

Yates Petroleum Corporation
SRC "KZ" State Battery
Remediation Workplan
Sec. 1-19s-24e

Eddy County, N.M.

May 14, 2008

JRP-159

Spill Summary and Work Plan

Incident Date: 4/4/2008

Location: SRC "KZ" State Battery

Unit G Section 1 T19S R24E Eddy County, New Mexico

The well is located 18 miles south west of Artesia, as depicted on the attached Dayton USGS Quadrangle Map. This site lies on the edge of a westward sloping plain cut by dry drainage channels.

Watercourses in the area are dry except for infrequent flows in response to major precipitation events. Area surface geology includes Quaternary Pleistocene conglomerate. 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 >100 feet.

The ranking for this site is zero (0) based on the as following:

Depth to ground water > 100'
Wellhead Protection Area > 1000'
Distance to surface water body > 1000'

Incident Description:

Full tank of Oil was turned in to be sold. The stock tank lost bottom sometimes during the night. Impacted area was the area surrounding the stock tank and the lease road located in front of the tank battery. A vacuum truck was called to the facility. 100 bbls of oil pooling in the lease road were recovered.

Action Taken:

The leaking stock tank was taken out of service. A new tank battery was reconstructed to the west of the old tank battery site. New stock tanks were brought to the location and set in a lined berm area. The impacted area was the lease road and the area around the stock tank. The impacted area on the lease road was 25' wide x 180' long. The impacted area behind the stock tanks was est. to be 10' x 30'. Equipment was immediately brought to the site. The front section of the lease road was excavated to a depth of 18" BGS. Verbal permission was obtained from NMOCD/Mike Bratcher to excavate the visibly impacted soil from the lease road, take a soil sample from the excavated area for lab analysis, then backfill the excavated lease road back to grade to allow access to the location. The analytical results labeled LR1 from the soil samples taken on 4/4/08 were for the initial excavated lease road area. Excavation was then continued in the impacted area of the tank battery and on the lease road in front of the tank battery leading

out to the main entry road. 4/11/2008 soil samples were taken for analytical from the excavated areas in the tank battery and the lease road. See analytical results for soil samples taken on 4/11/2008. Area Labeled BA1 was over the RRAL for the site. Area labeled BA2 was reported by analytical results to be under the RRAL for the site. The lease road was then excavated to depth of 2'-5' BGS. Soil samples were taken from the excavated area of the lease road on 4/24/2008. The analytical results for the soil samples taken on 4/24/2008 reported the areas labeled LR2 and LR3 to be under the RRAL for the site. The lease road was then backfilled with clean caliches back to grade. The tank battery was then moved to the west and constructed over the lease road. The new tank battery site was constructed with berms and lined with a 20 mil. Liner. New Stock tanks have been set into the new tank battery site. All excavated soil was hauled to Lea Land Inc. for disposal.

Closure Plan:

The impacted soil above the RRAL for the site in the area labeled BA1 will be excavated and hauled, when the stock tank is removed from the former tank battery area. The excavated soils will be hauled to Lea Land Inc. Soil samples will be from the excavated area of the battery for analytical.

The soil samples will be submitted to a second party lab. Analysis will be ran for TPH using EPA Method 8015M, B-TEX using EPA Method 8021. When final analytical results report the TPH & B-TEX to be under the RRAL for the site. The excavated area will be backfilled back to grade with clean top soil and like material. A final C-141 form with attached analytical results will then be submitted to NMOCD requesting closure for the release that occurred on 4/4/2008.

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

Yates Petroleum Corporation

Environmental Regulatory Agent

N

BA2 BA1 LR3 LR2

E

LR1



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

Receiving Date: 04/14/08
Reporting Date: 04/15/08
Project Number: NOT GIVEN

Project Name: SRC K2 STATE BATTERY

Project Location: SEC, 1-19S-24E

Sampling Date: 04/04/08 Sample Type: SOIL

Sample Condition: INTACT Sample Received By: ML

0.104

0.100

104

6,6

0.299

0.300

99.7

2.1

Analyzed By: BC

0.115

0.100

115

5.2

LAB NO.	SAMPLE ID	GRÓ (C ₈ -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;	04/14/08	04/14/08	04/14/08	04/14/08	04/14/08	04/14/08
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105

4.4

0.117

0.100

117

1.4

1090

1000

109

0.9

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

Burgess J. A/Cooke, Ph. D.

Quality Control

True Value QC

Relative Percent Difference

% Recovery

Date

ARDINAL LABORATORIES

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603 (505) 393-2326 FAX (505) 393-2476 (325) 873-7001 FAX (325)673-7020

Actesia State: NM Zip: 88210 Attn: MXr Stubblefield Address: 185 Sept 4761. Fax #: 575 - 748 - 4635 Address: 185 Sept 4761. Project Wame: SRC K2 State Battery. State: N.M.Zip: 88210 Phone #: 505 - 748 - 4635 Ampler Name: Mike Stubblefield MATRIX PRESERV SAMPLING MATRIX PRESERV SAMPLING	Company Name:				B	IL	L TO							AN.	ALY	SIS	RE	QUE	ST									
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[†] Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.



