

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

JAN 16 2009
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

NMLB0903440404

OPERATOR

X Initial Report ☐ Final Report

Name of Company Yates Petroleum Corporation	25575	Contact Mike Stubblefield
Address 105 South 4 th Street, Artesia, N.M 88210		Telephone No. 505-7484500 505-513-1712
Facility Name Knoll AOK Federal #2H 30-015-35108		Facility Type Drilling Pit

Surface Owner Fee	Mineral Owner	Lease No.
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LOCATION OF RELEASE

Unit Letter A	Section 3	Township 24s	Range 25e	Feet from the 330'	North/South Line FNL	Feet from the 480'	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 reserve pit.	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 1/14/2009
Was Immediate Notice Given? Yes 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 drilling reserve pit located at the Knoll AOK Federal #2H is currently being closed with an approved C-144 form under NMOCD Rule 17. The pit material was excavated and hauled to CRI Inc & Lea Land Inc. an NMOCD approved solid waste disposal facilities. The drilling reserve pit was excavated to an average depth of 8'-10' bgs. Soil samples were taken on 1/13/2009 from the bottom of the cleaned out drilling pit bottom. The soil samples were analyzed on location by YPC using Field analytical test methods. The Chlorides were reported to be above the closure requirements of 1000 mg/kg. in the NE section of the drilling reserve pit. The Chlorides in the NE section of the drilling pit were reported to be 8' bgs CL.-5096 mg/kg. 19' bgs CL.-3184 mg/kg.

Describe Area Affected and Cleanup Action Taken.*
Vertical delineation for Chlorides will be taken in the NE section of the drilling pit using an auger rig. A five spot composite soil sample will be taken from the bottom of the drilling pit bottom, with the except of the NE section of the drilling pit. A grab soil sample will be taken from the surface of the NE section of the drilling pit bottom. The soil samples taken will be 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 will be analyzed using EPA Method 4500 CL-B The Chlorides will be documented to 250 mg/kg. A 20 mil. Liner will be installed in the NE section of the pit bottom at a minimum depth of 4' bgs. The cleaned out drilling pit area will then be backfilled back to grade with clean soil using the division prescribed soil cover. A final C-141 form will be submitted for the closure of the release that occurred at the Knoll AOK Federal #2.
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.

Signature. <u>Mike Stubblefield</u>		OIL CONSERVATION DIVISION	
Printed Name: Mike Stubblefield		Signed By <u>Mike Stubblefield</u>	
Title. Environmental Regulatory Agent		Approved by District Supervisor:	
E-mail Address: mikes@ypcnm.com		Approval Date: FEB 03 2009	
Date: 1/16/2009 Phone: 505-748-4500		Expiration Date:	
		Conditions of Approval:	
		Attached <input type="checkbox"/>	

- Attach Additional Sheets If Necessary
- Amended C-141 form dated 1/16/2009



ARDINAL LABORATORIES

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

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

Receiving Date: 01/23/09
Reporting Date: 01/28/09
Project Owner: YPC
Project Name: KNOLL AOK FED #2H
Project Location: NOT GIVEN


Analysis Date: 01/25/09
Sampling Date: 01/21/09
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/kg)
H16749-1	SURFACE GRAB NE#1 10' ↓ G/L	272
H16749-2	5 SPOT 9' ↓ G/L #2	1,570
H16749-3	NE 14' BGS	992
H16749-4	NE 20' BGS	1,060
H16749-5	NE 35' BGS	96
H16749-6	NE 40' BGS	64
H16749-7	NE 45' BGS	80
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods

4500-Cl⁻B

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


Chemist

01/28/09
Date

H16749 YATES

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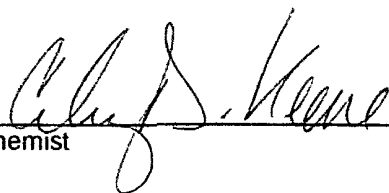
ANALYTICAL RESULTS FOR
 YATES PETROLEUM CORPORATION
 ATTN: SCOTT PITTS
 105 SOUTH 4TH STREET
 ARTESIA, NM 88210
 FAX TO: (575) 748-4229

Receiving Date: 01/23/09
 Reporting Date: 01/27/09
 Project Owner: YPC
 Project Name: KNOLL AOK FED #2H
 Project Location: NOT GIVEN

Sampling Date: 01/21/09
 Sample Type: SOIL
 Sample Condition: INTACT
 Sample Received By: ML
 Analyzed By: AB

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (>C ₁₀ -C ₂₈) (mg/kg)	418.1 TOTAL TPH (mg/kg)
ANALYSIS DATE		01/27/09	01/27/09	01/27/09
H16749-1	SURFACE GRAB NE#1 10' ↓ G/L	<10.0	<10.0	<100
H16749-2	5 SPOT 9' ↓ G/L #2	<10.0	<10.0	<100
Quality Control		450	513	324
True Value QC		500	500	300
% Recovery		90.0	103	108
Relative Percent Difference		4.3	2.4	2.4

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; EPA 418.1


 Chemist

01/28/09
 Date

H16749 TPH2 YATES

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YATES PETROLEUM CORPORATION
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105 SOUTH 4TH STREET
ARTESIA, NM 88210
FAX TO: (575) 748-4229

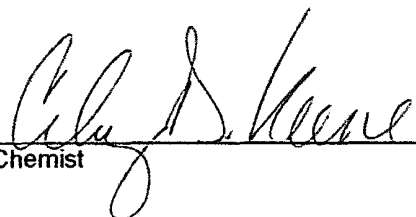
Receiving Date: 01/23/09
Reporting Date: 01/26/09
Project Owner: YPC
Project Name: KNOLL AOK FED #2H
Project Location: NOT GIVEN

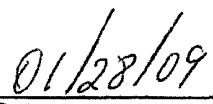
Sampling Date: 01/21/09
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: ZL

LAB NUMBER	SAMPLE ID	ETHYL TOTAL			
		BENZENE	TOLUENE	BENZENE	XYLENES
		(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)
ANALYSIS DATE		01/24/09	01/24/09	01/24/09	01/24/09
H16749-1	SURFACE GRAB NE#1 10' ↓ G/L	<0.050	<0.050	<0.050	<0.150
H16749-2	5 SPOT 9' ↓ G/L #2	<0.050	<0.050	<0.050	<0.150
Quality Control		0.055	0.056	0.055	0.162
True Value QC		0.050	0.050	0.050	0.150
% Recovery		110	112	110	108
Relative Percent Difference		3.1	<1.0	<1.0	2.4

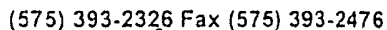
METHOD: EPA SW-846 8021B

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


Chemist


Date

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