

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

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

30-015-30080

Release Notification and Corrective Action

nMLB0713437653

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 105 South 4th Street, Artesia, NM 88210	Telephone No. 505-748-1471	
Facility Name Jacque AQJ State #1	API Number 30-015-30080	Facility Type Battery
Surface Owner State	Mineral Owner State	Lease No. V-4100

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	34	21S	31E	330	South	330	West	Eddy

Latitude 32.42844 Longitude 103.77275

NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release 95 B/O	Volume Recovered 90 B/O
Source of Release Production Tank	Date and Hour of Occurrence 4/7/2007 AM	Date and Hour of Discovery 4/7/2007 AM
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	
By Whom? Jerry Fanning/Yates Petroleum Corporation	Date and Hour 4/7/2007: 10:55 AM	
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		

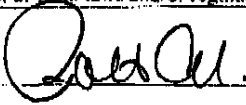

Describe Cause of Problem and Remedial Action Taken.*

Valve on full tank of produced oil left open. EQ and circulating lines closed, valve for empty production tank not opened, all production went into full tank causing it to overflow. Switched tanks, called for vacuum truck and excavation crew.

Describe Area Affected and Cleanup Action Taken.*

Area approximately 142' X 12' most contained inside berm (small amount outside of west side of berm), vacuum truck picked up free fluid, streamer truck cleaned tanks. Contaminated soils being excavated and hauled to an OCD approved land disposal facility, vertical and horizontal delineation will be made and corrective action taken. Depth to Ground Water: >100', Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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: TIM GUM by MB 	
Title: Environmental Regulatory Agent	Approval Date: 5/14/07	Expiration Date:
E-mail Address: boba@ypenm.com	Conditions of Approval: REMEDIATION PER APPROVED WORK PLAN	Attached <input type="checkbox"/>
Date: Tuesday, April 10, 2007	Phone: 505-748-4217	

* Attach Additional Sheets If Necessary

Robert,

The proposal to remediate contaminated materials in-situ at this site is approved as presented. Please notify the NMOCD District 2 office 24 hours prior to product application and 24 hours prior to obtaining samples where analyses of samples obtained are to be submitted to the NMOCD. As a condition of approval, NMOCD may require additional sampling as deemed necessary to insure proper remediation has been obtained at this site.

Be advised that approval of this remediation proposal does not relieve Yates Petroleum 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, this approval does not relieve Yates Petroleum of responsibility for compliance with any other federal, state, local laws and/or regulations.

Sincerely,

Mike Bratcher
NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
505-748-1283 Ext. 108
505-626-0857
mike.bratcher@state.nm.us

From: Bob Asher [mailto:boba@YPCNM.COM]
Sent: Tuesday, May 08, 2007 11:50 AM
To: Bratcher, Mike, EMNRD
Subject: Jacque AQJ State #1

Mike,

Per our meeting this morning, Yates Petroleum Corporation is requesting approval of the work plan, dated May 7, 2007.

Thank you for your time this morning and consideration with the remediation of this project.

Robert Asher
Yates Petroleum Corporation
505-748-4217 (Office)
505-365-4021 (Cell)
505-748-4662 (Fax)

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

5/14/2007

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S.P. YATES
CHAIRMAN EMERITUS
JOHN A. YATES
CHAIRMAN OF THE BOARD
PEYTON YATES
PRESIDENT
FRANK YATES, JR.
EXECUTIVE VICE PRESIDENT
JOHN A. YATES, JR.
SENIOR VICE PRESIDENT



May 7, 2007

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

Re: Jacque AQJ State #1
30-015-30080
Section 34, T21S-R31E
Eddy County, New Mexico

Dear Mr. Bratcher:

Yates Petroleum Corporation would like to submit for your consideration the enclosed work plan for the above captioned well. The plan is being submitted in response to the C-141 dated April 10, 2007. Scope of work described in the plan will be conducted as soon as the work plan is approved and the contractor is scheduled.

