

Final Closure

JAN 06 2009

Orig.

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

OCD-ARTESIA

Form C-144  
June 24, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.  
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

YPC  
YPC  
YPC

Pit, Closed-Loop System, Below-Grade Tank, or  
Proposed Alternative Method Permit or Closure Plan Application

JUL 17 2008

Type of action: ☐ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method  
☒ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

Operator: Yates Petroleum Corporation		OGRID #: 025575							
Address: 105 South Fourth Street, Artesia, NM 88210									
Facility or well name: Oreck BDO Com #1									
API Number: 30-05-64003		OCD Permit Number:							
U/L or Qtr/Qtr	G	Section	21	Township	10S	Range	26E	County	Chaves
Center of Proposed Design: Latitude		N33.432592		Longitude		W104.300050		NAD: <input checked="" type="checkbox"/> 1927 <input type="checkbox"/> 1983	
Surface Owner: <input type="checkbox"/> Federal <input type="checkbox"/> State <input checked="" type="checkbox"/> Private <input type="checkbox"/> Tribal Trust or Indian Allotment									

<input type="checkbox"/> <b>Pit:</b> Subsection F or G of 19.15.17.11 NMAC Temporary: <input checked="" type="checkbox"/> Drilling <input type="checkbox"/> Workover <input type="checkbox"/> Permanent <input type="checkbox"/> Emergency <input type="checkbox"/> Cavitation <input type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> Lined <input type="checkbox"/> Unlined Liner type: Thickness 20 mil <input checked="" type="checkbox"/> LLDPE <input type="checkbox"/> HDPE <input type="checkbox"/> PVC <input checked="" type="checkbox"/> Other Felt Liner Underneath plastic liner <input checked="" type="checkbox"/> String-Reinforced Seams: <input checked="" type="checkbox"/> Welded <input checked="" type="checkbox"/> Factory <input type="checkbox"/> Other Volume: 13000 bbl Dimensions: L 150 x W 150 x D 6	<input type="checkbox"/> <b>Closed-loop System:</b> Subsection H of 19.15.17.11 NMAC <input type="checkbox"/> Drying Pad <input type="checkbox"/> Tanks <input type="checkbox"/> Haul-off Bins <input type="checkbox"/> Other <input type="checkbox"/> Lined <input type="checkbox"/> Unlined Liner type: Thickness mil <input type="checkbox"/> LLDPE <input type="checkbox"/> HDPE <input type="checkbox"/> PVC <input type="checkbox"/> Other Seams: <input type="checkbox"/> Welded <input type="checkbox"/> Factory <input type="checkbox"/> Other Volume: bbl yd <sup>3</sup> Dimensions: Length x Width
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<input type="checkbox"/> <b>Below-grade tank:</b> Subsection I of 19.15.17.11 NMAC Volume: bbl Type of fluid: Tank Construction material: <input type="checkbox"/> Secondary containment with leak detection <input type="checkbox"/> Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off <input type="checkbox"/> Visible sidewalls and liner <input type="checkbox"/> Visible sidewalls only <input type="checkbox"/> Other Liner type: Thickness mil <input type="checkbox"/> HDPE <input type="checkbox"/> PVC <input type="checkbox"/> Other	<input type="checkbox"/> <b>Fencing:</b> Subsection D of 19.15.17.11 NMAC <input type="checkbox"/> Chain link, six feet in height, two strands of barbed wire at top <input checked="" type="checkbox"/> Four foot height, four strands of barbed wire evenly spaced between one and four feet <input type="checkbox"/> <b>Netting:</b> Subsection E of 19.15.17.11 NMAC <input type="checkbox"/> Screen <input type="checkbox"/> Netting <input type="checkbox"/> Other N/A Temporary Pit <input type="checkbox"/> Monthly inspections <input type="checkbox"/> <b>Signs:</b> Subsection C of 19.15.17.11 NMAC <input type="checkbox"/> 12'x24', 2' lettering, providing Operator's name, site location, and emergency telephone numbers <input checked="" type="checkbox"/> Signed in compliance with 19.15.3.103 NMAC
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<input type="checkbox"/> <b>Alternative Method:</b> Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	<b>Administrative Approvals and Exceptions:</b> Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance. Please check a box if one or more of the following is requested, if not leave blank: <input type="checkbox"/> Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval. <input type="checkbox"/> Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.
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1-6-09  
ENTERED  
Closed

**Siting Criteria (regarding permitting): 19.15.17.10 NMAC**

**Instructions:** The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☒ No

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

- Topographic map; Visual inspection (certification) of the proposed site.

