

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

NOV - 7 2008

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

OCD-ARTESIA

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

Release Notification and Corrective Action

OPERATOR

X 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. 505-748-4500 505-513-1712
Facility Name Dog Canyon UP State #1 30-015-24167	Facility Type Producing Gas well.

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

Unit Letter I	Section 2	Township 17s	Range 27e	Feet from the 1500'	North/South Line FSL	Feet from the 660'	East/West Line FEL	County Eddy
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Latitude 32.85983 Longitude 104.2424

NATURE OF RELEASE

Type of Release Condensate	Volume of Release 70 bbls	Volume Recovered 0
Source of Release. Stock tank developed leak.	Date and Hour of Occurrence 10/9/2008 10:00am	Date and Hour of Discovery same
Was Immediate Notice Given? Yes X No Not Required	If YES, To Whom? Mike Bratcher	
By Whom? Mike Stubblefield	Date and Hour 10/10/2008 8:53am	
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 pumper found the stock tank to have developed a leak. A vacuum truck was called to location; the fluid was removed from the stock tank.

Describe Area Affected and Cleanup Action Taken.

The impacted area was the bermed area of the tank battery. The bermed area was not lined. The weather at the time of the release was sunny and dry. The soil in the area of the release is sandy/caliches. The stock tank will be removed from the bermed area of the battery. The impacted soil will be excavated and placed on a liner set on the location. Soil samples will be taken from the excavated area of the berm. Soil samples taken will be sent to a second party lab and analysis ran for TPH using EPA method 8015M, B-TEX using EPA method 8021B. The excavated soil will be corrected by aeration on location. When a soil sample taken for analytical report the TPH and B-TEX to be under the RRAL for the site, excavation will be concluded and the excavated area back filled with the corrected soil. When a soil sample taken for analytical from the corrected soil on location reports the TPH and B-TEX to be under the RRAL for the site, the corrected soil will be used for back fill soil. A final C-141 form will then be submitted to the NMOCD requesting closure for the release that occurred on 10/9/2008.

Site ranking Depth to ground water - >100', Wellhead protection area - > 1000', Distance to surface water body - > 1000' site ranking score -10

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:

mikes@ypcnm.com

Printed Name: Mike Stubblefield

Title: Environmental Regulatory Agent

E-mail Address: mikes@ypcnm.com

Date: 11/4/2008

Phone: 505-748-4500

OIL CONSERVATION DIVISION

Approved by District Supervisor:

TCumby
SD

Approval Date: 11-24-08

Expiration Date: 3-3-09

Conditions of Approval:

SEE ATTACHED
STIPULATIONS

Remediation Actions to be completed and
Final C-141 submitted with confirmation
analyses/documentation on or before the
Expiration Date.

Attached ☒

2RP - 276

* Attach Additional Sheets If Necessary * Amended C-141 form for C-141 fo

Notify OCD 48 hours prior to
obtaining samples where analyses
are to be presented to OCD

Yates Petroleum Corporation

Dog Canyon UP State #1 Tank Battery

Section 2 T17S-R27E

Eddy County, New Mexico

11/4/2008

11/4/2008

Remediation Work Plan

Incident Date: 10/9/2008

Location: Dog Canyon UP State #1 tank battery
Unit I Section 2 T17s R27e
Eddy County, New Mexico

The well is located 14 miles south east of Artesia, as depicted on the attached USGS Red Lake Quadrangle Map. This site lies in rolling hills. Water courses in the area are dry except for infrequent flows in response to major precipitation events. Area surface geology includes Quaternary Pleistocene conglomerate. The area, dry at the time of the spill, consists of soil that is fine grained, loamy and interspersed with Red bed clay seams providing a low permeability barrier to retard vertical percolation of contaminants into the subsurface. Groundwater in the area is estimated to be at a depth of 50'-100' feet.

The ranking for this site is (10) based on the as following:

Depth to ground water	>50' and <100'
Wellhead Protection Area	> 1000'
Distance to surface water body	> 1000'

Incident Description:

The pumper found the stock tank to have developed a leak. The release volume was 70 bbls of condensate. The impacted area was the bermed area of the tank battery. The bermed area was not lined.

Action Taken:

The stock tank was removed from service; a new stock tank will be used as replacement for the old stock tank.

Closure Plan:

10/16/2008 The impacted soil located with-in the bermed area of the tank battery was excavated to a depth of 4' BGS. Removed soil from the excavation was stockpiled in wind rows set on a liner on the location. The stockpiled soil is being worked by a backhoe and the lone chain hydrocarbons are being corrected by aeration and adding nutrients.

When the impacted soil above the RRAL for the site ranking have been removed both vertically & horizontally from the excavation area. Soil samples will be taken from the excavated area for analytical. Soil samples taken will be submitted to a second party lab and analyses ran for TPH using EPA method 2015M & B-TEX using EPA Method 8021. Soil samples will be taken from the stockpiled soil on location. Soil samples taken will be submitted to a second party lab and analysis ran for TPH using EPA method

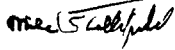
8020m and B-TEX using EPA method 8021. When analytical results reflect the TPH & B-TEX to be under the RRAL for the site, no further excavation will be conducted. When analytical results reflect the TPH & B-TEX to be under the RRAL for the site, the stockpiled soil will be used as backfill soil. The excavated area of the tank battery will be backfilled to grade. New berms will be constructed around the tank battery. The bermed area will be lined with a 20 mil. liner and then the stock tanks will be set back in place.

A final C-141 form will then be submitted to the O.C.D. requesting closure for the release that occurred on 10/9/2008.

If you have questions or need additional information, please contact me at 505-748-4500.

Or E-mail me at mikes@ypcnm.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Stubblefield".

Mike Stubblefield
Yates Petroleum Corporation
Environmental Regulatory Agent



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



November 24, 2008

Yates Petroleum Corporation
Attn: Mike Stubblefield
105 S 4th Street
Artesia, NM 88210

Reference: Dog Canyon UP State 001 I-2-17S-27E
30 015 24167 Eddy County, New Mexico
2RP-276

Operator,

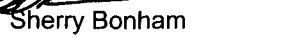
The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of an Initial Report C-141 and remediation work plan for a release of condensate occurring at the above referenced facility on October 9, 2008.

The plan is accepted with the following stipulations:

- Excavated contaminated soils shall be remediated so that residual contaminant concentrations are below the recommended soil remediation action levels.
- Notify the OCD 48 hours prior to obtaining samples where analyses are to be submitted to the OCD.
- Results of analytical data obtained through sampling shall be forwarded to OCD for approval **prior** to any backfilling activities.
- Remediation requirements may be subject to change as site conditions warrant.
- A final Report C-141 is to be submitted to the OCD upon satisfactory completion of remediation project.
- Remediation to be completed on or before March 3, 2009.

Please be advised that NMOCD acceptance of this plan 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 this plan does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

Respectfully,



Sherry Bonham
NMOCD District 2
1301 W Grand Avenue
Artesia, NM 88210
575.748.1283 ext. 109
sherry.bonham@state.nm.us

