

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

OCT 21 2007
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 X Final Report

Name of Company Yates Petroleum Corporation	Contact Mike Stubblefield
Address 105 South 4 th Street, Artesia, N.M. 88210	Telephone No. 505-7484500 505-513-1712
Facility Name Central Dagger Draw	Facility Type Tank Battery
Transfer {bates} 30-015-05912	

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

Unit Letter I	Section 3	Township 20s	Range 24e	Feet from the	North/South Line FNL	Feet from the	East/West Line FWL	County Eddy
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Latitude 32.60105 Longitude 104.56925

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 100 bbls Produced Water	Volume Recovered 95 bbls PW
Source of Release Stock tank	Date and Hour of Occurrence 12/22/2007 am	Date and Hour of Discovery 12/22/07 am
Was Immediate Notice Given? Yes X No Not Required	If YES, To Whom? Called OCD after hour's answering service.	
By Whom? Jerry Fanning	Date and Hour 12/22/2007 12:45pm	
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.*

Busted 1" nipple on top of the discharge line from water pump.

Describe Area Affected and Cleanup Action Taken.*

The impacted area was the bermed area located on the east side of the tank battery. Soil samples were taken for analytical from the excavated pooling area located along the east berm on 1/10/2008 & 9/29/2008. Soil samples were sent to a second party lab & analysis ran for TPH using EPA Method 8015M, B-TEX using EPA method 8021B. The Chlorides were analyzed using EPA Method 4500-CLB. Analytical results dated 1/16/2008 reported the TPH & B-TEX to be over the RRAL for the site. The Chlorides were reported to be 256 ppm at the surface of the impacted area, CL. 208 3' BGS. A work plan was submitted to OCD for the correction of the hydrocarbons on 2/11/2008. The work plan was approved by Mr. Gerry Guye. The pooling area located along the east dike was further excavated to a depth of 18" BGS. The excavated soil was placed into the Bio-Cell and corrected by aeration. Soil samples were taken on 9/26/2008 from the excavated area along the berm, the rotor tilled /treated flow path located near the stock tanks & the Land Farmed Soil in Bio-Cell. Analytical results dated 10/6/2008 report the TPH & B-TEX to be under the RRAL. The Chlorides have been documented to be low range. Yates Petroleum Corporation is submitting the final C-141 form for the release that occurred on 12/22/2007 requesting closure. Analytical attached.

Depth to ground water > 100', Wellhead protection area > 1000', Distance to surface water body > 1000' Site ranking 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.

OIL CONSERVATION DIVISION

Signature: <i>Mike Stubblefield</i>	Approved by District Supervisor: <i>TCumby SB</i>	
Printed Name: Mike Stubblefield	Approval Date: 2-3-09	Expiration Date: N/A
Title: Environmental Regulatory Agent	Conditions of Approval: N/A	Attached <input type="checkbox"/> N/A
E-mail Address: mikes@ypcnm.com		
Date: 10/16/2008	Phone: 505-748-4500	

* Attach Additional Sheets If Necessary



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

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

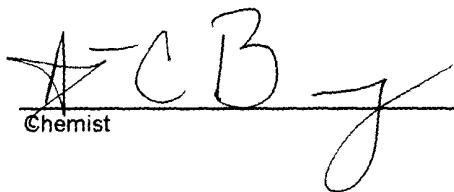
Receiving Date: 10/01/08
Reporting Date: 10/06/08
Project Number: 30-015-05912
Project Name: CENTRAL DAGGER DRAW TRANSFER (BATES)
Project Location: SEC. 3-20S-24E

Sampling Date: 09/29/08
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: AB/ZL

LAB NO.	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (>C ₁₀ -C ₂₈) (mg/kg)	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE:		10/02/08	10/02/08	10/02/08	10/02/08	10/02/08	10/02/08
H16022-1	1. EXCAVATED AREA INSIDE BERM 18" BGS.	<25.0	774	<0.050	0.058	0.052	0.296
H16022-2	2. TREATED AREA AROUND STOCK TANKS SURFACE.	<25.0	27.3	<0.050	0.067	0.084	0.550
H16022-3	3. LAND FARMED SOIL.	<25.0	722	<0.050	<0.050	<0.050	<0.150
Quality Control		591	469	0.053	0.050	0.051	0.164
True Value QC		500	500	0.050	0.050	0.050	0.150
% Recovery		118	93.8	106	100	102	109
Relative Percent Difference		8.8	2.1	5.4	1.2	3.7	2.5

METHODS: TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8021B.