☐ Yes ☒ No

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks)

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

☐ Yes ☒ No  
☐ NA

Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits)

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

☐ Yes ☒ No  
☒ NA

Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.

- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

- Written confirmation or verification from the municipality; Written approval obtained from the municipality

☐ Yes ☒ No

Within 500 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within the area overlying a subsurface mine.

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

☐ Yes ☒ No

Within an unstable area.

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

☐ Yes ☒ No

Within a 100-year floodplain.

- FEMA map

☐ Yes ☒ No

**Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC

**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached

- ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☒ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC See Attached Exhibit "F"

☐ Previously Approved Design (attach copy of design) API Number: \_\_\_\_\_ or Permit Number: \_\_\_\_\_

**Closed-loop Systems Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC

**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (required for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations (required for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

NMAC

☐ Previously Approved Design (attach copy of design) API Number: \_\_\_\_\_

**Permanent Pits Permit Application Checklist:** Subsection B of 19.15.17.9 NMAC

**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC  
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC  
☐ Climatological Factors Assessment  
☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC  
☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC  
☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC  
☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC  
☐ Quality Control/Quality Assurance Construction and Installation Plan  
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC  
☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC  
☐ Nuisance or Hazardous Odors, including H<sub>2</sub>S, Prevention Plan  
☐ Emergency Response Plan  
☐ Oil Field Waste Stream Characterization  
☐ Monitoring and Inspection Plan  
☐ Erosion Control Plan  
☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

**Proposed Closure:** 19.15.17.13 NMAC

Type: ☒ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ Permanent Pit ☐ Below-grade Tank ☐ Closed-loop System ☐ Alternative

Proposed Closure Method: ☒ Waste Excavation and Removal  
☐ Waste Removal (Closed-loop systems only)  
☐ On-site Closure Method (Only for temporary pits and closed-loop systems)  
     ☐ In-place Burial ☐ On-site Trench Burial  
☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

**Siting Criteria (regarding on-site closure methods only):** 19.15.17.10 NMAC

**Instructions:** Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

- |   |   |
|---|---|
| Ground water is less than 50 feet below the bottom of the buried waste.<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells   | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> NA |
| Ground water is between 50 and 100 feet below the bottom of the buried waste<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells  | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> NA |
| Ground water is more than 100 feet below the bottom of the buried waste.<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells  | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> NA |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).<br>- Topographic map; Visual inspection (certification) of the proposed site  | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.<br>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image  | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.<br>- NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.<br>- Written confirmation or verification from the municipality; Written approval obtained from the municipality   | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within 500 feet of a wetland.<br>- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site   | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within the area overlying a subsurface mine.<br>- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division   | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within an unstable area.<br>- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map   | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within a 100-year floodplain.<br>- FEMA map   | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |

**Waste Excavation and Removal Closure Plan Checklist:** (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.* **See Attached Exhibit "F"**

- ☒ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☒ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☒ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- ☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

**Waste Removal Closure For Closed-loop Systems That Utilize Haul-off Bins Only:** (19.15.17.13.D NMAC) *Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings.*

Disposal Facility Name:

Disposal Facility Permit Number:

**On-Site Closure Plan Checklist:** (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Construction and Design of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- ☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

**Operator Application Certification:**

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Debbie L. Caffall

Title: Regulatory Agent

Signature: Debbie L. Caffall

Date: 7/16/2008

e-mail address: debbiec@ypcnm.com

Telephone: 575-748-4376

**OCD Approval:** ☐ Permit Application (including closure plan) ☒ Closure Plan (only)

OCD Representative Signature: Jim W. Green

Approval Date: 7/16/08

Title: District II Supervisor

Permit Number: 0208161

**Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC

☒ Closure Completion Date: 11-25-08

**Closure Method:**

- ☒ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method
- ☐ If different from approved plan, please explain.