If you have any questions call me at (505) 748-4217

Thank you.

YATES PETROLEUM CORPROATION

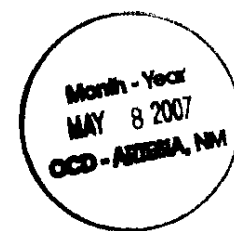
Robert Asher
Environmental Regulatory Agent

Enclosure(s)

RANDY G. PATTERSON
VICE PRESIDENT

DAVID L. LANNING
ASSISTANT VICE PRESIDENT

DENNIS G. KINSEY
TREASURER



Yates Petroleum Corporation

Jacque AQJ State #1 Work Plan

Section 34, T21S-R31E

Eddy County, New Mexico

May 7, 2007

I. Location

The well is located approximately 33 miles east of Carlsbad, NM, west of Louis Whitlock Road (Wipp Site Road), as represented by the attached Livingston Ridge, NM, USGS Quadrangle Map.

II. Background

On April 10, 2007, Yates submitted to the NMOCD District II office a C-141 report reflecting a release of 95 barrels of crude oil from a production tank. There were 90 barrels of oil to recover, contaminated soils were excavated and stockpiled on the battery inside the berm. The contaminated soils have now been spread out at an approximate depth of 12" to be tested and treated in place. The affected area is approximately 142 feet by 12 feet.

III. Surface and Ground Water

Area surface geology is Cenozoic. The nearest groundwater of record is listed on the ChevronTexaco, Eddy County Depth to Groundwater Water Well Facilities Trend Map dated 2/9/2005 shows the depth to groundwater is approximately 125 feet (Unit Letter M, Section 34, T21S-R31E) making the site ranking for this site a zero (0). Any watercourses in the area are dry except for infrequent flows in response to major precipitation events.

The ranking for this site is zero (0) based on the as following:

Depth to ground water	> 100'
Wellhead Protection Area	> 1000'
Distance to surface water body	> 1000'

