

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

30-015-20274

Release Notification and Corrective Action

NMCB0710047860

OPERATOR

Initial Report Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 TH Street, Artesia, NM 88210	Telephone No. 505-748-1471	
Facility Name Federales BO Tank Battery	API Number	Facility Type Battery
Surface Owner Fee	Mineral Owner Fee	Lease No. NM-036191

LOCATION OF RELEASE

Unit Letter D	Section 23	Township 17S	Range 25E	Feet from the North/South Line	Feet from the East/West Line	County Eddy
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Latitude 32.82500 Longitude 104.46161

NATURE OF RELEASE

Type of Release Gas & Produced Water	Volume of Release Unknown amounts of both	Volume Recovered 0
Source of Release Buried line	Date and Hour of Occurrence 12/4/2006 AM	Date and Hour of Discovery 12/4/2006 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher, NMOCD District II	
By Whom? Robert Asher/Environmental Regulatory Agent, YPC	Date and Hour 12/6/2006 (E/M @ 9:28 AM, V/M @ 10:13 AM)	
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.* Break in "T" connection on buried plastic line, line is approximately 1000' southeast of battery. Wells producing into battery shut down, temporary surface poly lines installed.		
Describe Area Affected and Cleanup Action Taken.* An approximate area of 40' X 40'. No standing fluid to recover. Contaminated soils to be excavated and hauled to an OCD approved land disposal facility. vertical and horizontal delineation will be made to determine corrective action to be taken. Depth to Ground Water: >100', 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.		

Signature:	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Approved by District Supervisor: TIM GUM by MB	
Title: Environmental Regulatory Agent	Approval Date: <u>4/10/07</u>	Expiration Date:
E-mail Address: boba@ypcnm.com	Conditions of Approval:	Attached <input checked="" type="checkbox"/>
Date: Wednesday, December 13, 2006	Phone: 505-748-1471	

* Attach Additional Sheets If Necessary



FACSIMILE TRANSMITTAL SHEET

TO: Mike Bratcher	FROM: Robert Asher
FAX NUMBER: 9-748-9720	DATE: Wednesday, December 13, 2006
COMPANY: NMOCD	TOTAL NO. OF PAGES INCLUDING COVER: 2
PHONE NUMBER:	RE: C-141; Federales BO Tank Battery

URGENT
 FOR REVIEW
 PLEASE COMMENT
 PLEASE REPLY
 PLEASE RECYCLE

NOTES/COMMENTS:

Initial Report.

Call me if you have any questions, 505-748-4217.

Thank you.

Robert Asher

Environmental Regulatory Department



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Yates Petroleum Corporation
105 S. 4th St.
Artesia, NM 88210
ATTN: Environmental Department (Robert Asher)

April 10, 2007

Reference: Federales BO Tank Battery (Federales BO 001) 30-015-20274 D-23-17s-28e

Dear Mr. Asher,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of a remediation work plan proposal (plan), dated December 21, 2006. The plan outlines procedures to be used for remediation of a produced fluids/gas release that occurred at or near the above referenced well site on December 4, 2006.

The plan is approved with the following stipulations;

- Notify the OCD 24 hours prior to commencement of activities.
- Notify the OCD 24 hours prior to obtaining samples where analyses of samples obtained are to be submitted to the OCD.

Please be advised that OCD approval of this plan does not relieve Yates Petroleum Corporation of liability should their operations have failed to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve Yates Petroleum Corporation of responsibility for compliance with any other applicable federal, state, local laws and/or regulations.

Please have project completed no later than June 11, 2006.

Sincerely,

Mike Bratcher
NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
(505) 748-1283 Ext. 108
(505) 626-0857
mike.bratcher@state.nm.us

Tracking: nMLB0710047860
cc: Robert Asher
Signed hard copy mailed to listed address.

Yates Petroleum Corporation

Federales BO Battery Work Plan

Section 23, T17S-R25E

Eddy County, New Mexico

December 21, 2006

Trancon's Federales BO #1
30 015-20074
D-23-17-25-
NMLB 0710047860

I. Location

The well is located approximately 5 miles west of Artesia, NM, southwest of Gissler Road, as represented by the attached Artesia, NM, USGS Quadrangle Map.

II. Background

On November 11, 2006, Yates Petroleum Corporation submitted a C-141 for a release of unknown amounts of gas and produced water from a buried plastic line. The affected area is approximately 40 feet by 40 feet, approximately 1000' southeast of the battery. No fluid was recovered and temporary poly lines have been installed.

III. Surface and Ground Water

Area surface geology is Cenozoic. The nearest groundwater of record is listed on the ChevronTexaco, Eddy County Depth to Groundwater Water Well Facilities Trend Map dated 2/9/2005 shows depth to groundwater approximately 175 feet making the site ranking for this site a zero (0). Watercourses in the area are dry except for infrequent flows in response to major precipitation events.

The ranking for this site is zero (0) based on the as following:

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

IV. Soils

The area consists of soils that have clay seams providing a low permeability barrier to retard vertical percolation of contaminants into the subsurface.

