

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

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 TH Street	Telephone No. 505-748-1471	
Facility Name Gill BGJ #1	API Number 30-025-37103	Facility Type Well
		Order Number 1RP-1092

Surface Owner Fee	Mineral Owner Fee	Lease No.
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LOCATION OF RELEASE

Unit Letter L	Section 29	Township 9S	Range 35E	Feet from the 1650	North/South Line South	Feet from the 660	East/West Line West	County Lea
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Latitude 33.50238 Longitude 103.38888

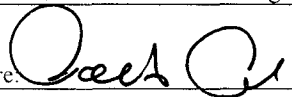
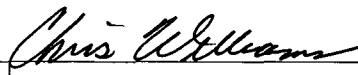
NATURE OF RELEASE

Type of Release Crude Oil and Produced Water	Volume of Release 35 B/PW	Volume Recovered 25 B/PW
Source of Release Tanks	Date and Hour of Occurrence 10/4/2006 7 00 AM	Date and Hour of Discovery 10/4/2006 7 00 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Pat Caperton via phone notification and follow up e-mail.	
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		

Describe Cause of Problem and Remedial Action Taken.*
Water transfer pump overload trip causing water tank to overflow. Repaired.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 20' x 18' Approximate chloride content of water is 28,993 ppm. Vacuum truck recovered remaining produced water. Contaminated soils were excavated and taken to an OCD approved facility Vertical and horizontal delineation conducted. **Depth to Ground Water: >100" (approx. 135'), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on produced water recovered, soils excavated, analytical results and site ranking, Yates Petroleum Corporation requests closure.**

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: 	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Approved by District Supervisor: 	
Title: Environmental Regulatory Agent	Approval Date: 2/15/08	Expiration Date: 2/15/08
E-mail Address: boba@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Tuesday, February 12, 2008	Phone: 505-748-4217	

* Attach Additional Sheets If Necessary

PCOHD 80494 9364



Pipeline



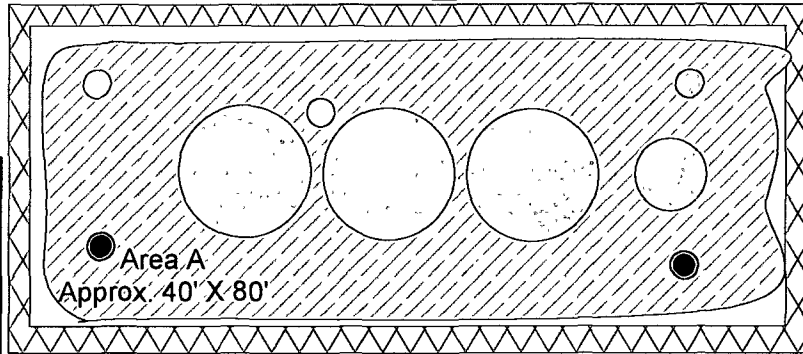
Elect
Box



Propane
Tank



Power Supply
Trailer



Area A
Approx. 40' X 80'



Water
Knock-out

Area B
Approx. 20' X 80'

Fence

Area C
Approx 105' X 165'

Sample ID	Sample Date	Sample Type	Depth	BTEX	TPH (GRO)	TPH (DRO)	TPH (TOTAL)	Chlorides
SP 1	10/26/2006	Grab/Auger	12"	ND	ND	ND	ND	296
SP 2	10/26/2006	Grab/Auger	12"	ND	ND	ND	ND	263
SP 3	10/26/2006	Grab/Auger	12"	ND	ND	ND	ND	422
SP 4	10/26/2006	Grab/Auger	12"	ND	ND	ND	ND	612
SP 5	10/26/2006	Grab/Auger	12"	ND	ND	ND	ND	157

Site Ranking is Zero (0). Depth to Ground Water >100 (approx. 135'). All results are ppm.



