

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
**Reese Fullerton**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



April 18, 2008

Yates Petroleum Corporation  
Attn: Mr. Mike Stubblefield  
105 S 4<sup>th</sup> Street  
Artesia, NM 88210

RE: Final Report C-141 Submitted March 27, 2008  
Corral Draw AQH Federal 1 L-13-24S-29E Eddy County, New Mexico  
**2RP-131**

Operator;

The New Mexico Oil Conservation Division District 2 office (OCD) is in receipt of a Final Report C-141 (report) requesting closure to the incident for a produced water release that occurred February 10, 2008.

Soil analytical data of a March 11, 2008 sample date indicates TPH levels at surface and at three feet below ground surface are <10.0 mg/kg. Additionally the soil analytical data indicates chloride levels at surface are 25,200 mg/kg and three feet below ground surface are 16,000 mg/kg. Soil analytical data of a March 19, 2008 sample date indicates chloride levels at four feet below ground surface are 128 mg/kg.

The report states "The Chlorides were delineated from 25,000 ppm at the surface to 128 ppm at the 4' depth...Yates Petroleum Corp. requesting closure for the release that occurred on 2/10/08."

OCD cannot approve leaving in place the soil with chloride levels reported at 16,000 to 25,200 mg/kg ranges. Therefore the submitted Final Report C-141 requesting closure to the incident is denied. An alternate plan to address the soils with elevated levels of chloride contamination must be presented to OCD on or before **May 5, 2008**.

Thank you for your attention to this matter. If I can be of assistance or should you have any questions/concerns, please don't hesitate to contact me.

Respectfully,

Sherry Bonham  
NMOCD District 2  
1301 W Grand Avenue  
575.748.1283 Ext. 109  
sherry.bonham@state.nm.us



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

MAR 27 2008 Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form  
**OCD-ARTESIA**

**Release Notification and Corrective Action**

**OPERATOR**

Initial Report ☐ Final Report ☒

Name of Company Yates Petroleum Corporation	Contact Mike Stubblefield
Address 105 South 4 <sup>th</sup> Street, Artesia, N.M. 88210	Telephone No. 505-7484500 505-513-1712
Facility Name Corral Draw AQH Federal #1 30-015-29396	Facility Type Tank Battery

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

Unit Letter L	Section 13	Township 24s	Range 29e	Feet from the 2310'	North/South Line FSL	Feet from the 330'	East/West Line FWL	County Eddy
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Latitude 32.21642 Longitude 103.44524

**NATURE OF RELEASE**

Type of Release Produced Water	Volume of Release 25 bbls Produced Water	Volume Recovered 15 bbls PW
Source of Release Water transfer pump	Date and Hour of Occurrence 2/10/2008 pm	Date and Hour of Discovery 2/11/2008 am.
Was Immediate Notice Given? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required <input type="checkbox"/>	If YES, To Whom? Called OCD after hour's answering service.	
By Whom? Jerry Fanning	Date and Hour 2/11/2008 5:20pm	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse	

If a Watercourse was Impacted. Describe Fully \*

Describe Cause of Problem and Remedial Action Taken \*  
Mechanical seal wore out on the water transfer pump, causing leak on pump. The seal was replaced on the transfer pump.

Describe Area Affected and Cleanup Action Taken.\*  
The impacted area was the bermed area of the tank battery. The west section of the berm is lined with a 20 mil. Liner The east section of the berm is not lined. Soil samples were taken from the unlined section of the berm on 3/11/08 & 3/19/08. See attached analytical results The TPH and the B-TEX were reported by analytical results to be under the RRAL for the site. The Chlorides were delineated from 25,000 ppm at the surface to 128 ppm at the 4' depth. The nearest ground water as listed by the NMOSE water data base is located in sec.19-24s-30e. Depth to groundwater in sec. 19-24s-30e is 150' BGS.

Yates Petroleum Corp requesting closure for the release that occurred on 2/10/2008.

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>ma Stubblefield</i>	<b>DENIED</b>	
Printed Name. Mike Stubblefield		
Title: Environmental Regulatory Agent	Approval Date:	Expiration Date:
L-mail Address: mikes@ypcnm.com	Conditions of Approval	
Date: 3/26/2008 Phone: 505-748-4500	Attached <input type="checkbox"/>	

\* Attach Additional Sheets If Necessary



# ARDINAL LABORATORIES

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

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

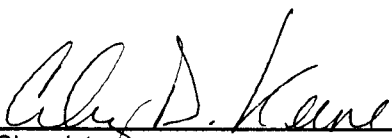
Receiving Date: 03/12/08  
Reporting Date: 03/13/08  
Project Number: NOT GIVEN  
Project Name: CORRAL DRAW AQH FEDERAL #1  
Project Location: UT. L-13-24S-29E

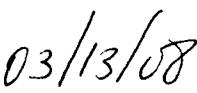
Sampling Date: 03/11/08  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: ML  
Analyzed By: CK/AB/KS

