

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 Robert Asher
Address 104 S. 4 TH Street	Telephone No. 505-748-1471	
Facility Name Lusk AHB Federal #1	API Number 30-025-30808	Facility Type Well
Surface Owner Federal	Mineral Owner Federal	Lease No. NM-59392

LOCATION OF RELEASE

Unit Letter B	Section 35	Township 19S	Range 32E	Feet from the 800	North/South Line North	Feet from the 1650	East/West Line East	County Lea
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Latitude 32.62164 Longitude 103.73322

NATURE OF RELEASE

Type of Release Crude Oil & Produced Water	Volume of Release 2 B/O & 35 B/PW	Volume Recovered 0 B/O & 15 B/PW
Source of Release Poly Line	Date and Hour of Occurrence 12/29/2007 AM	Date and Hour of Discovery 12/29/2007 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? NMOCD District I voice mail	
By Whom? Jerry Fanning, Yates Petroleum Corporation	Date and Hour 12/29/2007 @ 12.25 PM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse N/A	

WTR 250

RECEIVED

FEB - 7 2008

HOBBS OCD

If a Watercourse was Impacted, Describe Fully.*
N/A

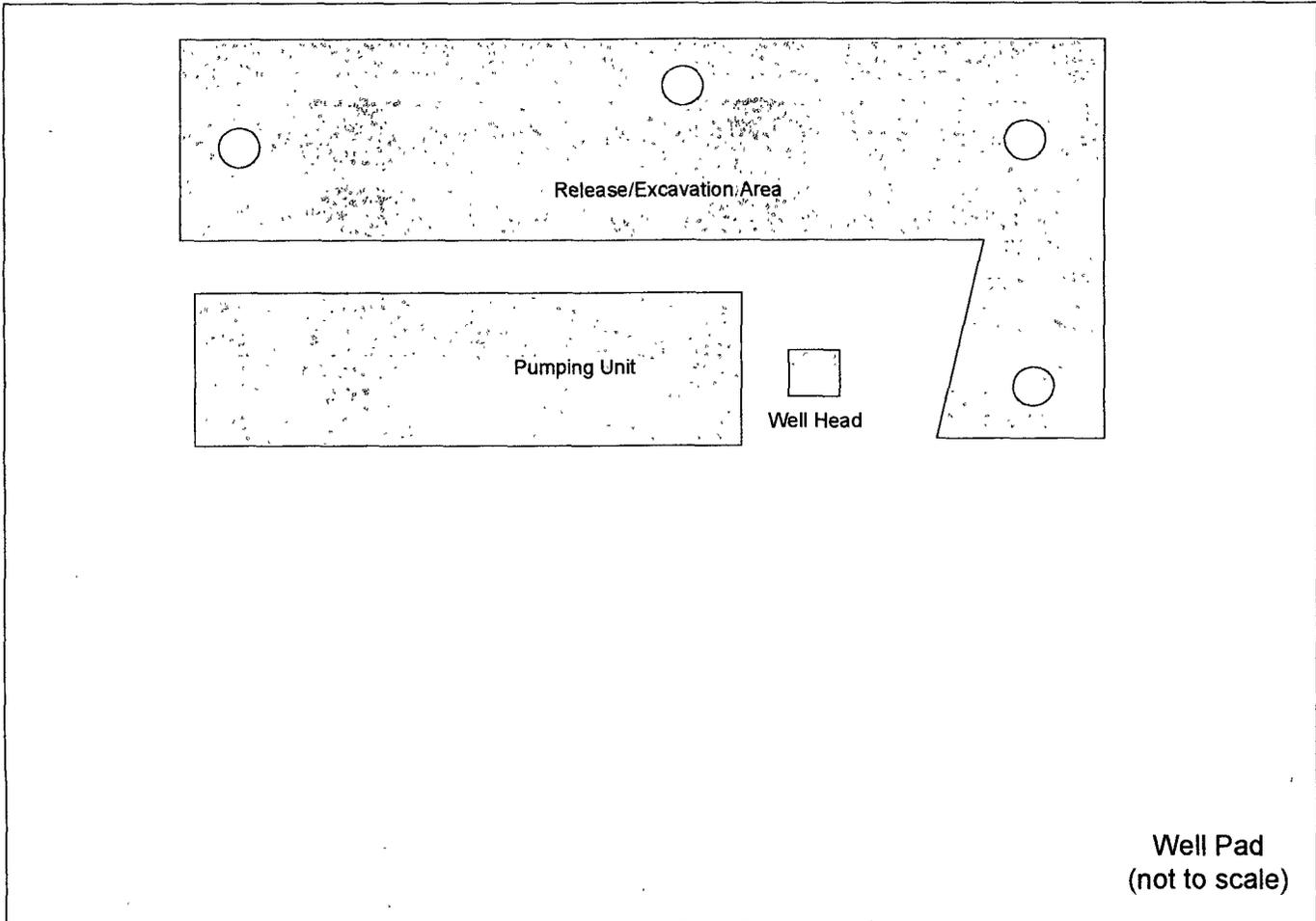
Describe Cause of Problem and Remedial Action Taken.*
Well pressured up and poly line split Well shut in. Repaired line.

