

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S.P. YATES
CHAIRMAN EMERITUS

JOHN A. YATES
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PEYTON YATES
PRESIDENT

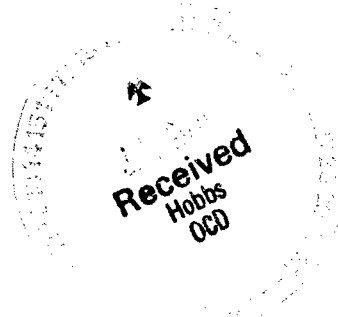
FRANK YATES, JR.
EXECUTIVE VICE PRESIDENT

JOHN A. YATES, JR.
SENIOR VICE PRESIDENT

Mr. Chris Williams
NMOCD-District 1
1625 N French Drive
Hobbs, NM 88240

January 16, 2007

1139



RE: **ADDENDUM TO WORK PLAN SUBMITTED DECEMBER 19, 2006**
Morton Unit 3 30-025-35422
Unit P, Section 32, T14S, R35E
Lea County, New Mexico

Dear Chris,

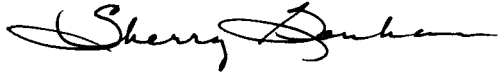
Thank you for discussing the results of the preliminary sampling at the Morton Unit 3. As we discussed and based on the sample analyses of contaminants being in the C6-C10 ranges (GRO), soil exposure to the atmosphere will tend to volatilize resulting in the loss of the volatile compounds present.

Yates proposes to treat the bermed area in-situ for a period of six months. During this period, Yates will till, apply fertilizer, and water as needed. At the conclusion of the six month period, soil samples will be obtained and sent to a third party laboratory to be analyzed for TPH and BTEX. A 48 hour advance notice will be given OCD to allow opportunity to witness the sample collection. If concentrations exceed Recommended Remedial Action Levels (RRALs), further delineation and evaluation will be required. If, however, concentrations are within the RRALs, Yates Petroleum Corporation will request closure approval from OCD per section IX of the Guidelines.

Yates Petroleum Corporation would like to request this addendum to the previously submitted work plan be approved. Enclosed, please find copies of the Initial Report Form C-141, original work plan, and preliminary sampling analytical report.

Thank you for your consideration to this addendum. And should you have questions or need additional information, please contact me at 505-748-4162 or sherryb@ypcnm.com.

Respectfully,

A handwritten signature in black ink, appearing to read "Sherry Bonham". The signature is fluid and cursive, with the first name "Sherry" being more prominent and the last name "Bonham" following in a similar style.

Sherry Bonham
Environmental Regulatory Agent

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

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company YATES PETROLEUM CORPORATION	OGRID Number 25575	Contact SHERRY BONHAM
Address 105 S 4 TH STREET		Telephone No. 505.748.1471
Facility Name MORTON UNIT 3	API Number 30 025 35422	Facility Type TANK BATTERY

Surface Owner STATE	Mineral Owner STATE	Lease No. V-3643
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LOCATION OF RELEASE

Unit Letter P	Section 32	Township 14S	Range 35E	Feet from the 800	North/South Line SOUTH	Feet from the 660	East/West Line EAST	County LEA
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Latitude 33.0559 Longitude 103.42282

NATURE OF RELEASE

WTR ≤ 50'

Type of Release CONDENSATE	Volume of Release 40 BBLS/CONDENSATE	Volume Recovered 30 BBLS/CONDENSATE
Source of Release VALVE ON TANK	Date and Hour of Occurrence 12/7/06 PM	Date and Hour of Discovery 12/7/06 PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? PAT CAPERTON NMOCD DISTRICT I VOICE MAIL AND FOLLOW-UP E-MAIL NOTIFICATION	
By Whom? SHERRY BONHAM	Date and Hour 12/8/06 10:00 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.*

FREEZING TEMPERATURES CAUSED VALVE TO BURST. REPLACED VALVE.

Describe Area Affected and Cleanup Action Taken.*

APPROXIMATE 12' X 30' X 2" AREA WITHIN BERM AFFECTED. VACUUMED STANDING FLUIDS. IMPACTED MATERIALS EXCAVATED AND HAULED TO DISPOSAL FACILITY.


