

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

X Initial Report

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 Rosemary AJB Federal #1 tank battery	Facility Type Tank Battery

Surface Owner Federal	Mineral Owner	Lease No.
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LOCATION OF RELEASE

Unit Letter L	Section 6	Township 22s	Range 32e	Feet from the 1980'	North/South Line FSL	Feet from the 660'	East/West Line FWL	County Lea
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Latitude 32.41862 Longitude 103.72033

NATURE OF RELEASE

Type of Release produced water	Volume of Release 30 bbls produced water	Volume Recovered 25 bbls produced water
Source of Release Stock tank	Date and Hour of Occurrence 11/26/2007 7:00am	Date and Hour of Discovery 11/26/2007 7:00am
Was Immediate Notice Given? X Yes No Not Required	If YES, To Whom? Larry Johnson's voice mail box	
By Whom? Mike Stubblefield	Date and Hour 11/26/2007 8:30am	
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 *

Stock tank overflowed. Motor Valve at Flamenco SWD did not open. Opened the Motor valve at the Flamenco SWD Vacuum truck was called to location & recovered 25 bbls of Produced water

Describe Area Affected and Cleanup Action Taken.*

The affected area was the bermed area of the tank battery. Soil samples will be taken for analytical & then submitted to a second party lab. Soil samples submitted to the lab will be tested for TPH, B-tex & Chlorides. If analytical results report the TPH & B-tex to be over the RRAL for the site a Remediation work plan will be submitted to OCD for approval. When analytical results reflect the TPH & B-tex are under the RRAL for site & the chlorides have been documented showing a decline. Yates Petroleum Corporation will then submit a final C-141 form requesting closure for the release that occurred on 11/26/2007.

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		Approved by District <u>ENVIRONMENTAL ENGINEER</u>	
Title: Environmental Regulatory Agent		Approval Date: <u>12.13.07</u>	Expiration Date: <u>2.15.07</u>
E-mail Address: mikes@ypcnm.com		Conditions of Approval	
Date: 12/5/2007 Phone: 505-748-4500		Attached <input type="checkbox"/>	

RP# 1683

12/4/2007

Amended Remediation Work Plan

Incident Date: June 9, 2007

Location: Belco AIA Federal #1
Unit M Section 14 T20S R32E
Lea County, New Mexico

The Belco AIA Federal #1 is located 35 miles east of Carlsbad, NM. This site lies on the edge of a flat plain cut by dry drainage channels. There are visible brine playas approximately one half mile to the North West of this location. Watercourses in the area are dry except for infrequent flows in response to major precipitation events. Area surface geology includes Quaternary formations, sandstones over lying limestone & dolomite. The area, dry at the time of the spill, consists of soil that is fine grained, loamy and interspersed with clay seams providing a low permeability barrier to retard vertical percolation of contaminants into the subsurface. Groundwater in the area is estimated to be at a depth of >50' feet. New information was obtained for the depth to ground water after a monitoring well was drilled by TaylonLPE on 9/17/2007 at the Belco AIA Federal #1. The monitoring well was drilled to a depth of 76' on the NE corner of the location. This monitoring well was cased and left open for a 72 hour period before a water level indicator was ran into the well bore. The monitoring well was found to be dry.

The ranking for this site is (10) based on the as following:

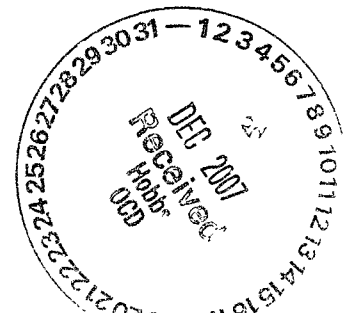
Depth to ground water	> 50'
Wellhead Protection Area	> 1000'
Distance to surface water body	> 1000'

Incident Description:

On 6/9/2007 a stock tank located at the Belco AIA Federal #1 tank battery over flowed. The volume of the release was 50 bbls of hydrocarbon. The affected area was the bermed area of the tank battery & an area on the south east corner of the tank battery located out side of the diked area measuring 14'x 25'.