Gill BGJ #1

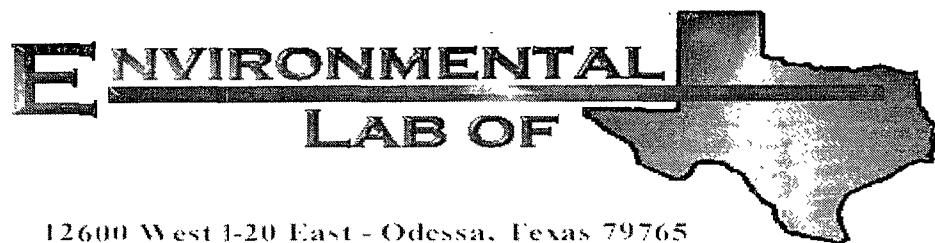
Section 29, T9S-R35E

Lea County, NM

EXHIBIT

Sample Diagram (Not to Scale)

Prepared by Robert Asher
Environmental Regulatory Agent
February 11, 2008



12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

Eb Taylor

Talon LPE- Hobbs

318 East Taylor Street

Hobbs, NM 88240

Project: Gill BGT #1

Project Number: YATESP026SPL

Location: Lea County, NM

Lab Order Number: 6J27010

Report Date: 11/02/06

Talon LPE- Hobbs
318 East Taylor Street
Hobbs NM. 88240

Project: Gill BGT #1
Project Number: YATESP026SPL
Project Manager: Eb Taylor

Fax (505) 393-4658

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
SP 1 12"	6J27010-01	Soil	10/26/06 12:10	10-27-2006 13:35
SP 2 12"	6J27010-02	Soil	10/26/06 12:17	10-27-2006 13:35
SP 3 12"	6J27010-03	Soil	10/26/06 12:28	10-27-2006 13:35
SP 4 12"	6J27010-04	Soil	10/26/06 12:35	10-27-2006 13:35
SP 5 12"	6J27010-05	Soil	10/26/06 12:42	10-27-2006 13:35

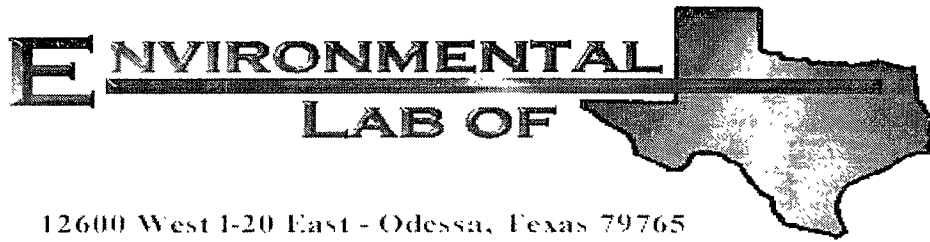
Talon LPE- Hobbs
318 East Taylor Street
Hobbs NM, 88240

Project: Gill BGT #1
Project Number: YATESP026SPL
Project Manager: Eb Taylor

Fax: (505) 393-4658

General Chemistry Parameters by EPA / Standard Methods
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
SP 1 12" (6J27010-01) Soil									
Chloride	296	10.0	mg/kg	20	EJ62901	10/29/06	10/29/06	EPA 300.0	
SP 2 12" (6J27010-02) Soil									
Chloride	263	10.0	mg/kg	20	EJ62901	10/29/06	10/29/06	EPA 300.0	
SP 3 12" (6J27010-03) Soil									
Chloride	422	10.0	mg/kg	20	EJ62901	10/29/06	10/29/06	EPA 300.0	
SP 4 12" (6J27010-04) Soil									
Chloride	612	10.0	mg/kg	20	EJ62901	10/29/06	10/29/06	EPA 300.0	
SP 5 12" (6J27010-05) Soil									
Chloride	157	5.00	mg/kg	10	EJ62901	10/29/06	10/29/06	EPA 300.0	



12600 West I-20 East - Odessa, Texas 79765

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Talon LPE- Hobbs
318 East Taylor Street
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Project. Gill BGT #1
Project Number: YATESP026SPL
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SP 1 12"	6J27010-01	Soil	10/26/06 12:10	10-27-2006 13:35
SP 2 12"	6J27010-02	Soil	10/26/06 12:17	10-27-2006 13:35
SP 3 12"	6J27010-03	Soil	10/26/06 12:28	10-27-2006 13:35
SP 4 12"	6J27010-04	Soil	10/26/06 12:35	10-27-2006 13:35
SP 5 12"	6J27010-05	Soil	10/26/06 12:42	10-27-2006 13:35

