

MARTIN YATES, III

1912-1985

FRANK W. YATES

1936-1986

S.P. YATES

1914-2008



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

JOHN A. YATES
CHAIRMAN OF THE BOARD
PRESIDENT

JOHN A. YATES JR.
ASSISTANT TO THE PRESIDENT

JAMES S. BROWN
CHIEF OPERATING OFFICER

JOHN D. PERINI
CHIEF FINANCIAL OFFICER

RECEIVED

APR 17 2009

HOBBSD

April 15, 2009

Mr. Larry Johnson
NMOCD District I
1625 French Drive
Hobbs, NM 88240

RE: 1RP-2037
Big Hat Bkl State #3
30-025-36223
Section 3, T16S-R33E
Lea County, New Mexico

Dear Mr. Johnson,

Enclosed please find a Form C-141, Final Report for the above-captioned site regarding the release on December 3, 2008 (80 bbls of oil with 10 bbls recovered). Contaminated soils have been excavated and taken to an OCD approved land facility. Per the work plan dated February 13, 2009, excavation areas have been backfilled (with the NW corner excavation being lined with a 20 mil liner), after backfilling was complete the entire battery was lined. Further excavation of the area south of the battery has been completed and per the work plan samples were taken for delineation on March 31, 2009. Samples were sent to an OCD approved laboratory for analysis (please see attached analytical reports and sample diagram). Site ranking is zero (0), with the depth to ground water > 100' (approximately 130'). Based on the cleanup and remedial actions taken (oil recovered, excavation of contaminated soils, and analytical sampling results), that the site has been reclaimed to NMOCD recommended action levels to protect fresh water, public health and the environment in the release area(s) and Yates Petroleum Corporation requests closure.

If you have any questions, please call me at 575-748-4217.

Thank you.

YATES PETROLEUM CORPORATION

Robert Asher
Environmental Regulatory Agent

/rca
Enclosure(s)

District I
1625 N French Dr, Hobbs, NM 88240
District II
1261 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1720 S St Francis Dr, Santa Fe, NM 87505

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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	API Number 30-025-36223	Telephone No. 575-748-1471
Facility Name Big Hat BK1 State #3	Facility Type Battery	
Surface Owner State	Mineral Owner State	Lease No. VO-5113

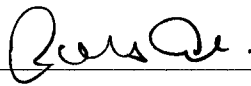
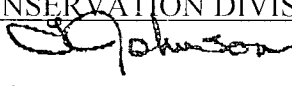
LOCATION OF RELEASE

Unit Letter B	Section 3	Township 16S	Range 33E	Feet from the 795	North/South Line North	Feet from the 2281	East/West Line East	County Lea
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Latitude 32.96361 Longitude 103.64942

NATURE OF RELEASE

Type of Release Oil	Volume of Release 80 B/O	Volume Recovered 10 B/O
Source of Release Production Tank	Date and Hour of Occurrence 12/3/2008 AM	Date and Hour of Discovery 12/3/2008 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Larry Johnson/NMOCD	
By Whom? Robert Asher/Yates Petroleum Corporation	Date and Hour 12/3/2008 PM (Voicemail & E-mail)	
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.* Hole in production tank. Shut pump down, called vacuum truck and backhoe crew.		
Describe Area Affected and Cleanup Action Taken * An approximate area of 48' X 120' Transferred oil to another tank, recovered remaining oil, excavated impacted soils and hauled to an OCD facility Work plan submitted to NMOCD on February 13, 2009, approved on February 18, 2009 All work has been completed as per the Scope of Work outlined in the work plan Depth to Ground Water: >100' (approx. 130', per the NM Office of the State Engineer), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on work completed per work plan, and enclosed analytical results, 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 ENVIRONMENTAL ENGINEER	
Title Environmental Regulatory Agent	Approval Date: <u>4.17.09</u>	Expiration Date <u> </u>
E-mail Address: boba@yatespetroleum.com	Conditions of Approval	Attached <input type="checkbox"/>
Date: Wednesday, April 15, 2009 Phone 575-748-4217	<u>IRP-2037</u>	

* Attach Additional Sheets If Necessary

RECEIVED

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Hobbs, NM 88201
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. 575-748-1471	
Facility Name Big Hat BKI State #3	API Number 30-025-36223	Order Number IRP-
Facility Type Battery		
Surface Owner State	Mineral Owner State	Lease No. VO-5113