WORK PLAN ATTACHED.

DEPTH TO GROUND WATER: >50' AND <100'; WELLHEAD PROTECTION AREA: NO; DISTANCE TO SURFACE WATER: >1000'.

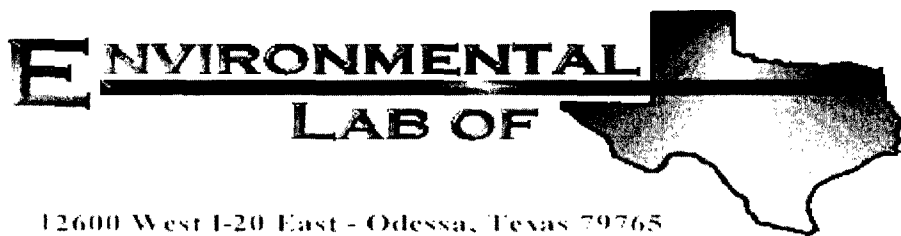
SITE RANKING: 10

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: 	Approved by District Supervisor:		
Printed Name: Sherry Bonham			
Title: Environmental Regulatory Agent	Approval Date:	Expiration Date:	
E-mail Address: sherryb@ypcnm.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: December 19, 2006	Phone: 505.748.1471		

* Attach Additional Sheets If Necessary



12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

Sherry Bonham

Yates Petroleum Corp.

105 S. Fourth St.

Artesia, NM 88210

Project: Morton Unit 3

Project Number: None Given

Location: 32-145-35E Lea County

Lab Order Number: 6L22006

Report Date: 01/02/07

Yates Petroleum Corp.
105 S. Fourth St.
Artesia NM, 88210

Project: Morton Unit 3
Project Number: None Given
Project Manager: Sherry Bonham

Fax: (505) 748-4662

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
SP1- 8	6L22006-01	Soil	12/18/06 16:20	12-22-2006 13:30
SP2- 12	6L22006-02	Soil	12/18/06 16:35	12-22-2006 13:30

Yates Petroleum Corp. 105 S. Fourth St. Artesia NM, 88210	Project: Morton Unit 3 Project Number: None Given Project Manager: Sherry Bonham	Fax: (505) 748-4662
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Organics by GC
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
SP1- 8 (6L22006-01) Soil									
Benzene	2.95	0.0250	mg/kg dry	25	EL62807	12/27/06	12/27/06	EPA 8021B	
Toluene	13.2	0.0250	"	"	"	"	"	"	
Ethylbenzene	5.98	0.0250	"	"	"	"	"	"	
Xylene (p/m)	21.3	0.0250	"	"	"	"	"	"	
Xylene (o)	4.67	0.0250	"	"	"	"	"	"	
<i>Surrogate: a,a,a-Trifluorotoluene</i>		3750 %	80-120		"	"	"	"	S-04
<i>Surrogate: 4-Bromofluorobenzene</i>		229 %	80-120		"	"	"	"	S-04
Carbon Ranges C6-C10	989	10.0	mg/kg dry	1	EL62218	12/22/06	12/23/06	EPA 8015B	
Carbon Ranges >C10-C28	200	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	1190	10.0	"	"	"	"	"	"	
<i>Surrogate: 1-Chlorooctane</i>		136 %	70-130		"	"	"	"	S-04
<i>Surrogate: 1-Chlorooctadecane</i>		142 %	70-130		"	"	"	"	S-04
SP2- 12 (6L22006-02) Soil									
Benzene	1.50	0.500	mg/kg dry	500	EL62807	12/27/06	12/31/06	EPA 8021B	
Toluene	56.8	0.500	"	"	"	"	"	"	
Ethylbenzene	31.5	0.500	"	"	"	"	"	"	
Xylene (p/m)	118	0.500	"	"	"	"	"	"	
Xylene (o)	31.8	0.500	"	"	"	"	"	"	
<i>Surrogate: a,a,a-Trifluorotoluene</i>		120 %	80-120		"	"	"	"	
<i>Surrogate: 4-Bromofluorobenzene</i>		106 %	80-120		"	"	"	"	
Carbon Ranges C6-C10	17100	50.0	mg/kg dry	5	EL62218	12/22/06	12/27/06	EPA 8015B	
Carbon Ranges >C10-C28	1660	50.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	18800	50.0	"	"	"	"	"	"	
<i>Surrogate: 1-Chlorooctane</i>		37.4 %	70-130		"	"	"	"	S-06
<i>Surrogate: 1-Chlorooctadecane</i>		12.2 %	70-130		"	"	"	"	S-06

