

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

MAY 20 2008
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

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 Donahue SWD #1 30-015-00087	Facility Type SWD
DONAHUE FEDERAL SWD 001	
Surface Owner State FEDERAL	Mineral Owner State
Lease No.	

LOCATION OF RELEASE

Unit Letter E	Section 10	Township 20s	Range 24e	Feet from the 1980'	North/South Line FNL	Feet from the 660'	East/West Line FWL	County Eddy
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Latitude 32.59024 Longitude 104.58223

NATURE OF RELEASE

Type of Release Produced Water & Oil.	Volume of Release 20 bbls Produced Water 25 bbls oil	Volume Recovered 18 bbls PW. 20 bbls Oil
Source of Release Stock tank	Date and Hour of Occurrence 5/11/2008 4:30pm	Date and Hour of Discovery 5/11/2008 4:30pm
Was Immediate Notice Given? Yes X No Not Required	If YES, To Whom? NMOCD/Mike Bratcher's voice mail box.	
By Whom? Mike Stubblefield	Date and Hour 5/12/2008 1:36pm.	
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.* I&W Trucking was unloading and the driver was not aware of the high level alarm sounding. A stock tank over flowed. A vacuum truck was called to location; free waters & oil were recovered.		
Describe Area Affected and Cleanup Action Taken.* The impacted area was the bermed area of the SWD facility. The bermed area at the Donahue SWD is lined with a 20 Mil. Liner. Free standing fluids were recovered from the bermed area of the facility. The impacted gravel located with-in the bermed area will be excavated and removed to an OCD approved solid waste disposal facility. The liner under the gravel will be treated with Micro Blaze. The pasture located on the north side of the facility was impacted by overspray. The visibly impacted soil located in the pasture will be excavated and hauled to an OCD approved solid waste disposal facility. Soil samples will be taken for analytical from the impacted area in the pasture. Soil samples will be sent to a second party lab & analysis ran for TPH, B-tex & Chlorides. If the initial analytical results find the TPH & B-tex to be over the RRAL. A work plan will be submitted to OCD for the correction of the hydrocarbons. When Analytical results reflect the TPH & B-tex to be under the RRAL. The Chlorides will be documented A final C-141 form will be submitted to the OCD requesting closure for the release that occurred on 5/11/2008. 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>Mike Stubblefield</i>	Approved by District Supervisor <i>TCumby</i>	
Printed Name: Mike Stubblefield	Approval Date: 5-27-08	Expiration Date: 7-25-08
Title: Environmental Regulatory Agent	Conditions of Approval: ATTACHED	
E-mail Address: mikes@ypcnm.com	Attached <input checked="" type="checkbox"/>	
Date: 5/19/2008	Phone: 505-748-4500	

* Attach Additional Sheets If Necessary

50508148553561

2RP-171

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



May 27, 2008

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

Reference: Donahue Federal SWD 001 E-10-20S-24E Eddy County, New Mexico
2RP-171

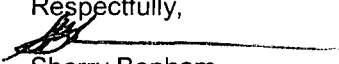
Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of an Initial Report C-141 reporting a release of crude oil and produced water occurring at the above referenced facility. The C-141 (report) summarizes initial response actions taken. Additionally the report states soil samples will be obtained and presented to a laboratory to be analyzed for TPH and BTEX. Should the TPH and/or BTEX exceed the recommended remediation action levels, the report states that a work plan will be submitted to OCD.

- Notify the OCD 48 hours prior to obtaining samples where analyses are to be submitted to the OCD.
- Remediation work plan (as warranted per soil analytical data) to be submitted to OCD on or before **June 27, 2008**.
- Results of analytical data obtained through sampling shall be forwarded to OCD for approval **prior** to any backfilling activities
- A final Report C-141 is to be submitted to the OCD upon satisfactory completion of remediation project.
- Remediation requirements may be subject to change as site conditions warrant.
- Remediation activities including submitting Final Report C-141 and documentation to be completed/submitted on or before **July 25, 2008**.

Please be advised that NMOCD acceptance of a C-141 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 plan does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

Respectfully,


Sherry Bonham
NMOCD District 2
1301 W Grand Avenue
Artesia, NM 88210
575.748.1283 ext. 109
sherry.bonham@state.nm.us

