

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

SEP - 9 2008

OCD-ARTESIA

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	Contact Mike Stubblefield
Address 105 South 4 <sup>th</sup> Street, Artesia, N.M. 88210	Telephone No. 505-7484500 505-513-1712
Facility Name Aparejo APA State Com. #3	Facility Type Oil Well

Surface Owner State	Mineral Owner State	Lease No.
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30 015 28413

LOCATION OF RELEASE

Unit Letter B	Section 16	Township 19s	Range 25e	Feet from the 660'	North/South Line FNL	Feet from the 1980'	East/West Line FEL	County Eddy
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Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

Type of Release Brine Water	Volume of Release 10-15 bbls	Volume Recovered 0
Source of Release Equipment used in Frac operations.	Date and Hour of Occurrence 3/20/2008 pm	Date and Hour of Discovery 3/22/2008 am
Was Immediate Notice Given? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.\*

Describe Cause of Problem and Remedial Action Taken.\*  
The Aparejo APA State Com. #3 was worked over and frac on 3/20/2008. A release was reported by the Rancher on 3/22/2008 to NMOCD. The source of the release was residue brine water from pump supply lines used during the frac operations. A backhoe was immediately brought to the location. The impacted pooling area was located to the east of the frac tanks was then back dragged.

Describe Area Affected and Cleanup Action Taken.\*  
3/31/2008 the impacted soil located in the pooling area and the flow path located under the frac tanks was excavated. The pooling area was excavated to a depth of 1' BGS. The flow path located under the frac tanks was excavated to a depth of 2' BGS. The removed soil was then hauled to Lea Land Inc. A total of 61 yds of impacted soil was hauled to the disposal facility. 4/8/2008 after notification was provided to NMOCD soil samples were taken for analytical from the excavated areas. Analytical results dated 4/14/2008 as reported by Cardinal Lab. show the Chlorides to be 48 ppm in the excavated pooling area at the 1' depth. Chlorides at 6' BGS were <16 ppm. The Chlorides were reported to be 336 ppm in the excavated flow path. Chlorides were reported to be <16 ppm at a depth of 6' BGS in the excavated flow path. Yates Petroleum Corporation is submitting a final C-141 form and requesting closure for the release that occurred on 3/20/2008.  
Depth to ground water 50'-100', Wellhead protection area > 1000', Distance to surface water body > 1000' Site ranking score 10.

OIL CONSERVATION DIVISION

Signature: <u>Mike Stubblefield</u>	Approved by District Supervisor: <u>TCumby SB</u>	
Printed Name: Mike Stubblefield	Approval Date: <u>10-108</u>	Expiration Date: <u>N/A</u>
Title: Environmental Regulatory Agent	Conditions of Approval: <u>N/A</u>	Attached <input type="checkbox"/> <u>N/A</u>
E-mail Address: mikes@ypcnm.com		
Date: 9/4/2008 Phone: 505-748-4500		

\* Attach Additional Sheets If Necessary

2RP-229



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: 04/14/08  
Reporting Date: 04/14/08  
Project Number: NOT GIVEN  
Project Name: APAREJO APA STATE #3  
Project Location: NOT GIVEN

Analysis Date: 04/14/08  
Sampling Date: 04/08/08  
Sample Type: SOIL  
Sample Condition: INTACT  
Sample Received By: ML  
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/kg)
H14637-1	EXCAVATED POOLING AREA 1'	48
H14637-2	EXCAVATED FLOW PATH 2'	336
H14637-3	EXCAVATED FLOW PATH 6'	< 16
H14637-4	EXCAVATED POOLING AREA 6'	< 16
Quality Control		490
True Value QC		500
% Recovery		98.0
Relative Percent Difference		2.0

METHOD: Standard Methods

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

Note: Analyses performed on 1:4 w:v aqueous extracts.

*Kirstin Supicko*  
Chemist

*04/14/08*  
Date

H14637 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.



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APR 10 2008

OCD-ARTESIA

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## Release Notification and Corrective Action

### OPERATOR

X Initial Report

Final Report

Name of Company Yates Petroleum Corporation 25575	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 Aparejo APA State #3 30-015-28413	Facility Type Oil Well

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

Unit Letter B	Section 16	Township 19s	Range 25e	Feet from the 660'	North/South Line FNL	Feet from the 1980'	East/West Line FEL	County Eddy
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Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

### NATURE OF RELEASE

Type of Release Brine Water	Volume of Release 10-15 bbls	Volume Recovered 0 bbls
Source of Release Equipment used in Frac operations.	Date and Hour of Occurrence 3/20/2008 pm	Date and Hour of Discovery 3/22/2008 am
Was Immediate Notice Given? Yes X No X Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
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 NDDUP #2 was worked over and frac on 3/20/2008. A release was reported by Rancher on 3/22/08 to OCD. The source of the release was residue brine water from pump supply lines used during the frac operations. A backhoe was immediately brought to the location. The area to the east of the frac tanks was back dragged.

Describe Area Affected and Cleanup Action Taken.  
The impacted area is located on the east side of the frac tanks and in a narrow flow path under the frac tanks. Yates will have the frac tanks removed from the location. The visibly impacted soils located under the frac tanks and to the east of the frac tanks will be excavated and hauled to and OCD approved solid waste disposal facility. The area will then be back dragged. Soil samples will be taken from the impacted area. The soil samples taken will be submitted to a second party lab and analysis ran for Chlorides. The Chlorides will be documented. The nearest ground water to the NDDUP #2 as reported by the NMOSE is in sec 16-19s-25e. The depth to GW in sec 16-19s-25e is 95'.

Amended for C-141 submitted on 3/28/2008  
Depth to ground water - 50'-99', Wellhead protection area - > 1000', Distance to surface water body - > 1000' Site ranking score 10 points.

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: <u>Mike Stubblefield</u>		OIL CONSERVATION DIVISION	
Printed Name: Mike Stubblefield		Approved by District Supervisor: <b>Accepted for record - NMOCD</b>	
Title: Environmental Regulatory Agent		Approval Date:	Expiration Date:
E-mail Address: mikes@ypcnm.com		Conditions of Approval:	
Date: 4/9/2008	Phone: 505-748-4500	Attached <input type="checkbox"/> <u>2RP-229</u>	

\* Attach Additional Sheets If Necessary

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MAR 28 2008

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Release Notification and Corrective Action

SEB0827541446  
NISEB082754111

OPERATOR

X Initial Report Final Report

Name of Company Yates Petroleum Corporation	25573	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 NDDUP #2 30-015-28413		Facility Type Oil Well

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

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OIL CONSERVATION DIVISION

Signature: <i>Mike Stubblefield</i>	Approved by District Supervisor: <i>T. Cumby SB</i>	
Printed Name: Mike Stubblefield	Approval Date: <i>4-7-08</i>	Expiration Date:
Title: Environmental Regulatory Agent	Conditions of Approval:	
E-mail Address: mikes@ypcnm.com	Attached <input type="checkbox"/>	
Date: 3/27/2008 Phone: 505-748-4500	<i>2RP-229</i>	

\* Attach Additional Sheets If Necessary

SEB0827541542