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


Chemist

10/06/08
Date

H16022 BTEX8015 YATES

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. 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 analyses. 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 or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based in contract or tort. This report shall not be reproduced except in full with written approval of Cardinal.



CARDINAL LABORATORIES, INC.

2111 Beechcroft, 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 ____ of ____

Company Name: Yates Petroleum Corporation		BILL TO		ANALYSIS REQUEST												
Project Manager: Mike Stubblefield		P.O. #:														
Address: 105 South 4th Street		Company: Yates Pet Co 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 #: 505-05912 Project Owner: Mike Stubblefield		City: Artesia														
Project Name: Central Dogger Draw Transfer (Bates)		State: N.M. Zip: 88210														
Project Location: Sec. 3-20s-24e		Phone #: 505-748-4500														
Sampler Name: Mike Stubblefield		Fax #: 505-748-4635														
FOR LAB USE ONLY				MATRIX		PRESERV.		SAMPLING								
Lab I.D.	Sample I.D.	(GRAB OR COMPOUND)	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE	ICE / COOL	OTHER:	DATE	TIME	TPH 8015 M	B-TEN
H16022-1	1. Excavated Area inside berm 88% BGS	C				✓				✓			9/29/2008	9:45 AM	✓	✓
-2	2. Treated Area around stock tanks surface	C				✓				✓			9/29/2008	10:00 AM	✓	✓
-3	3. Land farmed soil	C				✓				✓			9/29/2008	10:15 AM	✓	✓

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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 collection, including attorney's fees.

Sampler Relinquished:	Date: 2/27/2008 Time: 1:15 PM.	Received By:	Phone Result: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Relinquished By: Mike Stubblefield	Date: 2/27/2008 Time: 1:15 PM.	Received By: (Lab Staff) 10-1-08 5:50	Fax Result: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Delivered By: (Circle One)		Sample Condition Temp. °C	REMARKS:
Sampler - UPS - <input checked="" type="radio"/> Bus - Other:		Intact? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
		Checked By: (Initials) MCB	

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



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ANALYTICAL RESULTS FOR
YATES PETROLEUM CORPORATION
ATTN: MIKE STUBBLEFIELD
105 SOUTH 4TH STREET
ARTESIA, NM 88210
FAX TO: (575) 748-4335

Receiving Date: 01/14/08
Reporting Date: 01/16/08
Project Number: 30-015-05912
Project Name: CENTRAL DAGGER DRAW TRANSFER (BATES)
Project Location: UT. I 3-20S-24E

Sampling Date: 01/10/08
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: BC/HM

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₈) (mg/Kg)	Cl* (mg/Kg)
	ANALYSIS DATE	01/14/08	01/14/08	01/14/08
H14068-1	SBH#1 POOLING AREA	1790	18700	256
	INSIDE BERM SURFACE			
H14068-2	SBH#1 POOLING AREA	700	4660	208
	INSIDE BERM 1' DEPTH			
	Quality Control	804	843	500
	True Value QC	800	800	500
	% Recovery	101	105	100
	Relative Percent Difference	0.4	3.7	<0.1

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

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

Chemist

Date

H14068A 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.



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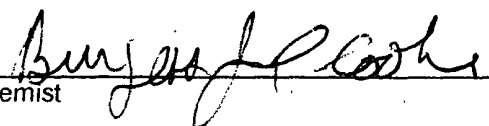
ANALYTICAL RESULTS FOR
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ARTESIA, NM 88210
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Project Location: UT. I 3-20S-24E

Sampling Date: 01/10/08
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: AB

LAB NUME SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE	01/14/08	01/14/08	01/14/08	01/14/08
H14068-1 SBH#1 POOLING AREA	0.153	3.27	7.42	58.0
INSIDE BERM SURFACE				
H14068-2 SBH#1 POOLING AREA	0.099	1.80	2.14	23.7
INSIDE BERM 1' DEPTH				
Quality Control	0.103	0.090	0.094	0.274
True Value QC	0.100	0.100	0.100	0.300
% Recovery	103	90.0	93.7	91.2
Relative Percent Difference	0.3	0.9	0.9	0.8

METHOD: EPA SW-846 8021B


Chemist

1/15/08
Date

H14068B YATES

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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ____ of ____

