

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

HOBBS OCD

Form C-141  
Revised October 10, 2003

JAN 10 2013

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

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Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Lupe Carrasco
Address 104 S. 4 <sup>TH</sup> Street		Telephone No. 575-748-1471
Facility Name Hemlock BSH State #1H	API Number 30-025-40489	Facility Type Well Site

Surface Owner State	Mineral Owner State	Lease No. N/A
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LOCATION OF RELEASE

Unit Letter D	Section 32	Township 23S	Range 33E	Feet from the 330	North/South Line North	Feet from the 1980	East/West Line West	County Lea
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Latitude 32.2674300 Longitude 103.5960100

NATURE OF RELEASE

Type of Release Brine Water	Volume of Release 20 B/BW	Volume Recovered 19 B/BW
Source of Release Shale shaker screen	Date and Hour of Occurrence 08/26/2012 PM	Date and Hour of Discovery 08/26/2012 PM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom? N/A	Date and Hour N/A	
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		

GW @ 325'

Describe Cause of Problem and Remedial Action Taken.\*

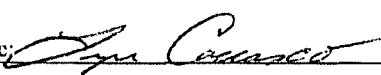
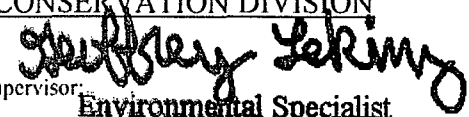
Polymer sweep was pumped & when sweep returned to surface, it blinded off shale shaker screen causing fluid to pass directly over shaker filling up solids control rolloff bins before overflowing & depositing approximately 20 bbls of Brine Water onto ground. Transport truck arrived on location 15 minutes after occurrence to deliver brine water, off loaded, and cleaned up spill.

Describe Area Affected and Cleanup Action Taken.\*

An approximate area of 50' X 75'. Impacted soils to be scraped up and taken to an NMOCD approved facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX, Chlorides will be run for documentation. 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's a work plan will be submitted. Depth to Ground Water: >100' (approximately 325', Section 32-T23S-R33E, per NMOSE), 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 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.

OIL CONSERVATION DIVISION

Signature: 	Approved by District Supervisor:  Environmental Specialist	
Printed Name: Lupe Carrasco	Approval Date: 2/27/13	Expiration Date: —
Title: Environmental Regulatory Agent	Conditions of Approval: —	Attached <input type="checkbox"/>
E-mail Address: lcarrasco@yatespetroleum.com	2RP-	IRP-02-13-2905
Date: Thursday, January 10, 2013	Phone: 575-748-1471	

\* Attach Additional Sheets If Necessary

FEB 28 2013

MARTIN YATES, III  
1912-1989  
FRANK W. YATES  
1936-1986  
S.P. YATES  
1914-2008



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

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JORGE S. MENDOZA  
CHIEF ADMINISTRATIVE OFFICER

January 2, 2013

Mr. Geoffrey Leking  
Oil Conservation Division  
1625 N. French Drive  
Hobbs, NM 88240

HOBBS OCD

JAN 02 2013

RE: Hemlock BSH State #1H  
30-025-40489  
Section 32, T23S-R33E  
Lea County, New Mexico

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Mr. Leking,

Yates Petroleum Corporation would like to submit the enclosed documents for closure of the above captioned release. These documents are in response to the C-141 Initial report submitted August 28, 2012.

The release was caused during drilling of the well when a polymer sweep was pumped and upon its return to the surface, it blinded off the shale shaker screen causing brine water to pass directly over the shaker filling up the solids control roll off bins before overflowing. Approximately 20 bbls of brine water was released with 19 bbls recovered. An approximate area of 50' X 75' was impacted. The release occurred on the caliche pad (approximately 50' from the well head) and the impacted area was scraped and hauled off location for disposal. Representative samples were taken at 1', 2', and 3'.

If there are no objections, Yates Petroleum Corporation will submit a C-141 Final for closure. If you have any questions please feel free to contact me at (575) 748-4350.

Thank You,

Lupe Carrasco  
Environmental Regulatory Agent  
Yates Petroleum Corporation

Enclosure(s): Site Drawing  
Analytical Report (H203026)