Yates Petroleum Corp. 105 S. Fourth St. Artesia NM, 88210	Project: Morton Unit 3 Project Number: None Given Project Manager: Sherry Bonham	Fax: (505) 748-4662
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General Chemistry Parameters by EPA / Standard Methods
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
SP1- 8 (6L22006-01) Soil									
% Moisture	15.4	0.1	%	1	EL62702	12/27/06	12/27/06	% calculation	
SP2- 12 (6L22006-02) Soil									
% Moisture	11.7	0.1	%	1	EL62702	12/27/06	12/27/06	% calculation	

Yates Petroleum Corp. 105 S. Fourth St. Artesia NM, 88210	Project: Morton Unit 3 Project Number: None Given Project Manager: Sherry Bonham	Fax: (505) 748-4662
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Organics by GC - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EL62218 - Solvent Extraction (GC)

Blank (EL62218-BLK1)

Prepared: 12/22/06 Analyzed: 12/23/06

Carbon Ranges C6-C10	ND	10.0	mg/kg wet							
Carbon Ranges >C10-C28	ND	10.0	"							
Total Carbon Range C6-C28	ND	10.0	"							
Surrogate: 1-Chlorooctane	37.2		mg/kg	50.0		74.4	70-130			
Surrogate: 1-Chlorooctadecane	40.7		"	50.0		81.4	70-130			

LCS (EL62218-BS1)

Prepared: 12/22/06 Analyzed: 12/23/06

Carbon Ranges C6-C10	540	10.0	mg/kg wet	500		108	75-125			
Carbon Ranges >C10-C28	561	10.0	"	500		112	75-125			
Total Carbon Range C6-C28	1100	10.0	"	1000		110	75-125			
Surrogate: 1-Chlorooctane	60.9		mg/kg	50.0		122	70-130			
Surrogate: 1-Chlorooctadecane	54.2		"	50.0		108	70-130			

Calibration Check (EL62218-CCV1)

Prepared: 12/22/06 Analyzed: 12/23/06

Carbon Ranges C6-C10	261		mg/kg	250		104	80-120			
Carbon Ranges >C10-C28	297		"	250		119	80-120			
Total Carbon Range C6-C28	557		"	500		111	80-120			
Surrogate: 1-Chlorooctane	64.6		"	50.0		129	70-130			
Surrogate: 1-Chlorooctadecane	64.7		"	50.0		129	70-130			

Matrix Spike (EL62218-MS1)

Source: 6L22005-03

Prepared: 12/22/06 Analyzed: 12/23/06

Carbon Ranges C6-C10	2020	10.0	mg/kg dry	539	1510	94.6	75-125			
Carbon Ranges >C10-C28	3400	10.0	"	539	2840	104	75-125			
Total Carbon Range C6-C28	5420	10.0	"	1080	4350	99.1	75-125			
Surrogate: 1-Chlorooctane	57.5		mg/kg	50.0		115	70-130			
Surrogate: 1-Chlorooctadecane	82.9		"	50.0		166	70-130			S-04

Matrix Spike Dup (EL62218-MSD1)

Source: 6L22005-03

Prepared: 12/22/06 Analyzed: 12/23/06

Carbon Ranges C6-C10	1980	10.0	mg/kg dry	539	1510	87.2	75-125	2.00	20	
Carbon Ranges >C10-C28	3390	10.0	"	539	2840	102	75-125	0.295	20	
Total Carbon Range C6-C28	5370	10.0	"	1080	4350	94.4	75-125	0.927	20	
Surrogate: 1-Chlorooctane	62.1		mg/kg	50.0		124	70-130			
Surrogate: 1-Chlorooctadecane	86.4		"	50.0		173	70-130			S-04