Action Taken:

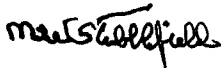
The equalizer valve was opened to stop the over flow of the stock tank. A vacuum truck was called to location & 17 bbls of hydrocarbon was removed from the diked area of the battery. The visibly impacted soils were excavated and hauled to Lea Land Inc. an O.C.D. approved solid waste disposal facility. 11/7/2007 Soil samples were taken in the bottom of the excavated area using a hand auger. Grab soil samples were taken at the surface of the excavated area. Soil samples were then taken at a depth of 1' & at a depth of 2' below the surface of the excavated area. The soil samples were submitted to a second party lab



then tested for TPH & B-tex. Lab analytical reports showed the TPH at the surface of the excavated area to be 7800 ppm. The TPH at 1' below the surface of the excavated area was reported to be 308 ppm. TPH was reported to be 147 ppm at the 2' depth. The B-tex was < 50 ppm at the surface of the excavated area, < 50 ppm at 1' depth below the surface of the excavated area, < 50 ppm at 2' depth below the surface of the excavated area. Yates Petroleum Corporation intends to do further excavation of the impacted soils located in the bermed area of the tank battery & the impacted area outside of the tank battery berm. The soil will be excavated until a final soil sample taken for analytical reflects the TPH to be <1000 ppm & the B-tex to be < 50 ppm.. The excavated soil will be placed into a bio-cel on the SW corner of the location & then treated by land farming. When analytical results for soil samples taken from the excavated area of the tank battery, the excavated area located outside of the tank battery berm & the land farmed soil located with-in the bio-cel show the TPH to be <1000 ppm & the B-tex to be < 50 ppm. The land farmed soil will be used as backfill for the excavated area of the tank battery. Yates Petroleum Corporation will then submit a final C-141 form with attached analytical results to the OCD requesting closure for the release that occurred on 6/9/2007 at the Belco AIA Federal #1 tank battery.

If you have questions or need additional information, please contact me at 505-748-4500. Or E-mail me at mikes@ypcnm.com.

Sincerely,



Mike Stubblefield
Environmental Regulatory Agent



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

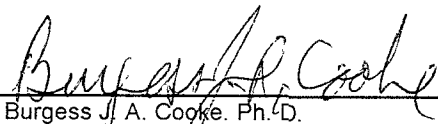
ANALYTICAL RESULTS FOR
YATES PETROLEUM CORP.
ATTN: MIKE STUBBLEFIELD
105 SOUTH 4th STREET
ARTESIA, NM 88210
FAX TO: (575) 748-4635


Receiving Date: 11/07/07
Reporting Date: 11/08/07
Project Number: NOT GIVEN
Project Name: BELCO "A1A" FEDERAL #1 TANK BATTERY
Project Location: SEC. 14-20S-32E

Sampling Date: 11/07/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: SB
Analyzed By: BC

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:		11/08/07	11/08/07	11/07/07	11/07/07	11/07/07	11/07/07
H13661-1	004 IMP. AR. TNK. BTTY. SURF.	<10.0	7800	<0.002	<0.002	<0.002	<0.006
H13661-2	005 IMP. AR. TNK. BTTY. 1' DPTH.	<10.0	308	<0.002	<0.002	<0.002	<0.006
H13661-3	006 IMP. AR. TNK. BTTY. 2' DPTH.	<10.0	147	<0.002	<0.002	<0.002	<0.006
Quality Control		795	776	0.101	0.104	0.106	0.306
True Value QC		800	800	0.100	0.100	0.100	0.300
% Recovery		99.4	97.0	101	104	106	102
Relative Percent Difference		3.1	5.4	6.5	1.2	2.1	8.3

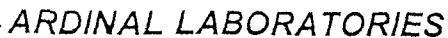
METHODS: TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8260.


Burgess J. A. Cooke, Ph.D.


Date

H13661A 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.



(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476