**Closure Report Attachment Checklist:** *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- ☐ Proof of Closure Notice
- ☐ Proof of Deed Notice (if applicable)
- ☐ Plot Plan
- ☒ Confirmation Sampling Analytical Results
- ☒ Waste Material Sampling Analytical Results
- ☒ Disposal Facility Name and Permit Number
- ☒ Soil Backfilling and Cover Installation - Hauled & Tested Some Backfill From Gandy Marley - Used Original On Top
- ☒ Re-vegetation Application Rates and Seeding Technique Will Be Done In Spring
- ☒ Site Reclamation (Photo Documentation)
- On-site Closure Location: Latitude N33.432592 Longitude W 104.300050 NAD: ☒ 1927 ☐ 1983

**Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Scott Pitts

Title: Construction Supervisor

Signature: Scott Pitts

Date: 1-5-09

e-mail address: SCOTT.P@Yates.petroleum.com

Telephone: 575-365-4718

## **Closure Procedure For Temporary Drilling Pits**

1. De-water pit within 30 days of rig release.
2. Weekly inspection of fluid level in drilling pit after rig release date until fluids are removed. Weekly levels will be recorded in a log to be submitted to the appropriate OCD district office at time of pit closure.
3. All removed pit fluids will be disposed of in an OCD approved manner at one of the listed OCD approved disposal facilities.

Disposal Facility: Gandy Marley

Disposal Facility Permit Number: NM-01-0019

4. If fluids are reclaimed the appropriate OCD district office will be contacted beforehand for approval to do so.
5. Within 6 months of the rig release date and after the removal of all free liquids from the temporary drilling pit, the surface owner will be notified by certified mail, return receipt requested that the operator will close the pit. OCD division office will be notified verbally that waste excavation and removal will begin.
6. All impacted contents of the temporary drilling pit will be stabilized by mixing of dry non-waste containing earthen material so that such material will pass a paint filter test.
7. All stabilized pit contents, including the synthetic pit liner will be loaded into trucks and transferred to the division-approved facility listed below for proper disposal.

Disposal Facility: Gandy Marley

Disposal Facility Permit Number: NM-01-0019

8. Once all visually impacted materials have been removed from the temporary drilling pit, testing and analyzing of the soils beneath the pit will be conducted in accordance with 19.15.17.13, B., 1(b) (i) or (ii) whichever is appropriate to determine if a release has occurred during utilization of the pit.

Oreck BDO Com #1  
Section 21, T10S-R26E  
Chaves County, New Mexico  
Exhibit "F"

9. When analysis indicates that the soils within the pit area are within the recommended actions levels backfilling will begin.
10. Backfill material will consist of non-waste containing earthen material. The cleaned out drilling pit will be filled with such material to a level which shall allow space for the addition of topsoil which will be equal to the thickness of the background topsoil or one foot whichever is greater as directed in 19.15.17.13, H (1) NMAC.
11. The topsoil cover will be placed on to the drilling pit area in a manner of existing grade and will prevent ponding of water and erosion of the cover material.
12. Within 60 days of closure completion a closure report on form C-144 will be submitted to the appropriate district office. The report will contain detailed information on the backfilling, capping. The closure report will also include a plat of the closed pit location on a form C-105.
13. Within the first growing season after the approved pit closure seeding of the pit area shall occur. The seeding will be performed in accordance with 19.15.17.13, I, (2) (3) (4) (5).

**Scott Pitts**

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**From:** Mike Stubblefield  
**Sent:** Tuesday, October 14, 2008 4:18 PM  
**To:** 'mike.bratcher@state.nm.us'  
**Cc:** Jerry Fanning; Scott Pitts  
**Subject:** 30-005-63595 Ut.B 21-10s-26e Oreck BDO Com. #1 Drilling pit closure meeting on 10/14/2008 attended by NMOCD-Tim Gum, Mike Bratcher, YPC-Jerry Fanning, Mike Stubblefield

Dear Mr. Mike Bratcher,

As per your instructions given to Yates Petroleum Corporation during our meeting on 10/14/2008. The cleaned out drilling pit located at the Oreck BDO Com. #1 will be backfilled from 12' BGS to a depth of 4' BGS using clean soil. A 20 Mil. Liner will then be placed into the bottom of the cleaned out drilling pit with the exception of the Southeast corner of the drilling pit bottom, which will not be capped by a 20 Mil. Liner. The cleaned out drilling pit will then be backfilled back to grade using clean soil. Yates Petroleum Corporation thanks you for your decision made on 10/14/2008.

