, OCD, Santa Fe, NM
Chris Williams, District Supervisor, District I, OCD, Hobbs, NM
Tim Gum, District Supervisor, District II, OCD, Artesia, NM
Charlie Perrin, District Supervisor, District III, OCD, Aztec, NM
Ed Martin, District Supervisor, District IV, OCD, Santa Fe, NM
Brad A. Jones, Environmental Engineer, OCD, Santa Fe, NM

Oil Conservation Division * 1220 South St. Francis Drive
* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462 * <http://www.enrwd.state.nm.us>



Bratcher, Mike, EMNRD

From: Mike Stubblefield [Mikes@YPCNM.COM]
Sent: Tuesday, October 14, 2008 4:18 PM
To: Bratcher, Mike, EMNRD
Cc: Jerry Fanning; Scott Pitts
Subject: ~~30-005-63595~~ ³⁰⁻⁰⁰⁵⁻⁶⁴⁰⁰³ USB 21-10s-26e Oreck BDO Com. #1 Drilling pit closure meeting on 10/14/2008 attended by NMOCD-Tim Gum, Mike Bratcher, YPC-Jerry Fanning, Mike Stubblefield

Dear Mr. Mike Bratcher,

As per your instructions given to Yates Petroleum Corporation during our meeting on 10/14/2008. The cleaned out drilling pit located at the Oreck BDO Com. #1 will be backfilled from 12' BGS to a depth of 4' BGS using clean soil. A 20 Mil. Liner will then be placed into the bottom of the cleaned out drilling pit with the exception of the Southeast corner of the drilling pit bottom, which will not be capped by a 20 Mil. Liner. The cleaned out drilling pit will then be backfilled back to grade using clean soil. Yates Petroleum Corporation thanks you for your decision made on 10/14/2008.

Sincerely,

Mike Stubblefield
Environmental Regulatory Agent

This inbound email has been scanned by the MessageLabs Email Security System.