Talon LPE- Hobbs
318 East Taylor Street
Hobbs NM, 88240

Project: Gill BGT #1
Project Number: YATESP026SPL
Project Manager: Eb Taylor

Fax: (505) 393-4658

Organics by GC
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
SP 1 12" (6J27010-01) Soil									
Benzene	ND	0.0250	mg/kg dry	25	EJ63103	10/30/06	10/31/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
Surrogate a,a,a-Trifluorotoluene		87.2 %	80-120		"	"	"	"	
Surrogate 4-Bromofluorobenzene		86.8 %	80-120		"	"	"	"	
Carbon Ranges C6-C10	ND	10.0	mg/kg dry	1	EJ63106	"	11/01/06	EPA 8015B	
Carbon Ranges >C10-C28	ND	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	ND	10.0	"	"	"	"	"	"	
Surrogate 1-Chlorooctane		106 %	70-130		"	"	"	"	
Surrogate 1-Chlorooctadecane		70.2 %	70-130		"	"	"	"	
SP 2 12" (6J27010-02) Soil									
Benzene	ND	0.0250	mg/kg dry	25	EJ63103	10/30/06	10/31/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
Surrogate a,a,a-Trifluorotoluene		92.5 %	80-120		"	"	"	"	
Surrogate 4-Bromofluorobenzene		106 %	80-120		"	"	"	"	
Carbon Ranges C6-C10	ND	10.0	mg/kg dry	1	EJ63106	"	11/01/06	EPA 8015B	
Carbon Ranges >C10-C28	ND	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	ND	10.0	"	"	"	"	"	"	
Surrogate 1-Chlorooctane		96.6 %	70-130		"	"	"	"	
Surrogate 1-Chlorooctadecane		71.4 %	70-130		"	"	"	"	
SP 3 12" (6J27010-03) Soil									
Benzene	ND	0.0250	mg/kg dry	25	EJ63103	10/30/06	10/31/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
Surrogate a,a,a-Trifluorotoluene		94.2 %	80-120		"	"	"	"	
Surrogate 4-Bromofluorobenzene		101 %	80-120		"	"	"	"	
Carbon Ranges C6-C10	ND	10.0	mg/kg dry	1	EJ63106	"	11/01/06	EPA 8015B	
Carbon Ranges >C10-C28	ND	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	ND	10.0	"	"	"	"	"	"	

Environmental Lab of Texas

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

Talon LPE- Hobbs
318 East Taylor Street
Hobbs NM, 88240

Project Gill BGT #1
Project Number YATESP026SPL
Project Manager: Eb Taylor

Fax: (505) 393-4658

Organics by GC
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
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SP 3 12" (6J27010-03) Soil

Surrogate 1-Chlorooctane		104 %	70-130		EJ63106	10/30/06	11/01/06	EPA 8015B	
Surrogate 1-Chlorooctadecane		70.4 %	70-130		"	"	"	"	

SP 4 12" (6J27010-04) Soil

Benzene	ND	0.0250	mg/kg dry	25	EJ63103	10/30/06	10/31/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
Surrogate a,a,a-Trifluorotoluene		94.2 %	80-120		"	"	"	"	
Surrogate 4-Bromofluorobenzene		108 %	80-120		"	"	"	"	
Carbon Ranges C6-C10	ND	10.0	mg/kg dry	1	EJ63106	"	11/01/06	EPA 8015B	
Carbon Ranges >C10-C28	ND	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	ND	10.0	"	"	"	"	"	"	
Surrogate 1-Chlorooctane		105 %	70-130		"	"	"	"	
Surrogate 1-Chlorooctadecane		71.0 %	70-130		"	"	"	"	

SP 5 12" (6J27010-05) Soil

Benzene	ND	0.0250	mg/kg dry	25	EJ63103	10/30/06	10/31/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
Surrogate a,a,a-Trifluorotoluene		82.8 %	80-120		"	"	"	"	
Surrogate 4-Bromofluorobenzene		92.0 %	80-120		"	"	"	"	
Carbon Ranges C6-C10	ND	10.0	mg/kg dry	1	EJ63106	"	11/01/06	EPA 8015B	
Carbon Ranges >C10-C28	ND	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	ND	10.0	"	"	"	"	"	"	
Surrogate 1-Chlorooctane		109 %	70-130		"	"	"	"	
Surrogate 1-Chlorooctadecane		71.4 %	70-130		"	"	"	"	