Sincerely,

Mike Stubblefield  
Environmental Regulatory Agent

*Disposal Facility Gandy-Marley NM-01-0019*

10/15/2008

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

**Release Notification and Corrective Action**

*nmlb 0900630709*  
*30-005-64003*

**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 Oreck BDO Com. #1 <i>30-005-63595 - Canceled App</i>	Facility Type Drilling Pit

Surface Owner Fee	Mineral Owner	Lease No.
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**LOCATION OF RELEASE**

Unit Letter <i>G</i>	Section 21	Township 10s	Range 26c	Feet from the <del>990</del> <i>2150</i>	North/South Line FNL	Feet from the <del>1980</del> <i>1780</i>	East/West Line FEL	County Eddy
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Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

**NATURE OF RELEASE**

Type of Release Drilling Fluids	Volume of Release Unknown	Volume Recovered 0
Source of Release Drilling pit	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 9/26/2008
Was Immediate Notice Given? Yes 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 drilling reserve pit located at the Oreck "BDO" Com #1 is currently being closed with an approved C-144 form under NMOCD Rule 17. The pit material was excavated and hauled to Gandy Marley Inc. an NMOCD approved solid waste disposal facility. Soil samples were taken on 9/24/2008 from bottom of the cleaned out drilling pit. Soil samples taken were submitted to a second party Lab and analysis ran for THP using EPA Method 8015M & 418 I, B-TEX using EPA Method 8021. The Chlorides were analyzed using EPA Method 4500 CL-B. Analytical results dated 9/26/2008 from Cardinal Lab reported the GRO <25 mg/kg, DRO <25 mg/kg, Total TPH <100 mg/kg, B-TEX <50mg/kg, Benzene 050 mg/kg. The Chlorides were reported to be 5,200 mg/kg. The GRO, DRO, Total TPH, B-TEX and Benzene did not exceed the requirements for closure of the drilling pit under NMOCD Rule 17. The Chlorides were reported to be above the closure requirements of 500 mg/kg.

**Describe Area Affected and Cleanup Action Taken \***

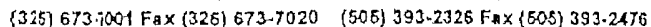
The Chloride impacted soil located in the cleaned out drilling pit bottom was further excavated from a depth of 9' BGS to a depth of 12' BGS. The excavated soil was hauled to Gandy Marley Inc. Soil samples were taken for analytical from the bottom of the cleaned out drilling pit at 12' BGS. Analytical results dated 10/9/2008 received from Cardinal Lab reported the Chlorides to be 928 mg/kg. Further delineation for Chlorides was then conducted by the use of a trachoe. Grab soil samples were taken below the cleaned out drilling pit bottom at 13'-15' BGS. Analytical results dated 10/13/2008 received from Cardinal Lab reported the Chlorides to be 13' BGS Cl -608 mg/kg, 14' BGS CL -464 mg/kg & 15' BGS CL -352 mg/kg. 10/14/2008 YPC Jerry Fanning and Mike Stubblefield meet with NMOCD Tim Gum and Mike Bratcher. Based on a review of the analytical results from Cardinal Lab dated 10/9/2008 & 10/13/2008 Mr. Bratcher instructed YPC to backfill the cleaned out drilling pit to a depth of 4' BGS. Install a 20 Mil Liner over the bottom of the cleaned out drilling pit with the exception of the SE corner. Yates was then allowed to backfill the cleaned out drilling pit back to grade using clean soil. All actions as required by NMOCD/Mike Bratcher have been completed. Yates Petroleum Corporation is submitting the final C-141 form for the closure of the drilling pit at the Oreck BDO Com #1 requesting closure. Depth to ground water < 50', Wellhead protection area > 1000', Distance to surface water body > 1000'. Site ranking 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>	<b>OIL CONSERVATION DIVISION</b> <b>by MB</b> Signed By: <i>Mike Bratcher</i>	
Printed Name: Mike Stubblefield	Approved by District Supervisor	
Title: Environmental Regulatory Agent	Approval Date: <i>2009 mls</i> <b>JAN 06 2008</b>	Expiration Date: <i>N/A</i>
E-mail Address: mikes@ypcnm.com	Conditions of Approval: <i>N/A</i>	Attached <input type="checkbox"/>
Date: 11/7/2008	Phone: 505-748-4500	