LOCATION OF RELEASE

Unit Letter B	Section 3	Township 16S	Range 33E	Feet from the 795	North/South Line North	Feet from the 2281	East/West Line East	County Lea
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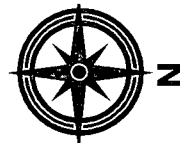
Latitude 32.96361 Longitude 103.64942

NATURE OF RELEASE

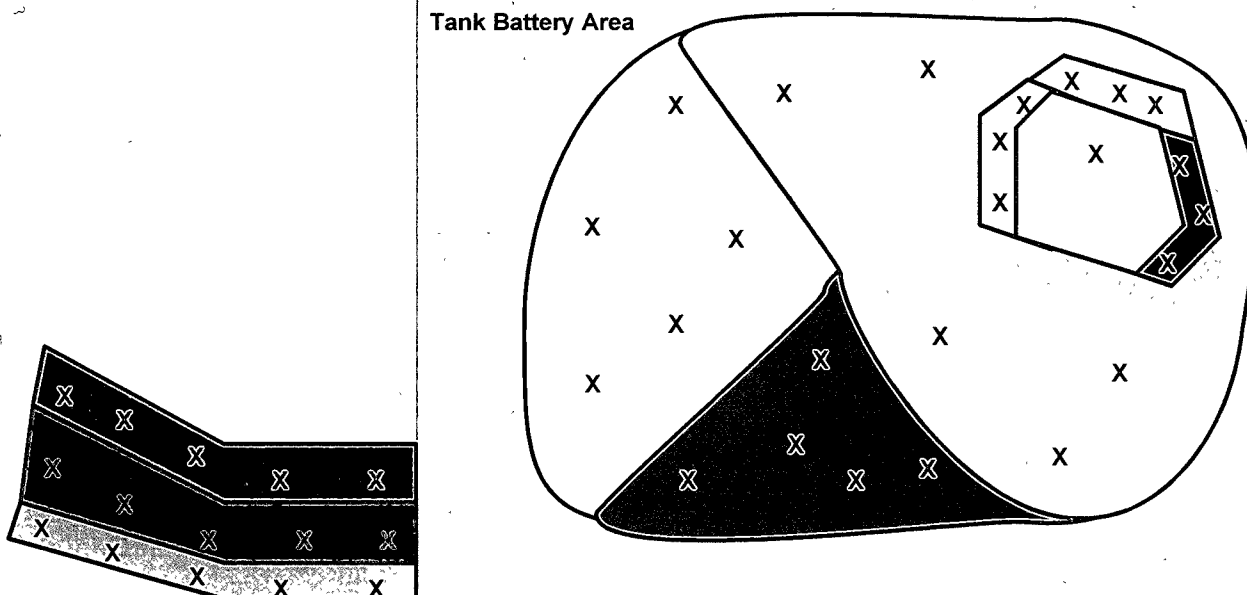
Type of Release Oil	Volume of Release 80 B/O	Volume Recovered 10 B/O
Source of Release Production Tank	Date and Hour of Occurrence 12/3/2008 AM	Date and Hour of Discovery 12/3/2008 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Larry Johnson/NMOCD	
By Whom? Robert Asher/Yates Petroleum Corporation	Date and Hour 12/3/2008 PM (Voicemail & E-mail)	
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.* Hole in production tank. Shut pump down, called vacuum truck and backhoe crew.		
Describe Area Affected and Cleanup Action Taken.* An approximate area of 48' X 120'. Transferred oil to another tank, recovered remaining oil, excavated impacted soils and hauled to an OCD facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX. 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 a work plan will be submitted to the OCD. Depth to Ground Water: >100' (approx. 130', per the NM Office of the State Engineer), 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	
Title: Environmental Regulatory Agent	ENVIRONMENTAL ENGINEER	
E-mail Address: boba@yatespetroleum.com	Approval Date: 12.18.08	Expiration Date: 2.18.09
Date: Tuesday, December 09, 2008 Phone: 575-748-4217	Conditions of Approval:	
		Attached <input type="checkbox"/> IRP # 2037