Describe Area Affected and Cleanup Action Taken *
An approximate area of 60' X 100' All on well pad. Vacuum truck and crew called. Remaining produced water was recovered and contaminated soils were excavated and taken to an OCD approved facility Vertical and horizontal delineation made (1/29/2008) Approximate chloride content of produced water is 15,996 ppm. **Depth to Ground Water: >100' (approx. 225')**, **Wellhead Protection Area: No, Distance to Surface Water Body: >1000'**, **SITE RANKING IS 0. With enclosed information, produced water recovered and contaminated soils removed; Yates Petroleum Corporation requests closure.**

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:	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Approved by District Supervisor: ENVIRONMENTAL ENGINEER	
Title: Environmental Regulatory Agent	Approval Date: 2.11.08	Expiration Date: _____
E-mail Address: boba@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Wednesday, February 06, 2008	Phone: 505-748-4217	IRP # 1782

* Attach Additional Sheets If Necessary



Sample ID	Sample Date	Depth	BTEX	TPH (GRO)	TPH (DRO)	TPH (Total)	Chlorides
CS?Comp-001	1/31/2008	1'	0.016	22.5	269	291.5	255
CS?Comp-002	1/31/2008	2'	0.0099	ND	21.7	21.7	255

Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 225'). All results are ppm.



Lusk AHB Federal #1
Section 35, T19S-R32E
Lea County, NM

EXHIBIT
Sample Diagram (Not to Scale)
 Prepared by Robert Asher
 Environmental Regulatory Agent
 February 6, 2008

Analytical Report 296748

for

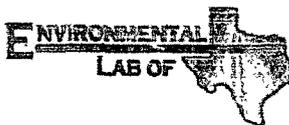
Yates Petroleum Corporation

Project Manager: Robert Asher

Lusk AHB Federal # 1

30-025-30808

05-FEB-08



12600 West I-20 East Odessa, Texas 79765

Texas certification numbers:

Houston, TX T104704215

Florida certification numbers:

Houston, TX E871002 - Miami, FL E86678 - Tampa, FL E86675

Norcross(Atlanta), GA E87429

South Carolina certification numbers:

Norcross(Atlanta), GA 98015

North Carolina certification numbers:

Norcross(Atlanta), GA 483

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Midland - Corpus Christi - Atlanta



05-FEB-08

Project Manager: **Robert Asher**
Yates Petroleum Corporation
105 South Fourth St.
Artesia, NM 88210

Reference: XENCO Report No: **296748**
Lusk AHB Federal # 1
Project Address: Lea County

Robert Asher:

We are reporting to you the results of the analyses performed on the samples received under the project name referenced above and identified with the XENCO Report Number 296748. All results being reported under this Report Number apply to the samples analyzed and properly identified with a Laboratory ID number. Subcontracted analyses are identified in this report with either the NELAC certification number of the subcontract lab in the analyst ID field, or the complete subcontracted report attached to this report.

Unless otherwise noted in a Case Narrative, all data reported in this Analytical Report are in compliance with NELAC standards. Estimation of data uncertainty for this report is found in the quality control section of this report unless otherwise noted. Should insufficient sample be provided to the laboratory to meet the method and NELAC Matrix Duplicate and Matrix Spike requirements, then the data will be analyzed, evaluated and reported using all other available quality control measures.

The validity and integrity of this report will remain intact as long as it is accompanied by this letter and reproduced in full, unless written approval is granted by XENCO Laboratories. This report will be filed for at least 5 years in our archives after which time it will be destroyed without further notice, unless otherwise arranged with you. The samples received, and described as recorded in Report No. 296748 will be filed for 60 days, and after that time they will be properly disposed without further notice, unless otherwise arranged with you. We reserve the right to return to you any unused samples, extracts or solutions related to them if we consider so necessary (c.g., samples identified as hazardous waste, sample sizes exceeding analytical standard practices, controlled substances under regulated protocols, etc).

We thank you for selecting XENCO Laboratories to serve your analytical needs. If you have any questions concerning this report, please feel free to contact us at any time.