\* Attach Additional Sheets If Necessary





## Page of \_\_\_\_\_

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



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: 09/25/08  
Reporting Date: 09/26/08  
Project Number: 30-005  
Project Name: ORECK BDO COM.#1  
Project Location: SEC. 21-10S-26E

Sampling Date: 09/24/08  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: HM  
Analyzed By: AB/HM

LAB NUMBER	SAMPLE ID	GRO (C <sub>6</sub> -C <sub>10</sub> ) (mg/kg)	DRO (>C <sub>10</sub> -C <sub>28</sub> ) (mg/kg)	TOTAL TPH (mg/kg)	CI* (mg/kg)
ANALYSIS DATE		09/26/08	09/26/08	09/25/08	09/25/08
H15973-1	CLEANED OUT DRILLING	<25.0	<25.0	<100	5,200
	PIT BOTTOM 9' DEPTH				
Quality Control		584	586	323	490
True Value QC		500	500	300	500
% Recovery		117	117	108	98.0
Relative Percent Difference		9.6	18.5	3.9	2.0

**METHODS:** TPH GRO & DRO: EPA SW-846 8015 M; EPA 418.1; Cl-: Std. Methods 4500-Cl-B

\*Analyses performed on 1:4 w:v aqueous extracts.

  
Chemist

09/26/08  
Date

H15973 TPH2CL YATES

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

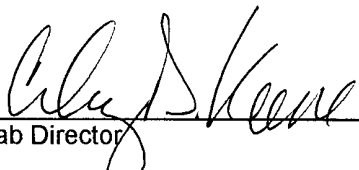
Receiving Date: 09/25/08  
Reporting Date: 09/26/08  
Project Number: 30-005  
Project Name: ORECK BDO COM.#1  
Project Location: SEC. 21-10S-26E

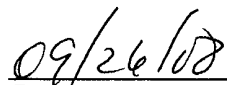
Sampling Date: 09/24/08  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: HM  
Analyzed By: ZL

LAB NUMBI SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL	TOTAL
			BENZENE (mg/kg)	XYLENES (mg/kg)
ANALYSIS DATE	09/26/08	09/26/08	09/26/08	09/26/08
H15973-1 CLEANED OUT DRILLING PIT	<0.050	<0.050	<0.050	<0.150
BOTTOM 9' DEPTH				
Quality Control	0.053	0.049	0.049	0.161
True Value QC	0.050	0.050	0.050	0.150
% Recovery	106	98.0	98.0	107
Relative Percent Difference	3.1	2.0	2.0	1.9

METHOD: EPA SW-846 8021

TEXAS NELAP CERTIFICATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE,  
AND TOTAL XYLENES.

  
Lab Director

  
Date

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

Receiving Date: 10/09/08  
Reporting Date: 10/09/08  
Project Number: 30-005-63595  
Project Name: ORECK BDO COM. #1  
Project Location: SEC. 21-10S-26E

Analysis Date: 10/09/08  
Sampling Date: 10/07/08  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: AB  
Analyzed By: HM

<b>LAB NUMBER</b>	<b>SAMPLE ID</b>	<b>C<sup>-</sup> (mg/kg)</b>
H16076-1	1. CLEANED OUT DRILLING PIT AREA 12' DEPTH.	928
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		2.0

METHOD: Standard Methods	4500-CIB
Note: Analysis performed on a 1:4 w:v aqueous extract.	

*Chad Kemo*  
Chemist

10/9/08  
Date

H16076 YATES

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2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240  
(325) 673-7001 Fax (325) 673-7020 (505) 393-2326 Fax (505) 393-2476

## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

Company Name: Yates Petroleum Corporation		BILL TO		ANALYSIS REQUEST																											
Project Manager: Mike Stubblefield		P.O. #:																													
Address: 105 South 4th Street		Company: Yates Petco Corp.																													
City: Artesia State: N.M. Zip: 88210		Attn: Mike Stubblefield																													
Phone #: 505-513-1912 Fax #: 505-748-4335		Address: 105 South 4th Street																													
Project #: 30-005-63595 Project Owner: Mike Stubblefield		City: Artesia																													
Project Name: Oreck BDO Com. #1		State: N.M. Zip: 88210																													
Project Location: Sec. 21-105-26e		Phone #: 505-748-4500																													
Sample Name: Mike Stubblefield		Fax #: 505-748-4635																													
FOR LAB USE ONLY				MATRIX		PRESERV.		SAMPLING		Chlorides 300.1																					
Lab I.D.		Sample I.D.		# CONTAINERS		GROUNDWATER		WASTEWATER						SOIL		OIL		SLUDGE		OTHER:		ACID/BASE		ICE / COOL		OTHER:		DATE		TIME	
H16076-1		1. cleaned out drilling pit area 12' depth.		C										✓														10-7-08		4:00PM	