Environmental Lab of Texas

Variance/ Corrective Action Report- Sample Log-In

Client: Talbot LPE
 Date/ Time: 10/27/06 13:35
 Lab ID #: 6529010
 Initials: CP

Sample Receipt Checklist

Client Initials

#1 Temperature of container/ cooler?	Yes	No	4.0 °C	
#2 Shipping container in good condition?	Yes	No		
#3 Custody Seals intact on shipping container/ cooler?	Yes	No	Not Present	
#4 Custody Seals intact on sample bottles/ container?	Yes	No	Not Present	
#5 Chain of Custody present?	Yes	No		
#6 Sample instructions complete of Chain of Custody?	Yes	No		
#7 Chain of Custody signed when relinquished/ received?	Yes	No		
#8 Chain of Custody agrees with sample label(s)?	Yes	No	ID written on Cont./ Lid	*
#9 Container label(s) legible and intact?	Yes	No	Not Applicable	
#10 Sample matrix/ properties agree with Chain of Custody?	Yes	No		
#11 Containers supplied by ELOT?	Yes	No		
#12 Samples in proper container/ bottle?	Yes	No	See Below	
#13 Samples properly preserved?	Yes	No	See Below	
#14 Sample bottles intact?	Yes	No		
#15 Preservations documented on Chain of Custody?	Yes	No		
#16 Containers documented on Chain of Custody?	Yes	No		
#17 Sufficient sample amount for indicated test(s)?	Yes	No	See Below	
#18 All samples received within sufficient hold time?	Yes	No	See Below	
#19 VOC samples have zero headspace?	Yes	No	Not Applicable	

Variance Documentation

Contact: Ed Taylor Contacted by: Jeanne M. Murray Date/ Time: 10-27-06
 Regarding: Sample time discrepancies

Corrective Action Taken:

Reference sample times on labels

Check all that Apply.



See attached e-mail/ fax



Client understands and would like to proceed with analysis



Cooling process had begun shortly after sampling event

Environmental Lab of Texas

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

12600 West I-20 East
Odessa, Texas 79765

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

Project Manager: ERS Taylor
Company Name: TAYLOR LPE
Company Address: 318 E TAYLOR
City/State/Zip: HOBBS NM 88240
Telephone No: 432 235-6385
Sampler Signature: ERS

Project Name: Gill BGT #1
Project #: YATESPO26 SPL
Project Loc: LEA COUNTY NEW MEXICO
PO #: _____
Report Format: ☒ Standard ☐ TRRP ☐ NPDES

Fax No: _____
e-mail: _____

(lab use only)
ORDER #: 0527010

LAB # (lab use only)	FIELD CODE	Beginning Depth	Ending Depth	Date Sampled	Time Sampled	Field Filtered	Total # of Containers	Preservation & # of Containers										Matrix										RUSH TAT (Pre-Schedule) 24, 48, 72 hrs	Standard TAT
								Ice	HNO ₃	HCl	H ₂ SO ₄	NaOH	Na ₂ S ₂ O ₃	None	Other (Specify)	DW=Drinking Water SL=Sludge	GW=Groundwater S=Soil/Solid	NP=Non-Polable	Specify Other	TPH 418.1	8015M	TPH TX 1005	TX 1006	Cations (Ca, Mg, Na, K)	Anions (Cl, SO ₄ , Alkalinity)	SAR / ESP / CEC	Metals As Ag Ba Cd Cr Pb Hg Se		
01	SP 1 1211			10/16	12:10		1	X								S													
02	SP 2 1211			10/16	12:40 17		1	X								S													
03	SP 3 1211			10/16	12:10 20		1	X								S													
04	SP 4 1211			10/16	12:10 35		1	X								S													
05	SP 5 1211			10/16	12:10 42		1	X								S													

Special Instructions:

NOT CHLORIDES ON SEPARATE REPORT

Relinquished by <u>ERS</u>	Date <u>10/26</u>	Time <u>10:43</u>	Received by <u>4/15</u>	Date <u>10/26</u>	Time <u>10:43</u>
Relinquished by <u>8/11</u>	Date <u>10/27</u>	Time <u>1:35</u>	Received by <u>4/15</u>	Date <u>10/27</u>	Time <u>1:35</u>
Relinquished by <u>8/11</u>	Date <u>10/27</u>	Time <u>1:35</u>	Received by ELDT. <u>Jane Murray</u>	Date <u>10/27/06</u>	Time <u>1335</u>

Laboratory Comments:

Sample Containers	Y	N
VOCs Free of Headspace?	Y	N
Custody seals on container(s)	Y	N
Sample Hand Delivered	Y	N
by Sampler/Client Rep	Y	N
by Courier?	UPS	DHL FedEx Lone Star
Temperature Upon Receipt:	<u>4.0</u>	°C