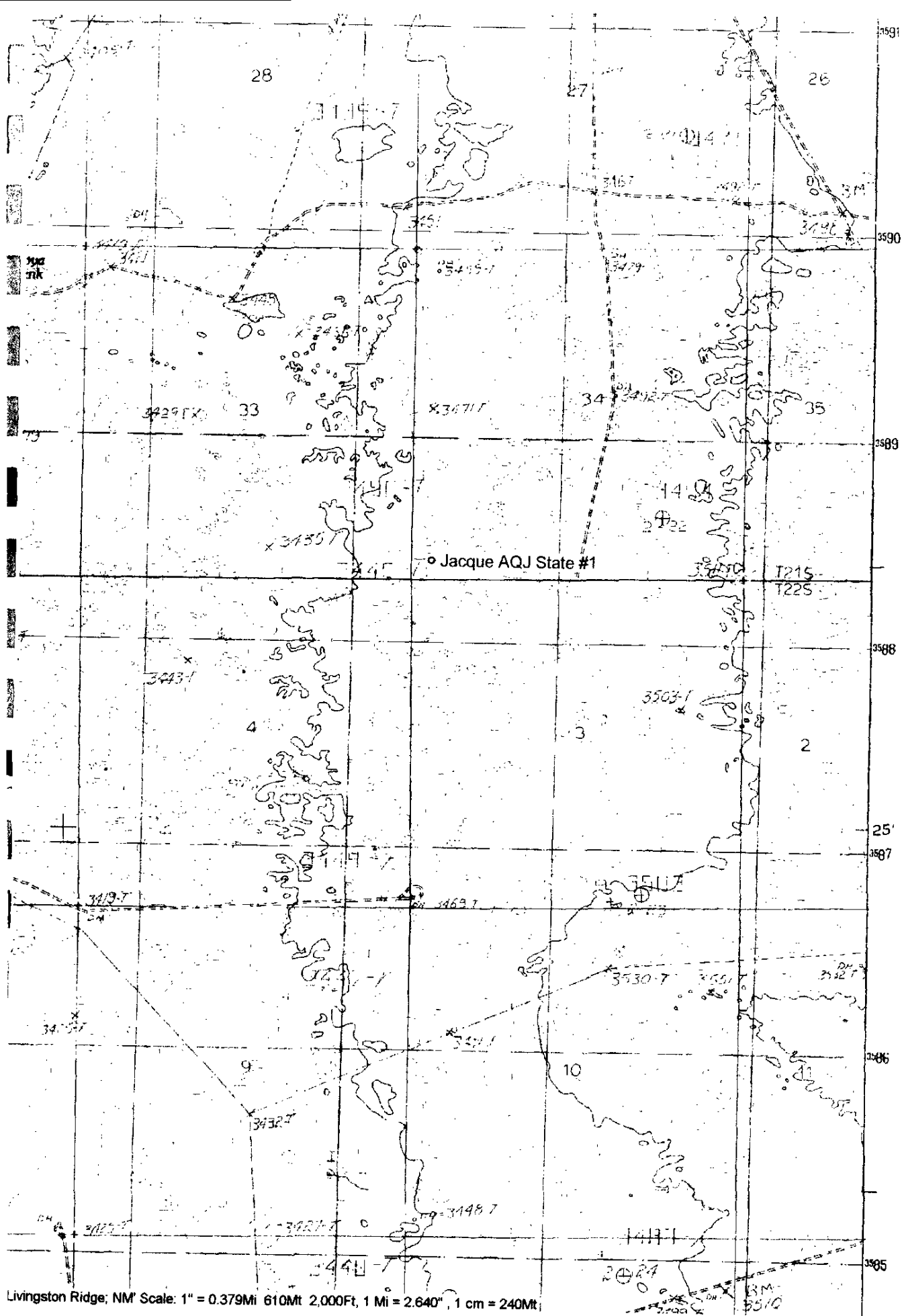
IV. Soils

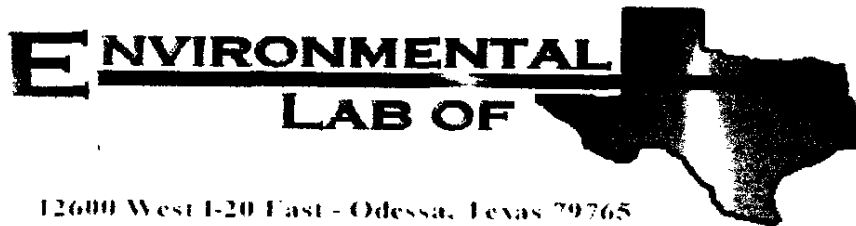
The area consists of soils that are sand and interspersed with caliche and clay seams providing a low permeability barrier to retard vertical percolation of contaminants into the subsurface.

V. Scope of Work

Upon approval of this work plan, Yates Petroleum Corporation and Ken Lunde of NeoKos would like to treat the site in-situ for a period of 35 days. The NeoKos process consists of six proprietary biological components which are all introduced into the contaminated area during the initial application process. One of the components is then applied to the soil on a bi-weekly and /or weekly basis until the site is remediated to regulatory standards.

Yates will re-sample, and these samples will be sent to a certified lab and analyzed for BTEX and TPH. Based on the Total Ranking Score of zero (0), RRAL's for BTEX is 50 ppm and TPH is 5000 ppm. If results are above OCD guidelines, then further remediation as described above will be implemented to attain the acceptable limits. If lab analysis reflects closure levels then Yates will contact the Oil Conservation Division to give opportunity to witness a final sampling event.





12600 West I-20 East - Odessa, Texas 79765

A Xenco Laboratories Company

Analytical Report

Prepared for:

Robert Asher

Yates Petroleum Corp.