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Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Relinquished By: Scott Pitts		Date: 10-9-08		Received By: CB		Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Time: 7:30 AM						Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Relinquished By:		Date:		Received By: (Lab Staff)		REMARKS:	
Time:							
Delivered By: (Circle One)				Sample Condition		Checked By:	
Sampler - UPS - <input checked="" type="checkbox"/> Other: Mike Goodloe - YPC				Temp. °C		(Initials)	
				Intact? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		AB	

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

Receiving Date: 10/10/08  
Reporting Date: 10/13/08  
Project Number: 30-005-63595  
Project Name: ORECK BDO COM. #1  
Project Location: SEC. 21-10S-26E

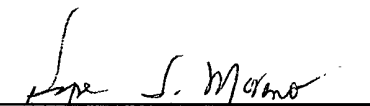
Analysis Date: 10/11/08  
Sampling Date: 10/10/08  
Sample Type: SOIL  
Sample Condition: INTACT  
Sample Received By: ML  
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/kg)
H16096-1	1. CLEANED OUT DRILLING PIT BOTTOM 13' BGS.	608
H16096-2	1. CLEANED OUT DRILLING PIT BOTTOM 14' BGS.	464
H16096-3	3. CLEANED OUT DRILLING PIT BOTTOM 15' BGS.	352
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.

  
Chemist

10-13-08  
Date

## H16096 YATES

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## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page \_\_\_\_ of \_\_\_\_

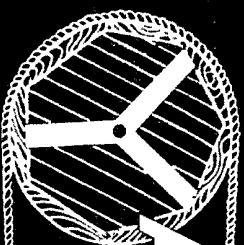
Company Name: Yates Petroleum Corporation		BILL TO		ANALYSIS REQUEST										
Project Manager: Mike Stubblefield		P.O. #:												
Address: 105 South 4th Street		Company: Yates Petro Corp.												
City: Artesia State: N.M. Zip: 88210		Attn: M. Ke Stubblefield												
Phone #: 505-513-1712 Fax #: 505-748-4335		Address: 105 South 4th Street												
Project #: 30-005-63595 Project Owner: Mike Stubblefield		City: Artesia												
Project Name: Oreck BDO Com. #1		State: N.M. Zip: 88210												
Project Location: Sec. 21-105-260		Phone #: 505-748-4500												
Sample Name: Mike Stubblefield		Fax #: 505-748-4635												
FOR LAB USE ONLY														
Lab I.D.	Sample I.D.	(O) RAB OR (C) COMP.	# CONTAINERS	MATRIX					PRESERV.	SAMPLING				
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE	ICE / COOL	OTHER:	DATE	TIME
1116096-1	1. Cleaned out drilling pit bottom 13' BGS	G				✓				✓			10/10/2008	
-2	2. Cleaned out drilling pit bottom 14' BGS	G				✓				✓			10/10/2008	
-3	3. Cleaned out drilling pit bottom 15' BGS	G				✓				✓			10/10/2008	

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Sample or Relinquished: Scott P. Hs		Date: 10-10-08	Received By: M. Ke Stubblefield	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No
Relinquished By: [Signature]		Time: 1:30 PM	Received By: (Lab Staff)	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No
Delivered By: (Circle One)		Sample Condition	Checked By: [Signature]	REMARKS: RUSH!
Sampler - UPS - <input checked="" type="radio"/> Bus - Other:		Temp. °C	Intact? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

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**ATE<sup>5</sup>**  
**PETROLEUM**  
**CORPORATION**

(505) 748-1471

ORECK "BDO" Com. #1

2150' FML & 1780' FEL SW/NE  
Sec. 21 - T 10 S - R 26 E - Unit G  
Chaves Co. New Mexico

Fee Lease - API #30-005-640-03

AFE # 07-457-0