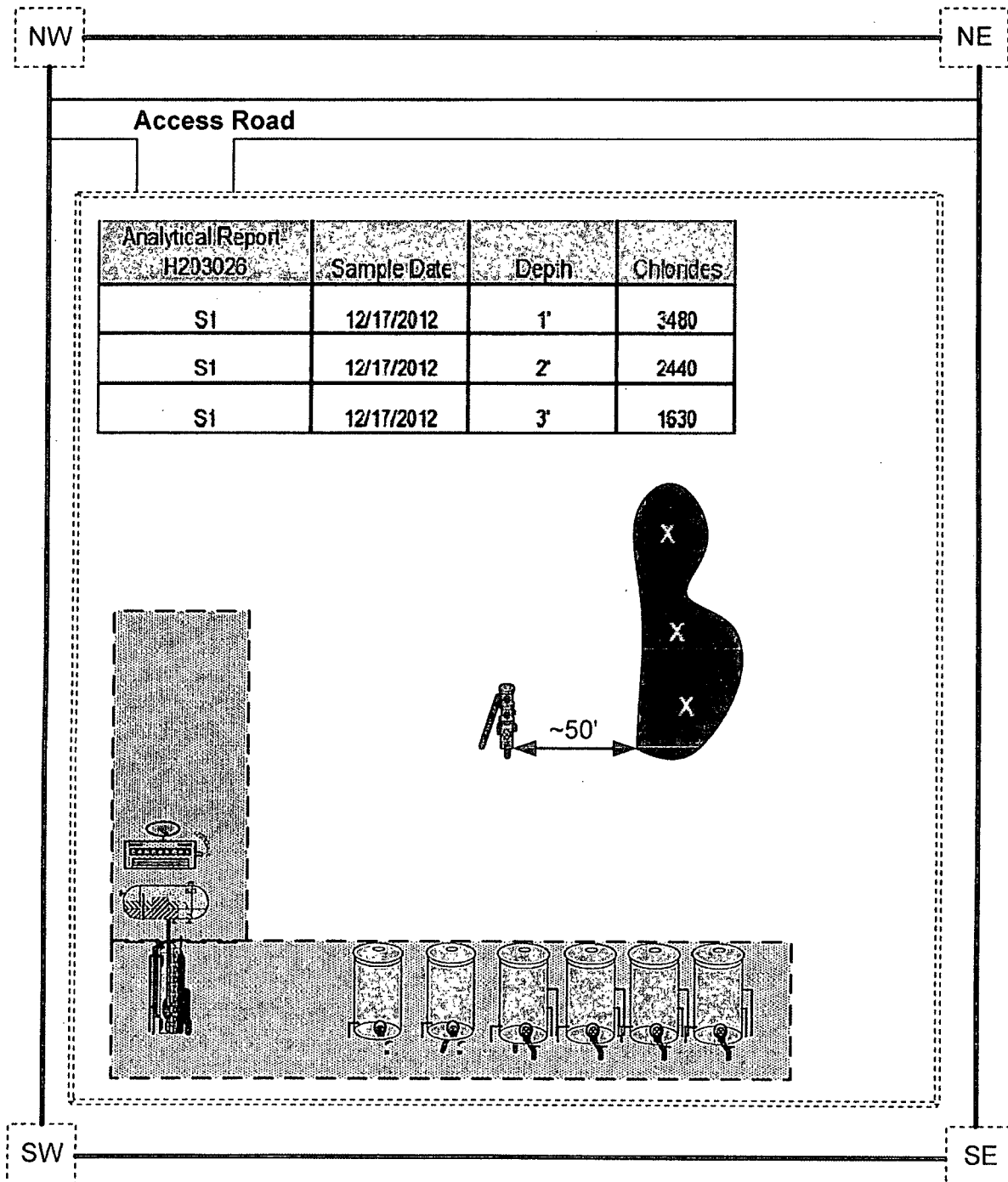
KATHY H. PORTER  
SECRETARY

DENNIS G. KINSEY  
TREASURER

# YATES PETROLEUM CORPORATION

Thursday, December 27, 2012

## Hemlock BSH State #1H



December 20, 2012

LUPE CARRASCO

Yates Energy Petroleum Corp

105 S 4th Street

Artesia, NM 88210

RE: HEMLOCK #1

Enclosed are the results of analyses for samples received by the laboratory on 12/17/12 14:55.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (\*). For a complete list of accredited analytes and matrices visit the TCEQ website at [www.tceq.texas.gov/field/qa/lab\\_accred\\_certif.html](http://www.tceq.texas.gov/field/qa/lab_accred_certif.html).

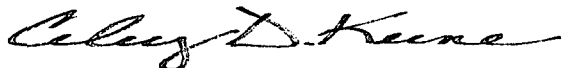
Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,



Celey D. Keene

Lab Director/Quality Manager

**Analytical Results For:**

Yates Energy Petroleum Corp  
LUPE CARRASCO  
105 S 4th Street  
Artesia NM, 88210  
Fax To: (505) 748-4635

Received: 12/17/2012  
Reported: 12/20/2012  
Project Name: HEMLOCK #1  
Project Number: NONE GIVEN  
Project Location: NOT GIVEN

Sampling Date: 12/17/2012  
Sampling Type: Soil  
Sampling Condition: \*\* (See Notes)  
Sample Received By: Jodi Henson

**Sample ID: S1 - 1 (H203026-01)**

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	3480	16.0	12/20/2012	ND	432	108	400	0.00	

**Sample ID: S1 - 2 (H203026-02)**

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	2440	16.0	12/20/2012	ND	432	108	400	0.00		

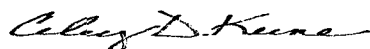
**Sample ID: S1 - 3 (H203026-03)**

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	.RPD	Qualifier
Chloride	1630	16.0	12/20/2012	ND	432	108	400	0.00	

Cardinal Laboratories

\* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

**Notes and Definitions**

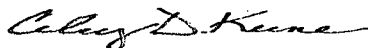
ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

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Cardinal Laboratories

\*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