105 S. Fourth St.

Artesia, NM 88210

Project: Jacque AQJ State # 1

Project Number: 30-015-30080

Location: Eddy County

Lab Order Number: 7D26005

Report Date: 05/02/07

Yates Petroleum Corp.
105 S. Fourth St.
Artesia NM. 88210

Project: Jacque AQJ State # 1
Project Number: 30-015-30080
Project Manager: Robert Asher

Fax: (505) 748-4662

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
GS/Comp - 001	7D26005-01	Soil	04/26/07 09:43	04-26-2007 15:55
GS/Comp - 002	7D26005-02	Soil	04/26/07 10:18	04-26-2007 15:55
GS/Comp - 003	7D26005-03	Soil	04/26/07 10:46	04-26-2007 15:55

Yates Petroleum Corp.
105 S. Fourth St.
Artesia NM, 88210

Project: Jacque AQJ State # 1
Project Number: 30-015-30080
Project Manager: Robert Asher

Fax: (505) 748-4662

Organics by GC
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
GS/Comp - 001 (7D26005-01) Soil									
Benzene	ND	0.0250	mg/kg dry	25	ED73006	04/30/07	05/02/07	EPA 8021B	
Toluene	0.104	0.0250	"	"	"	"	"	"	
Ethylbenzene	0.167	0.0250	"	"	"	"	"	"	
Xylene (p/m)	0.580	0.0250	"	"	"	"	"	"	
Xylene (o)	0.316	0.0250	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		90.4 %	75-125	"	"	"	"	"	
Surrogate: 4-Bromofluorobenzene		93.6 %	75-125	"	"	"	"	"	
Carbon Ranges C6-C10	186	50.0	mg/kg dry	5	ED72701	04/27/07	05/01/07	EPA 8015B	
Carbon Ranges >C10-C28	5980	50.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	6170	50.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		13.3 %	70-130	"	"	"	"	"	S-06
Surrogate: 1-Chlorooctadecane		28.8 %	70-130	"	"	"	"	"	S-06
GS/Comp - 002 (7D26005-02) Soil									
Benzene	0.479	0.100	mg/kg dry	100	ED73006	04/30/07	04/30/07	EPA 8021B	
Toluene	5.68	0.100	"	"	"	"	"	"	
Ethylbenzene	5.38	0.100	"	"	"	"	"	"	
Xylene (p/m)	15.9	0.100	"	"	"	"	"	"	
Xylene (o)	7.40	0.100	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		130 %	75-125	"	"	"	"	"	S-04
Surrogate: 4-Bromofluorobenzene		139 %	75-125	"	"	"	"	"	S-04
Carbon Ranges C6-C10	1820	50.0	mg/kg dry	5	ED72701	04/27/07	05/01/07	EPA 8015B	
Carbon Ranges >C10-C28	13300	50.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	15100	50.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		49.0 %	70-130	"	"	"	"	"	S-06
Surrogate: 1-Chlorooctadecane		50.0 %	70-130	"	"	"	"	"	S-06
GS/Comp - 003 (7D26005-03) Soil									
Benzene	ND	0.00200	mg/kg dry	2	ED73006	04/30/07	04/30/07	EPA 8021B	
Toluene	ND	0.00200	"	"	"	"	"	"	
Ethylbenzene	ND	0.00200	"	"	"	"	"	"	
Xylene (p/m)	ND	0.00200	"	"	"	"	"	"	
Xylene (o)	ND	0.00200	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		87.0 %	75-125	"	"	"	"	"	
Surrogate: 4-Bromofluorobenzene		85.4 %	75-125	"	"	"	"	"	
Carbon Ranges C6-C10	ND	10.0	mg/kg dry	1	ED72701	04/27/07	05/01/07	EPA 8015B	
Carbon Ranges >C10-C28	349	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	349	10.0	"	"	"	"	"	"	

Environmental Lab of Texas

A Xenco Laboratories Company

The results in this report apply to the samples analyzed in accordance with the samples received in the laboratory. This analytical report must be reproduced in its entirety, with written approval of Environmental Lab of Texas.

Page 2 of 9

150 57

Phone: 432 563-1800
Fax: 432 563-1713

e-mail: _____

[illegible]