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

Receiving Date: 04/14/08 Reporting Date: 04/15/08 Project Number: NOT GIVEN

Project Name: SRC STATE "K2" BATTERY

Project Location: SEC. 1-19S-24E

Sampling Date: 04/11/08 Sample Type: SOIL Sample Condition: INTACT

Sample Received By: ML

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:	04/14/08	04/14/08	04/14/08	04/14/08	04/14/08	04/14/08
H14636-1 LR2 EXCAVATED AREA	884	11,200	0.071	6.52	12.8	24.1
ON LEASE ROAD 1' DEPTH						
H14636-2 LR3 EXCAVATED AREA	1,120	8,560	0.225	14.7	24.4	45.6
ON LEASE ROAD 4' DEPTH						
H14836-3 BA1 EXCAVATED AREA	4,310	20,900	10.6	113	103	193
IN BATTERY 4' DEPTH						
H14636-4 BA2 EXCAVATED AREA	292	2,300	0.075	1.06	4.60	11.1
IN BATTERY 1' DEPTH						
Quality Control	1090	1050	0.117	0.115	0.104	0.299
True Value QC	1000	1000	0.100	0.100	0.100	0.300
% Recovery	109	105	117	115	104	99.7
Relative Percent Difference	0.9	4.4	1.4	5.2	6.6	2.1

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

Date

ARDINAL LABORITORIES, INC

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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[†] Cardinal cannol accept verbal chinges, 2-as-o fax written changes to (325) 673-7020.



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

Receiving Date: 04/28/08 Reporting Date: 05/02/08 Project Number: NOT GIVEN

Project Name: SRC STATE "K2" BATTERY

Project Location: SEC. 1-19S-24E

Sampling Date: 04/24/08 Sample Type: SOIL Sample Condition: INTACT

Sample Received By: ML Analyzed By: CK/BC

LAB NO.	SAMPLE ID	GRO (C _b -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:	04/28/08	04/28/08	04/29/08	04/29/08	04/29/08	04/29/08
H14720-1	LR2 EXCAVATED AREA ON	<10.0	1,760	<0 002	<0.002	0.003	0.012
	LEASE ROAD 2' DEPTH BOTTOM						
H14720-2	LR2 EXCAVATED AREA ON	<10 0	1,770	<0.002	0 010	0 0 1 6	0.034
-	LEASE ROAD EAST SIDE BANK						
H14720-3	LR2 EXCAVATED AREA ON	<10.0	151	0.004	0.031	0 042	0.074
	LEASE ROAD WEST SIDE BANK						
H14720-4	LR2 EXCAVATED AREA ON	22.7	163	0 155	0.903*	0.336	0.392
	LEASE ROAD SOUTH SIDE BANK						
H14720-5	LR3 EXCAVATED AREA ON	<10.0	82.3	0.004	0.029	0,012	0.018
	LEASE ROAD 5' DEPTH BOTTOM						
H14720-6	LR3 EXCAVATED AREA ON	<10.0	2,120	<0.002	0.008	0.012	0.029
	LEASE ROAD EAST SIDE BANK	,					
H14720-7	LR3 EXCAVATED AREA ON	44.0	2,790	<0.010	0.023	0.130	0.312
	LEASE ROAD WEST SIDE BANK						
H14720-8	LR3 EXCAVATED AREA ON	<10.0	1,130	<0.002	0.015	0 022	0.045
	LEASE ROAD NORTH SIDE BANK						
Quality Cor	ntrol	441	541	0 100	0.110	0.103	0.299
True Value	QC	500	500	0 100	0.100	0.100	0.300
% Recover	/	88 2	108	100	110	103	99.7
Relative Pe	rcent Difference	18.3	2.3	5.3	5.0	3.2	1.7

METHODS: TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8021B.

*Note: Value above linear calibration range. Value should be considered an approximation

Chemist

Date

H14720BT2 YATES

PLEASE NOTE. Liability and Damegae. Cordinal's liability and client's exclusive remody for any claim entring, whether based in contract or lot; shell be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shell be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shell Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profile incurred by client, its subsidiaries, effiliates 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 feasons or otherwise. Results relate only to the semples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.

ARDINAL LABORATORIES, INC

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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[†] Cardinal cannot accept verbal changes, passe for written changes to (225) 673-7028.

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

ARDINAL LABORITORIES, INC.
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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



June 11, 2008

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

Reference:

SRC 'KZ' State Battery G-1-19S-24E Eddy County, New Mexico

2RP-159

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of a remediation work plan (plan) regarding above referenced facility. The plan is approved with the following stipulations:

- Notify the OCD 48 hours prior to obtaining samples where analyses are to be submitted to the OCD.
- 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 to be completed on or before August 11, 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