LAB NUMBER	SAMPLE ID	GRO (C <sub>6</sub> -C <sub>10</sub> ) (mg/kg)	DRO (>C <sub>10</sub> -C <sub>28</sub> ) (mg/kg)	CI* (mg/kg)
ANALYSIS DATE		03/12/08	03/12/08	03/12/08
H14432-1	1. UNLINED AREA OF BERM SURFACE.	<10.0	<10.0	25,200
H14432-2	2. UNLINED AREA OF BERM 3' DEPTH	<10.0	<10.0	16,000
Quality Control		554	550	500
True Value QC		500	500	500
% Recovery		111	110	100
Relative Percent Difference		13.7	7.2	2.0

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

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

  
\_\_\_\_\_  
Chemist

  
\_\_\_\_\_  
Date

H14432A 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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



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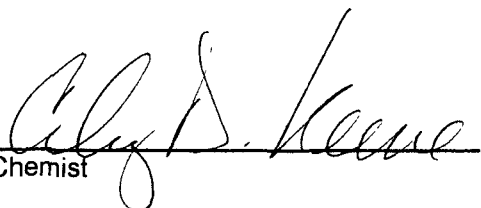
ANALYTICAL RESULTS FOR  
YATES PETROLEUM CORPORATION  
ATTN: MIKE STUBBLEFIELD  
105 SOUTH 4TH STREET  
ARTESIA, NM 88210  
FAX TO: (575) 748-4335

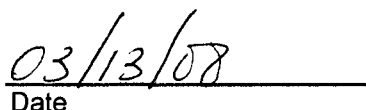
Receiving Date: 03/12/08  
Reporting Date: 03/13/08  
Project Number: NOT GIVEN  
Project Name: CORRAL DRAW AQH FEDERAL #1  
Project Location: UT. L-13-24S-29E

Sampling Date: 03/11/08  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: ML  
Analyzed By: AB

LAB NUMBER	SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE		03/12/08	03/12/08	03/12/08	03/12/08
H14432-1	1. UNLINED AREA OF BERM SURFACE.	<0.001	<0.001	<0.001	<0.003
H14432-2	2. UNLINED AREA OF BERM 3' DEPTH	<0.001	<0.001	<0.001	<0.003
Quality Control		0.097	0.090	0.085	0.270
True Value QC		0.100	0.100	0.100	0.300
% Recovery		97.4	90.0	84.7	90.1
Relative Percent Difference		0.3	0.9	1.3	1.4

METHOD: EPA SW-846 8021B

  
Cheryl S. Keene  
Chemist

  
03/13/08  
Date

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## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page \_\_\_\_\_ of \_\_\_\_\_

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



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

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

Receiving Date: 03/21/08  
Reporting Date: 03/21/08  
Project Number: NOT GIVEN  
Project Name: CORRAL DRAW AQH FED. #1 TANK BATTERY  
Project Location: SEC. 13-24S-29E

Analysis Date: 03/21/08  
Sampling Date: 03/19/08  
Sample Type: SOIL  
Sample Condition: INTACT  
Sample Received By: NF  
Analyzed By: KS

LAB NUMBER SAMPLE ID		Cl <sup>-</sup> (mg/kg)
H14491-1	ULB2 IMPACTED AREA IN THE UNLINED SECTION OF BERM 4' DEPTH	128
H14491-2	ULB2 IMPACTED AREA IN THE UNLINED SECTION OF BERM 6' DEPTH	720
H14491-3	ULB2 IMPACTED AREA IN THE UNLINED SECTION OF BERM 8' DEPTH	496
H14491-4	ULB2 IMPACTED AREA IN THE UNLINED SECTION OF BERM 10' DEPTH	112
	Quality Control	490
	True Value QC	500
	% Recovery	98.0
	Relative Percent Difference	2.0

METHOD: Standard Methods

4500-Cl<sup>-</sup>B

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

  
Chemist

03/21/08  
Date

H14491 YATES

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2111 Beechnood, 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 Petco 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 #: Project Owner: Mike Stubblefield		City: Artesia																		
Project Name: Corral Draw AQH Fch #1 Tanks battery		State: N.M. Zip: 88210																		
Project Location: Sec. 13-24s-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.	(G)RAB OR (C)OMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE	ICE / COOL	OTHER:	DATE	TIME	Chlorides					
H14491-1	BULB 2 Impacted area in the unlined section of berm 4' depth	G				✓							3/19/08	9:30AM	✓					
-2	BULB 2 Impacted area in the unlined section of berm 6' depth	G				✓							3/19/08	9:45AM	✓					
-3	BULB 2 Impacted area in the unlined section of berm 8' depth	G				✓							3/19/08	10:00AM	✓					
-4	BULB 2 Impacted area in the unlined section of berm 10' depth	G				✓							3/19/08	10:30AM	✓					

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Sampler Relinquished By: Mike Stubblefield		Date: 3/19/08 Time: 5:45 PM		Received By:		Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No			
Relinquished By: Mike Stubblefield		Date: 3/19/08 Time: 5:45 PM		Received By: (Lab Staff) Neil Tullis 3/21/08		REMARKS:					
Delivered By: (Circle One)				Sample Condition Temp. °C Intact?						Checked By: (Initials)	
Sampler - UPS - (Bus) - Other:				A Yes No						NA	

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



**Ut.L 13-24s-29e**  
**Corral Draw AQH Federal #1**

**Soil samples taken on 3/11/08  
and 3/19/08.**

