

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

JAN 30 2009 Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

Release Notification and Corrective Action

Name of Company Yates Petroleum Corporation		Contact Mike Stubblefield
Address 105 South 4 <sup>th</sup> Street, Artesia, N.M. 88210		Telephone No. 505-748-4500 505-513-1712
Facility Name Koonunga Hills BGX Federal #1 Wtr line 30-015-34380		Facility Type Producing Oil well.
Surface Owner Federal	Mineral Owner.	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
E	19	22s	25e	1838'	FNL	1072'	FWL	Eddy

Latitude 32.41249 Longitude 104.47927

NATURE OF RELEASE

Type of Release Produced water.	Volume of Release Unknown	Volume Recovered 660 bbls Produced Water.
Source of Release. Water gathering line.	Date and Hour of Occurrence 1/15/2009 4:00pm	Date and Hour of Discovery same
Was Immediate Notice Given? Yes X No Not Required	If YES, To Whom? Mike Bratcher	
By Whom? Jerry Fanning	Date and Hour 1/16/2009 9:15am follow up with E-mail.	
Was a Watercourse Reached? X Yes No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.\*

Describe Cause of Problem and Remedial Action Taken.\*

The produced water gathering line coming from the Koonunga Hills BGX Fed. #1 was found to be leaking. The well was immediately shut-in. Vacuum trucks were called to the release area and the free waters recovered. The line was replaced with a new flow line which was constructed above grade.

Describe Area Affected and Cleanup Action Taken.

The impacted area was located in Walt Canyon at Lat. 32.41249 Long 104.47927. The impacted area is located in the dry canyon bottom. The canyon bottom consists of bed rock which acted as a caught basin for the release waters. A Water sample were taken on 1/16/2009 from the standing water in the area of the release. The Water sample taken were submitted to Cardinal Lab. The water sample was analyzed for Chlorides using EPA method 4500 CL-B. Analytical results dated 1/26/2009 received from Cardinal Lab reported the Chlorides to be 1500 mg/kg in the release waters. The recovery of free waters will be continued until all recoverable waters have been vacuumed and hauled to SWD. The impacted area will be treated with Micro blaze & Kenaf. When recovery of free standing waters and the treatment of the area using Micro blaze & Kenaf has been concluded, Yates Petroleum Corporation will submit a final C-141 form requesting closure for the release that occurred on 1/15/2009. Analytical results attached.

Site ranking Depth to ground water - >100', Wellhead protection area - > 1000', Distance to surface water body - > 1000' site ranking score - 20

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: <i>Mike Stubblefield</i>	OIL CONSERVATION DIVISION	
Printed Name: Mike Stubblefield	Signed By <i>Mike Bratcher</i>	
Title: Environmental Regulatory Agent	Approved by District Supervisor:	Approval Date: 4/4/11
E-mail Address: mikes@ypcnm.com	Conditions of Approval:	Expiration Date:
Date: 1/27/2009 Phone: 505-748-4500	Attached <input type="checkbox"/>	

\* Attach Additional Sheets If Necessary

REMEDATION per OCD Rules and  
Guidelines. SUBMIT REMEDIATION  
PROPOSAL BY:

5/4/11

2RP-697



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
YATES PETROLEUM CORPORATION  
ATTN: MIKE STUBBLEFIELD  
105 SOUTH 4TH STREET  
ARTESIA, NM 88210  
FAX TO: (575) 748-4635

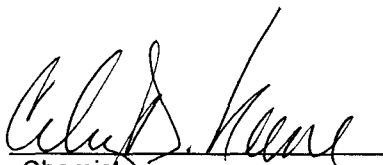
Receiving Date: 01/23/09  
Reporting Date: 01/26/09  
Project Number: NOT GIVEN  
Project Name: KOONUNGA HILLS BGX FED. #1 WTR LINE  
Project Location: SEC. 10-22S-24E

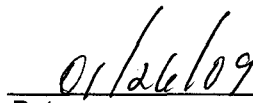
Analysis Date: 01/26/09  
Sampling Date: 01/16/09  
Sample Type: WASTEWATER  
Sample Condition: INTACT  
Sample Received By: ML  
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/L)
H16755-1	01 POOLING AREA, WATER SAMPLE	1,500
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods

4500-Cl<sup>-</sup>B

  
Cheryl S. Keene  
Chemist

  
Date

H16755 YATES

PLEASE NOTE: **Liability and Damages.** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



{325} 673-7001 Fax {326} 673-7020 {505} 393-2326 Fax {505} 393-2476

## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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† Cardinal cannot accept verbal changes, please fax written changes to (325) 673-7020.