

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

MAR 05 2009

Form C-141
Revised October 10, 2003

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	Contact Mike Stubblefield
Address 105 South 4 th Street, Artesia, N.M. 88210	Telephone No. 505-7484500 505-513-1712
Facility Name Knoll AOK Federal #2H 30-015-35108	Facility Type Drilling Pit

Surface Owner Fee	Mineral Owner	Lease No.
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LOCATION OF RELEASE

Unit Letter A	Section 3	Township 24s	Range 25e	Feet from the 330'	North/South Line FNL	Feet from the 480'	East/West Line FEL	County Eddy
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Latitude _____ Longitude _____

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 1/14/2009
Was Immediate Notice Given? Yes No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Area Affected and Cleanup Action Taken.*

A split spoon auger rig was brought to the location on 1/21/2009. Vertical delineation for Chlorides was taken in the NE section of the drilling pit using an auger rig. A five spot composite soil sample was taken from the bottom of the cleaned out drilling pit, with the except of the NE section of the drilling pit. A grab soil sample was taken from the bottom of the NE section of the drilling pit. The soil samples taken were submitted to a second party Lab and analysis ran for THP using EPA Method 8015M & 418.1. The B-TEX was analyzed using EPA Method 8021. The Chlorides were analyzed using EPA Method 4500 CL-B. Analytical results dated 1/28/2009 received from Cardinal Lab reported the GRO, DRO, total TPH & B-TEX to be below the RRAL. Analytical results for the five spot composite soil sample reported the Chlorides to be 1,570 mg/kg. The Chlorides in the NE section of the drilling pit were documented to decline to 96 mg/kg at a depth of 35' bgs. YPC meet with NMOCD/Mike Bratcher on 2/4/2009. After reviewing the analytical results dated 1/28/2009 Mr. Bratcher granted YPC permission to place a 20 mil. Liner into the bottom of the NE section of the drilling pit and start backfilling the drilling pit back to grade. A 20 mil. Liner was then installed in the NE section of the pit bottom at a minimum depth of 4' bgs. The cleaned out drilling pit area was then be backfilled back to grade with clean soil using the division prescribed soil cover. Yates Petroleum Corporation is submitting a final C-141 form for the release that occurred at the Knoll AOK Federal #2 requesting closure. Depth to ground water < 100', Wellhead protection area > 1000', Distance to surface water body > 1000' Site ranking 0.

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>		OIL CONSERVATION DIVISION	
Printed Name: Mike Stubblefield		Approved by District Supervisor: <u>Mike Bratcher</u>	
Title: Environmental Regulatory Agent		Approval Date: <u>4/26/11</u>	Expiration Date:
E-mail Address: mikes@ypcnm.com		Conditions of Approval: <u>Final</u>	Attached <input type="checkbox"/>
Date: 3/3/2009	Phone: 505-748-4500		



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

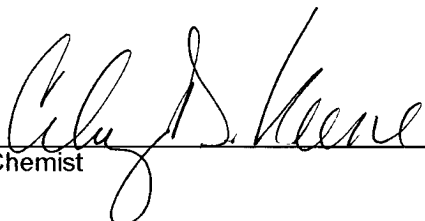
ANALYTICAL RESULTS FOR
YATES PETROLEUM CORPORATION
ATTN: SCOTT PITTS
105 SOUTH 4TH STREET
ARTESIA, NM 88210
FAX TO: (575) 748-4229

Receiving Date: 01/23/09
Reporting Date: 01/26/09
Project Owner: YPC
Project Name: KNOLL AOK FED #2H
Project Location: NOT GIVEN

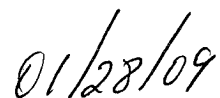
Sampling Date: 01/21/09
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: ZL

LAB NUMBER	SAMPLE ID	ETHYL TOTAL			
		BENZENE	TOLUENE	BENZENE	XYLENES
		(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)
ANALYSIS DATE		01/24/09	01/24/09	01/24/09	01/24/09
H16749-1	SURFACE GRAB NE#1 10' ↓ G/L	<0.050	<0.050	<0.050	<0.150
H16749-2	5 SPOT 9' ↓ G/L #2	<0.050	<0.050	<0.050	<0.150
Quality Control		0.055	0.056	0.055	0.162
True Value QC		0.050	0.050	0.050	0.150
% Recovery		110	112	110	108
Relative Percent Difference		3.1	<1.0	<1.0	2.4
METHOD: EPA SW-846 8021B					

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



Chemist



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, in whole or in part, 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.



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

Receiving Date: 01/23/09
Reporting Date: 01/28/09
Project Owner: YPC
Project Name: KNOLL AOK FED #2H
Project Location: NOT GIVEN


Analysis Date: 01/25/09
Sampling Date: 01/21/09
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/kg)
H16749-1	SURFACE GRAB NE#1 10' ↓ G/L	272
H16749-2	5 SPOT 9' ↓ G/L #2	1,570
H16749-3	NE 14' BGS	992
H16749-4	NE 20' BGS	1,060
H16749-5	NE 35' BGS	96
H16749-6	NE 40' BGS	64
H16749-7	NE 45' BGS	80
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods

4500-Cl⁻B

Note: Analyses performed on 1:4 w:v aqueous extracts.


Cheryl Keene
Chemist

01/28/09
Date

H16749 YATES

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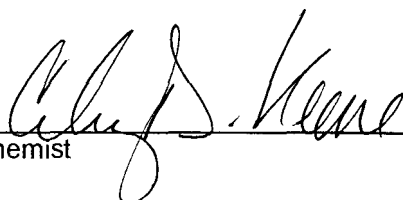
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ATTN: SCOTT PITTS
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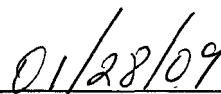
Receiving Date: 01/23/09
Reporting Date: 01/27/09
Project Owner: YPC
Project Name: KNOLL AOK FED #2H
Project Location: NOT GIVEN

Sampling Date: 01/21/09
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: AB

LAB NUMBER	SAMPLE ID	GRO	DRO	418.1
		(C ₆ -C ₁₀)	(>C ₁₀ -C ₂₈)	TOTAL
		(mg/kg)	(mg/kg)	TPH
				(mg/kg)
ANALYSIS DATE		01/27/09	01/27/09	01/27/09
H16749-1	SURFACE GRAB NE#1 10' ↓ G/L	<10.0	<10.0	<100
H16749-2	5 SPOT 9' ↓ G/L #2	<10.0	<10.0	<100
Quality Control		450	513	324
True Value QC		500	500	300
% Recovery		90.0	103	108
Relative Percent Difference		4.3	2.4	2.4

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; EPA 418.1


Chemist


Date

H16749 TPH2 YATES

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