* Attach Additional Sheets If Necessary

FGRL 0835 833818



Tank Battery Area



Sample ID	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TPH TOTAL
GS/Comp-001	1/13/2009	Grab/Composite	12-15'	62.88	1540	1600	3140
GS/Comp-002	1/13/2009	Grab/Composite	4'	89.45	2430	2440	4870
GS/Comp-003	1/13/2009	Grab/Composite	4'	103.95	3150	2360	5510
GS/Comp-004	1/13/2009	Grab/Composite	4'	0.0137	90.3	1090	1180.3
GS/Comp-005	1/13/2009	Grab/Composite	2'	10.787	698	15800	16498

Sample ID	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TPH TOTAL
GS/Comp-001	1/20/2009	Grab/Composite	16'	440.62	5210	8640	13850
GS/Comp-002	1/20/2009	Grab/Composite	17'	346.88	4570	6670	11240
GS/Comp-003	1/20/2009	Grab/Composite	18'	348.83	4600	9060	13660
GS/Comp-004	1/20/2009	Grab/Composite	14'	1.074	73.2	126	199.2
GS/Comp-005	1/20/2009	Grab/Composite	10'-14'	0.626	25.3	50	75.3
GS/Comp-006	1/20/2009	Grab/Composite	10'-14'	0.482	12.1	50	62.1
GS/Comp-007	1/20/2009	Grab/Composite	4'	0.779	41	645	686
GS/Comp-008	1/20/2009	Grab/Composite	4'	0.04	6.21	50	56.21
GS/Comp-009	1/20/2009	Grab/Composite	4'	1.993	37.9	1560	1597.9
GS/Comp-010	1/20/2009	Grab/Composite	2'	12.10	222	5780	6002
GS/Comp-001	3/31/2009	Grab/Composite	3-4'	2.443	129	1080	1209
GS/Comp-011	1/20/2009	Grab/Composite	2'	10.13	293	10000	10293
GS/Comp-002	3/31/2009	Grab/Composite	3-4'	2.159	34.6	753	787.6
GS/Comp-012	1/20/2009	Grab/Composite	2'	5.128	194	3820	4014

Site Ranking is Zero (0). Depth to Ground Water > 100' (approx. 130'). All results are ppm.



Big Hat BKI State #3
Section 3, T16S-R33E
Lea County, NM

EXHIBIT
Sample Diagram (Not to Scale)

Prepared by Robert Asher
Environmental Regulatory Agent
April 15, 2009

TRACE ANALYSIS, INC.

8111 Lombard Avenue, Suite 200 Lubbock, Texas 79424 Phone: 806-797-1230 Fax: 806-797-1231
2015 E. Sunset, Room 304 El Paso, Texas 79901 Phone: 915-799-1231 Fax: 915-799-1231
801 P. O. Box 1000 Midland, Texas 79703 Phone: 409-694-8800 Fax: 409-694-8801
801 South 4th Street, Suite 100 El Paso, Texas 79901 Phone: 915-799-1231 Fax: 915-799-1231

Certifications

WBENC: 237019

HUB: 1752439743100-86536
NCTRC A WFVB38444Y0909

DBE: VN 20657

NELAP Certifications

Lubbock: T104704219-08-TX
LELAP-02003
Kansas E-10317

El Paso: T104704221-08-TX
LELAP-02002

Midland: T104704392-08-TX

Analytical and Quality Control Report

Robert Asher
Yates Petroleum Corp.
105 South 4th South
Artesia, NM. 88210

Report Date: April 8, 2009

Work Order 9040234



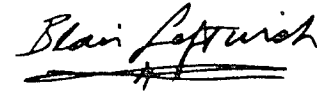
PO #: 105632
Project Location: Lea Co., NM
Project Name: Big Hat BKI State #3
Project Number: 30-025-36223

Enclosed are the Analytical Report and Quality Control Report for the following sample(s) submitted to TraceAnalysis, Inc

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
192063	GS/Comp-001	soil	2009-03-31	12:09	2009-04-02
192064	GS/Comp-002	soil	2009-03-31	12:22	2009-04-02

These results represent only the samples received in the laboratory. The Quality Control Report is generated on a batch basis. All information contained in this report is for the analytical batch(es) in which your sample(s) were analyzed

This report consists of a total of 11 pages and shall not be reproduced except in its entirety, without written approval of TraceAnalysis, Inc.