Yates Petroleum Corp. 105 S. Fourth St. Artesia NM, 88210	Project: Morton Unit 3 Project Number: None Given Project Manager: Sherry Bonham	Fax: (505) 748-4662
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Organics by GC - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EL62807 - EPA 5030C (GC)

Blank (EL62807-BLK1)

Prepared: 12/28/06 Analyzed: 12/29/06

Benzene	ND	0.0250	mg/kg wet							
Toluene	ND	0.0250	"							
Ethylbenzene	ND	0.0250	"							
Xylene (p/m)	ND	0.0250	"							
Xylene (o)	ND	0.0250	"							
Surrogate: a,a,a-Trifluorotoluene	39.4		ug/kg	40.0		98.5	80-120			
Surrogate: 4-Bromofluorobenzene	40.9		"	40.0		102	80-120			

LCS (EL62807-BS1)

Prepared: 12/28/06 Analyzed: 12/29/06

Benzene	1.23	0.0250	mg/kg wet	1.25		98.4	80-120			
Toluene	1.25	0.0250	"	1.25		100	80-120			
Ethylbenzene	1.34	0.0250	"	1.25		107	80-120			
Xylene (p/m)	2.65	0.0250	"	2.50		106	80-120			
Xylene (o)	1.19	0.0250	"	1.25		95.2	80-120			
Surrogate: a,a,a-Trifluorotoluene	37.8		ug/kg	40.0		94.5	80-120			
Surrogate: 4-Bromofluorobenzene	43.2		"	40.0		108	80-120			

Calibration Check (EL62807-CCV1)

Prepared: 12/28/06 Analyzed: 12/29/06

Benzene	53.7		ug/kg	50.0		107	80-120			
Toluene	51.7		"	50.0		103	80-120			
Ethylbenzene	52.1		"	50.0		104	80-120			
Xylene (p/m)	90.7		"	100		90.7	80-120			
Xylene (o)	43.5		"	50.0		87.0	80-120			
Surrogate: a,a,a-Trifluorotoluene	41.7		"	40.0		104	80-120			
Surrogate: 4-Bromofluorobenzene	38.0		"	40.0		95.0	80-120			

Matrix Spike (EL62807-MS1)

Source: 6L22004-15

Prepared: 12/28/06 Analyzed: 12/29/06

Benzene	1.60	0.0250	mg/kg dry	1.44	ND	111	80-120			
Toluene	1.63	0.0250	"	1.44	0.0157	112	80-120			
Ethylbenzene	1.63	0.0250	"	1.44	ND	113	80-120			
Xylene (p/m)	3.15	0.0250	"	2.88	0.0349	108	80-120			
Xylene (o)	1.46	0.0250	"	1.44	ND	101	80-120			
Surrogate: a,a,a-Trifluorotoluene	47.4		ug/kg	40.0		118	80-120			
Surrogate: 4-Bromofluorobenzene	46.0		"	40.0		115	80-120			

Yates Petroleum Corp.
105 S. Fourth St.
Artesia NM, 88210

Project: Morton Unit 3
Project Number: None Given
Project Manager: Sherry Bonham

Fax: (505) 748-4662

Organics by GC - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EL62807 - EPA 5030C (GC)

Matrix Spike Dup (EL62807-MSD1)

Source: 6L22004-15

Prepared: 12/28/06 Analyzed: 12/29/06

Benzene	1.58	0.0250	mg/kg dry	1.44	ND	110	80-120	0.905	20	
Toluene	1.59	0.0250	"	1.44	0.0157	109	80-120	2.71	20	
Ethylbenzene	1.52	0.0250	"	1.44	ND	106	80-120	6.39	20	
Xylene (p/m)	3.08	0.0250	"	2.88	0.0349	106	80-120	1.87	20	
Xylene (o)	1.46	0.0250	"	1.44	ND	101	80-120	0.00	20	
Surrogate: <i>a,a,a</i> -Trifluorotoluene	44.3		ug/kg	40.0		111	80-120			
Surrogate: 4-Bromofluorobenzene	44.2		"	40.0		110	80-120			