V. Scope of Work

Yates Petroleum Corporation has excavated contaminated soils contacted by release. Contaminated material have been removed and taken to an OCD approved land facility. Yates will take soil samples within the effected area to determine vertical and horizontal delineation. These samples will be tested in house or sent to a certified lab and analyzed for BTEX and TPH. Based on the Total Ranking Score of zero (0), RRAL's for BTEX is 50 ppm and TPH is 5000 ppm. If results are above OCD guidelines, then further remediation will be implemented to attain the acceptable limits. If lab analysis reflects closure levels then Yates will contact the Oil Conservation Division to give opportunity to witness a final sampling event. A final C-141 and attached analytical results will be submitted to the OCD requesting closure. After closure approval clean soils will be brought in to replace excavated soils.

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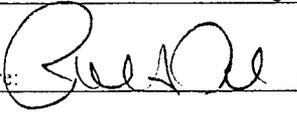
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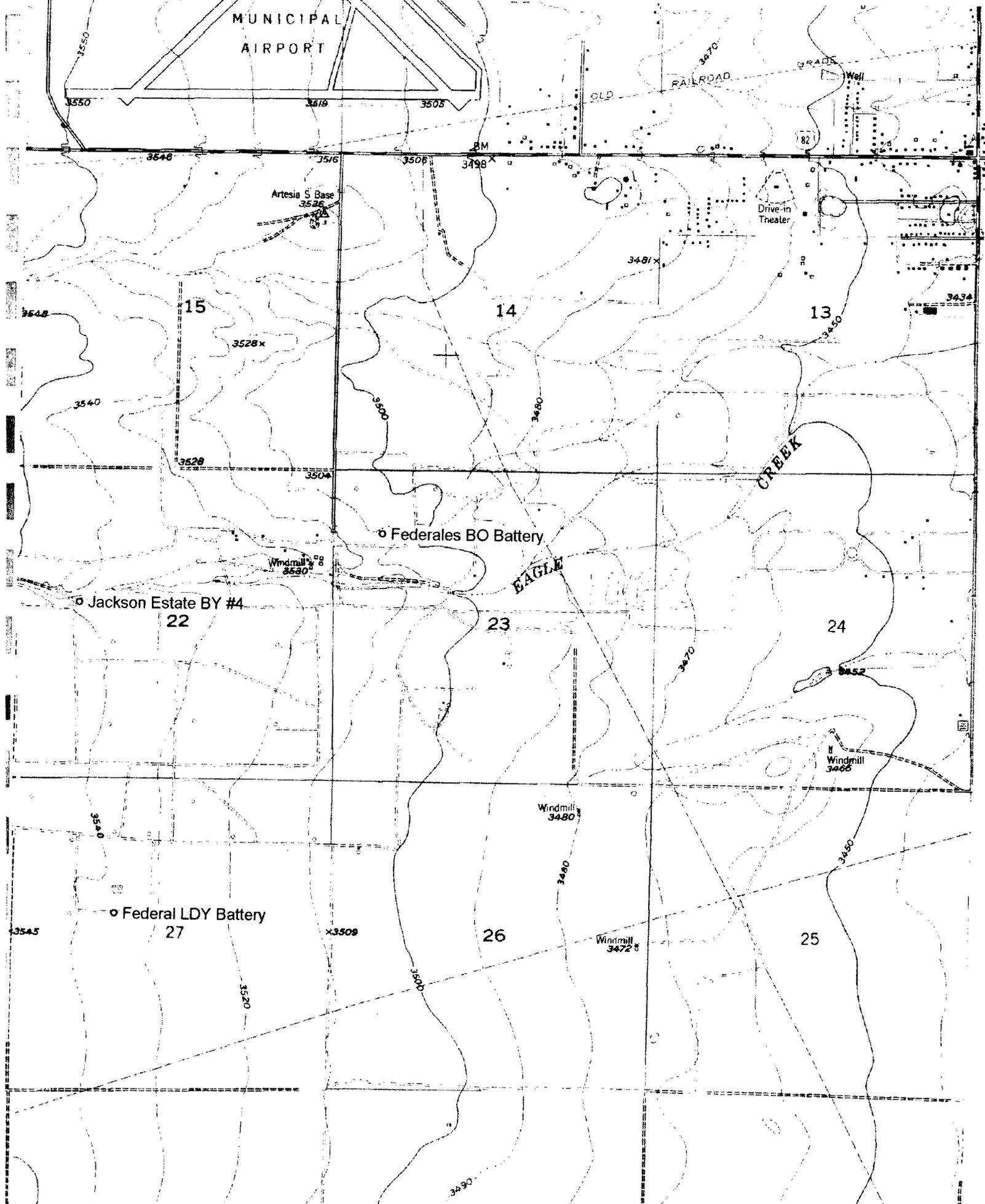
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Printed Name: Robert Asher	Approved by District Supervisor:	
Title: Environmental Regulatory Agent	Approval Date:	Expiration Date:
E-mail Address: boba@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Wednesday, December 13, 2006	Phone: 505-748-1471	

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MUNICIPAL
AIRPORT

OLD RAILROAD

GRAD

Well

Drive-in
Theater

Artesia S Base
3526

Federales BO Battery

Jackson Estate BY #4

EAGLE

CREEK

Windmill
3466

Windmill
3480

Federal LDY Battery

Windmill
3472

Artesia; NM Scale: 1" = 0.379Mi 610Mt 2,000Ft, 1 Mi = 2.640" , 1 cm = 240Mt