A handwritten signature in black ink, reading "Blain Leftwich". The signature is written in a cursive style with a prominent horizontal line under the name.

Dr. Blain Leftwich, Director

Standard Flags

B - The sample contains less than ten times the concentration found in the method blank

Case Narrative

Samples for project Big Hat BKI State #3 were received by TraceAnalysis, Inc. on 2009-04-02 and assigned to work order 9040234. Samples for work order 9040234 were received intact at a temperature of 3.6 deg. C

Samples were analyzed for the following tests using their respective methods.

Test	Method	Prep Batch	Prep Date	QC Batch	Analysis Date
BTEX	S 8021B	49831	2009-04-07 at 14:46	58349	2009-04-07 at 14:46
TPH DRO	Mod. 8015B	49759	2009-04-03 at 10:00	58260	2009-04-03 at 15:54
TPH GRO	S 8015B	49831	2009-04-07 at 14:46	58350	2009-04-07 at 14:46

Results for these samples are reported on a wet weight basis unless data package indicates otherwise.

A matrix spike (MS) and matrix spike duplicate (MSD) sample is chosen at random from each preparation batch. The MS and MSD will indicate if a site specific matrix problem is occurring, however, it may not pertain to the samples for work order 9040234 since the sample was chosen at random. Therefore, the validity of the analytical data reported has been determined by the laboratory control sample (LCS) and the method blank (MB). These quality control measures are performed with each preparation batch to ensure data integrity.

All other exceptions associated with this report have been footnoted on the appropriate analytical page to assist in general data comprehension. Please contact the laboratory directly if there are any questions regarding this project.

Report Date: April 8, 2009
30-025-36223

Work Order: 9040234
Big Hat BKI State #3

Page Number 1 of 1
Lea Co., NM

Summary Report

Robert Asher
Yates Petroleum Corp.
105 South 4th South
Artesia, NM 88210

Report Date: April 8, 2009

Work Order: 9040234



PO #: 105632
Project Location: Lea Co., NM
Project Name: Big Hat BKI State #3
Project Number: 30-025-36223

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
192063	GS/Comp-001	soil	2009-03-31	12:09	2009-04-02
192064	GS/Comp-002	soil	2009-03-31	12:22	2009-04-02

Sample - Field Code	BTEX				TPH DRO	TPH GRO
	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Xylene (mg/Kg)	DRO (mg/Kg)	GRO (mg/Kg)
192063 - GS/Comp-001	<0.100	0.492	0.361	1.58	1080	129
192064 - GS/Comp-002	<0.0500	0.168	<0.0500	0.684	753	34.6


TraceAnalysis, Inc.

5002 Basin Street, Suite E
Tel (432) 7689-6301

Midland, Texas 79703
Fax

email: lab@traceanalysis.com

(432) 689-6313

Company Name	Phone #
Yates Petroleum Corporation	575-748-4217
Address: (Street, City, Zip)	Fax #
105 South Fourth Street, Artesia, NM 88210	575-748-4662
Contact Person.	E-mail
Robert Asher	boba@yatespetroleum.com
Invoice to:	
PO# 105632	
Project #.	Project Name:
30-025-36223	Big Hat BKI State #3
Project Location.	Sampler Signature:
Lea County	

ANALYSIS REQUEST

(Circle or Specify Method No.)

[illegible]

Relinquished by: Company: Date: Time:

RLO/YR 4/1/2009 2:10 PM

Relinquished by: Company: Date: Time:

Relinquished by: Company: Date: Time:

Received by: _____ Company: _____ Date: _____ Time: _____ Temp°C: _____

TRACE 4/2/09 14:40

Received by: / Company: Date: Time: Temp°c:

Received by:	Company:	Date:	Time:	Temp°C:
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LAB USE ONLY



Intact ☒ Y ☐ N

100

Headspace Y/N

3.6

[Illegible handwritten notes]

Log-in Review

REMARKS:

TPH: 8015 GRO/DRO, BTX8021B

Please show results as mg/kg.

Thank you.

☐ Check If Special Reporting Limits Are Needed

1	Check If Special Reporting Limits Are Needed
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Submittal of samples constitutes agreement to Terms and Conditions listed on reverse side of COC

ORIGINAL COPY

Carrier # FED EX 7987 4842 3210