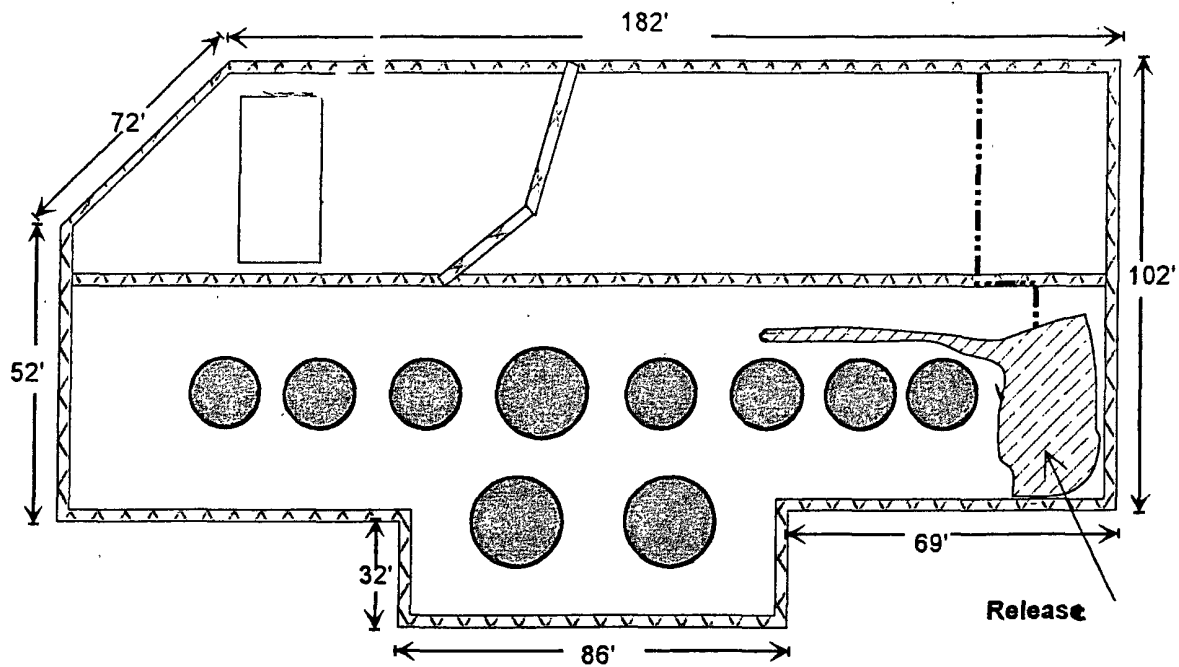
Company Name: Yates Petroleum Corporation		BILL TO		ANALYSIS REQUEST													
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Address: 105 South 4th Street		Company: Yates Petco Corp.															
City: Artesia State: N.M. Zip: 88210		Attn: Mike Stubblefield															
Phone #: 505-513-1712 Fax #: 505-748-4735		Address: 105 South 4th Street															
Project #: 30-015-05912 Project Owner: Mike Stubblefield		City: Artesia															
Project Name: Central Dagger Draw Transfer (Bates)		State: N.M. Zip: 88210															
Project Location: ut. I 3-205-24c		Phone #: 505-748-4500															
Sampler Name: Mike Stubblefield		Fax #: 505-748-4635															
FOR LAB USE ONLY																	
Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE	ICE / COOL	OTHER:	DATE	TIME	TPH - EPA 8015 M	B-Tex - EPA 8121	Chlorides - EPA 300
H14068-1	SBH #1 Pooling area inside Berm Surface	G				✓					✓		1/10/2008	12:00 PM	✓	✓	✓
-2	SBH #1 Pooling area inside Berm 1' depth.	G				✓					✓		1/10/2008	12:15 PM	✓	✓	✓

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Sampler Relinquished:	Date: 1/11/2008 Time: 1:30 PM	Received By:	Phone Result: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
mae Stubblefield			Fax Result: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Relinquished By:	Date: 1/14/2008 Time: 1:30 PM	Received By: (Lab Staff)	REMARKS:
mae Stubblefield		Yoti LeBut 1/14/08 9:50	
Delivered By: (Circle One)		Sample Condition	Checked By:
Sampler - UPS - <input checked="" type="radio"/> Bus - Other:		Temp. °C Intact?	(Initials)
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	MCXB

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



Central Dagger Draw Transfer

Sec. 3 T20S R24E

Eddy County, NM

RELEASE DIAGRAM
12/22/2007
RELEASE Produced Water