Yates Petroleum Corp. 105 S. Fourth St. Artesia NM, 88210	Project: Morton Unit 3 Project Number: None Given Project Manager: Sherry Bonham	Fax: (505) 748-4662
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General Chemistry Parameters by EPA / Standard Methods - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EL62702 - General Preparation (Prep)

Blank (EL62702-BLK1)		Prepared & Analyzed: 12/27/06								
% Solids	99.8		%							
Duplicate (EL62702-DUP1)		Source: 6L22005-01		Prepared & Analyzed: 12/27/06						
% Solids	96.1		%		95.9			0.208	20	
Duplicate (EL62702-DUP2)		Source: 6L22012-09		Prepared & Analyzed: 12/27/06						
% Solids	94.5		%		94.4			0.106	20	

Yates Petroleum Corp.
105 S. Fourth St.
Artesia NM, 88210

Project: Morton Unit 3
Project Number: None Given
Project Manager: Sherry Bonham

Fax: (505) 748-4662

Notes and Definitions

S-06 The recovery of this surrogate is outside control limits due to sample dilution required from high analyte concentration and/or matrix interference's.

S-04 The surrogate recovery for this sample is outside of established control limits due to a sample matrix effect.

DET Analyte DETECTED

ND Analyte NOT DETECTED at or above the reporting limit

NR Not Reported

dry Sample results reported on a dry weight basis

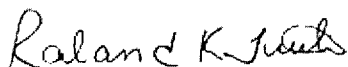
RPD Relative Percent Difference

LCS Laboratory Control Spike

MS Matrix Spike

Dup Duplicate

Report Approved By:



Date:

1/2/2007

Raland K. Tuttle, Lab Manager
Celey D. Keene, Lab Director, Org. Tech Director
Peggy Allen, QA Officer

Jeanne Mc Murrey, Inorg. Tech Director
LaTasha Cornish, Chemist
Sandra Sanchez, Lab Tech.

This material is intended only for the use of the individual (s) or entity to whom it is addressed, and may contain information that is privileged and confidential.

If you have received this material in error, please notify us immediately at 432-563-1800.

Environmental Lab of Texas

Variance/ Corrective Action Report- Sample Log-In

Client: Vates Pet.
 Date/ Time: 12/22/06
 Lab ID #: CL22006
 Initials: OK

Sample Receipt Checklist

				Client Initials
#1	Temperature of container/ cooler?	Yes	No	2.0 °C
#2	Shipping container in good condition?	Yes	No	
#3	Custody Seals intact on shipping container/ cooler?	Yes	No	Not Present
#4	Custody Seals intact on sample bottles/ container?	Yes	No	Not Present
#5	Chain of Custody present?	Yes	No	
#6	Sample instructions complete of Chain of Custody?	Yes	No	
#7	Chain of Custody signed when relinquished/ received?	Yes	No	
#8	Chain of Custody agrees with sample label(s)?	Yes	No	ID written on Cont./ Lid
#9	Container label(s) legible and intact?	Yes	No	Not Applicable
#10	Sample matrix/ properties agree with Chain of Custody?	Yes	No	
#11	Containers supplied by ELOT?	Yes	No	
#12	Samples in proper container/ bottle?	Yes	No	See Below
#13	Samples properly preserved?	Yes	No	See Below
#14	Sample bottles intact?	Yes	No	
#15	Preservations documented on Chain of Custody?	Yes	No	
#16	Containers documented on Chain of Custody?	Yes	No	
#17	Sufficient sample amount for indicated test(s)?	Yes	No	See Below
#18	All samples received within sufficient hold time?	Yes	No	See Below
#19	Subcontract of sample(s)?	Yes	No	Not Applicable
#20	VOC samples have zero headspace?	Yes	No	Not Applicable

Variance Documentation

Contact: _____ Contacted by: _____ Date/ Time: _____

Regarding: _____

Corrective Action Taken: _____

Check all that Apply:

- ☐ See attached e-mail/ fax
- ☐ Client understands and would like to proceed with analysis
- ☐ Cooling process had begun shortly after sampling event