Respectfully,

Brent Barron, II

Odessa Laboratory Manager

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Sample Cross Reference 296748



Yates Petroleum Corporation, Artesia, NM
Lusk AHB Federal # 1

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
GS/Comp-001	S	Jan-29-08 09:19	1 - 1 ft	296748-001
GS/Comp-002	S	Jan-29-08 09:33	2 - 2 ft	296748-002



Certificate of Analysis Summary 296748

Yates Petroleum Corporation, Artesia, NM

Project Name: Lusk AHB Federal # 1

Project Id: 30-025-30808

Contact: Robert Asher

Project Location: Lea County

Date Received in Lab: Wed Jan-30-08 10:40 am

Report Date: 05-FEB-08

Project Manager: Brent Barron, II

<i>Analysis Requested</i>	<i>Lab Id:</i>	296748-001	296748-002			
	<i>Field Id:</i>	GS/Comp-001	GS/Comp-002			
	<i>Depth:</i>	1-1 ft	2-2 ft			
	<i>Matrix:</i>	SOIL	SOIL			
	<i>Sampled:</i>	Jan-29-08 09 19	Jan-29-08 09 33			
BTEX by EPA 8021B	<i>Extracted:</i>	Jan-31-08 11 07	Jan-31-08 11 07			
	<i>Analyzed:</i>	Jan-31-08 16 10	Jan-31-08 16 43			
	<i>Units/RL:</i>	mg/kg RL	mg/kg RL			
Benzene		ND 0.0011	0.0099 0.0010			
Toluene		ND 0.0021	ND 0.0021			
Ethylbenzene		0.0014 0.0011	ND 0.0010			
m,p-Xylenes		0.0089 0.0021	ND 0.0021			
o-Xylene		0.0057 0.0011	ND 0.0010			
Xylenes, Total		0.0146	ND			
Total BTEX		0.016	0.0099			
Percent Moisture	<i>Extracted:</i>					
	<i>Analyzed:</i>	Jan-30-08 11 21	Jan-30-08 11 22			
	<i>Units/RL:</i>	% RL	% RL			
Percent Moisture		5.02	3.58			
TPH by SW 8015B	<i>Extracted:</i>	Jan-31-08 09 14	Jan-31-08 09 14			
	<i>Analyzed:</i>	Jan-31-08 17 09	Jan-31-08 17 34			
	<i>Units/RL:</i>	mg/kg RL	mg/kg RL			
C6-C10 Gasoline Range Hydrocarbons		22.5 15.8	ND 15.5			
C10-C28 Diesel Range Hydrocarbons		269 15.8	21.7 15.5			
Total TPH		291.5	21.7			
Total Chloride by EPA 325.3	<i>Extracted:</i>					
	<i>Analyzed:</i>	Feb-01-08 13 50	Feb-01-08 13 50			
	<i>Units/RL:</i>	mg/kg RL	mg/kg RL			
Chloride		255 5.00	255 5.00			

This analytical report and the entire data package it represents, has been made for your exclusive and confidential use. The interpretations and results expressed throughout this analytical report represent the best judgment of MESCO Laboratories. MESCO Laboratories assumes no responsibility and makes no warranty to the end use of the data hereby presented. Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

Since 1993 Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America - Atlanta - Corpus Christi


 Brent Barron
 Odessa Laboratory Director



Flagging Criteria

- X** In our quality control review of the data a QC deficiency was observed and flagged as noted. MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to effect the recovery of the spike concentration. This condition could also effect the relative percent difference in the MS/MSD.
 - B** A target analyte or common laboratory contaminant was identified in the method blank. Its presence indicates possible field or laboratory contamination.
 - D** The sample(s) were diluted due to targets detected over the highest point of the calibration curve, or due to matrix interference. Dilution factors are included in the final results. The result is from a diluted sample.
 - E** The data exceeds the upper calibration limit; therefore, the concentration is reported as estimated.
 - F** RPD exceeded lab control limits.
 - J** The target analyte was positively identified below the MQL(PQL) and above the SQL(MDL).
 - U** Analyte was not detected.
 - L** The LCS data for this analytical batch was reported below the laboratory control limits for this analyte. The department supervisor and QA Director reviewed data. The samples were either reanalyzed or flagged as estimated concentrations.
 - H** The LCS data for this analytical batch was reported above the laboratory control limits. Supporting QC Data were reviewed by the Department Supervisor and QA Director. Data were determined to be valid for reporting.
 - K** Sample analyzed outside of recommended hold time.
- * Outside XENCO'S scope of NELAC Accreditation

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	Phone	Fax
11381 Meadowglen Lane Suite L Houston, Tx 77082-2647	(281) 589-0692	(281) 589-0695
9701 Harry Hines Blvd . Dallas, TX 75220	(214) 902 0300	(214) 351-9139
3332 Blackberry Drive, Suite 104, San Antonio, TX 78238	(210) 509-3334	(201) 509-3335
2505 N. Falkenburg Rd., Tampa, FL 33619	(813) 620-2000	(813) 620-2033
5757 NW 158th St, Miami Lakes, FL 33014	(305) 823-8500	(305) 823-8555
6017 Financial Dr . Norcross, GA 30071	(770) 449-8800	(770) 449-5477

Environmental Lab of Texas
Variance/ Corrective Action Report- Sample Log-In

Client Yates
Date/ Time 130-03 10-10
Lab ID # 296748
Initials OL

Sample Receipt Checklist

				Client Initials
#1	Temperature of container/ cooler?	Yes	No	45 °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