

MARTIN YATES, III

1912-1985

FRANK W. YATES

1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

S.P. YATES
CHAIRMAN EMERITUS

JOHN A. YATES
CHAIRMAN OF THE BOARD

FRANK YATES, JR.
PRESIDENT

PEYTON YATES
DIRECTOR

JOHN A. YATES, JR.
DIRECTOR

September 24, 2008

SEP 26 2008

OCD-ARTESIA

Mr. Mike Bratcher
NMOCD District II
1301 West Grand
Artesia, NM 88210

Re: Smith Federal Gas Com. #2
2RP-173
30-015-26834
Section 12, T22S-R23E
Eddy County, New Mexico

Dear Mr. Bratcher,

Enclosed please find a Form C-141, Final Report for the above captioned site regarding the release on May 5, 2008 (30 PW with 25 B/PW recovered). Per the July 11, 2008 Work Plan submitted to your office, soils were excavated and taken to an OCD approved facility. Samples were taken and sent to an OCD approved laboratory (see enclosed analytical report and sample diagram). Site ranking is zero (0), with the depth to ground water >100' (approximately 200'). RRAL's based on the site ranking of 0, BTEX (ppm) @ 50 and TPH (ppm) @ 5000, sample results are within these limits. Yates Petroleum Corporation requests closure based on the amounts of recovered produced water, corrective actions taken and analytical results. Upon approval of the C-141, the excavation will be backfilled with clean, native soils.

If you have any questions, please call me at 505-748-4217.

Thank you.

YATES PETROLEUM CORPORATION

Robert Asher
Environmental Regulatory Agent

/rca
Enclosure(s)

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

SEP 26 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

☐ Initial Report ☒ Final Report

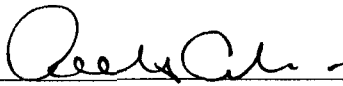

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 TH Street, Artesia, NM 88210	Telephone No. 505-748-4217	
Facility Name Smith Federal Gas Com. #2	API Number 30-015-26834	Facility Type Battery
		Order Number 2RP-173
Surface Owner Federal	Mineral Owner Federal	Lease No. NM-0251099A

LOCATION OF RELEASE

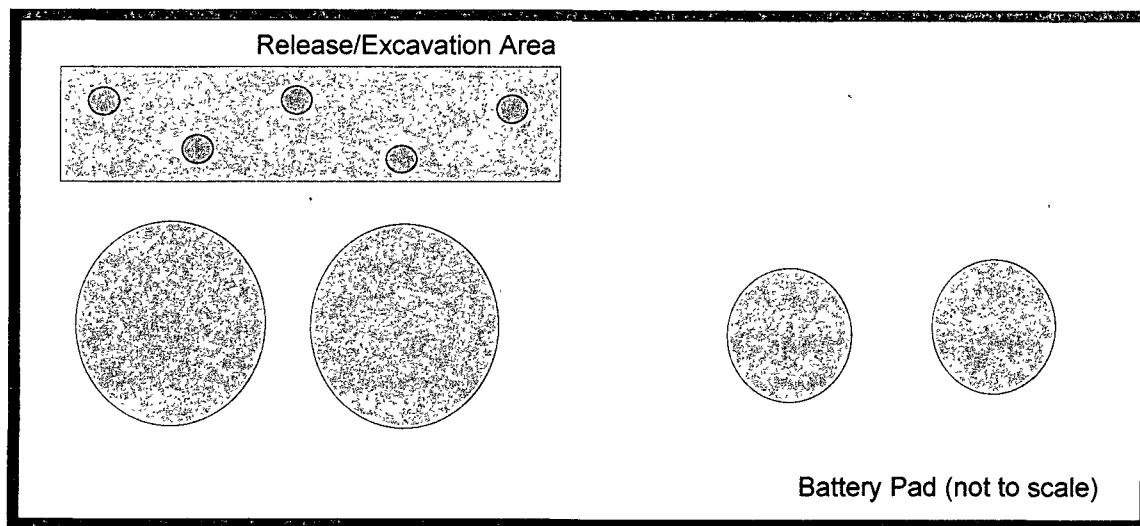
Unit Letter E	Section 12	Township 22S	Range 23E	Feet from the 2049	North/South Line North	Feet from the 480	East/West Line West	County Eddy
------------------	---------------	-----------------	--------------	-----------------------	---------------------------	----------------------	------------------------	----------------

Latitude 32.40688 Longitude 104.56044

NATURE OF RELEASE

Type of Release Produced Water & Iron Sludge	Volume of Release 30 B/PW	Volume Recovered 25 B/PW
Source of Release Water Leg	Date and Hour of Occurrence 5/5/2008 - AM	Date and Hour of Discovery 5/5/2008 - PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher/NMOCD, District II	
By Whom? Jerry Fanning/YPC Environmental	Date and Hour 5/6/2008 - AM (Voicemail & E-mail)	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	
If a Watercourse was Impacted, Describe Fully.* N/A		
Describe Cause of Problem and Remedial Action Taken.* Water leg collapsed from high winds and H2S weakened steel anchors. Vacuum truck called.		
Describe Area Affected and Cleanup Action Taken.* Area approximately 10' X 40' all contained inside berm, vacuum truck picked up remaining produced water, vertical and horizontal delineation will be made and corrective action taken. If delineation results are within RRAL's for the site ranking, a Final Report, C-141 will be submitted. Depth to Ground Water: >100' (approx. 200'), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on site ranking, corrective actions taken and enclosed analytical results, 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: TIM GUM by MB 	
Title: Environmental Regulatory Agent	Approval Date: 9/26/08	Expiration Date: N/A
E-mail Address: boba@ypcnm.com	Conditions of Approval: N/A	Attached <input type="checkbox"/> 2RP 173
Date September 24, 2008	Phone: 505-748-4217	

* Attach Additional Sheets If Necessary



Sample ID	Sample Date	Depth	BTEX	GRO	DRO	TPH TOTAL	Chlorides
GS/Comp-001	6/23/2008	1'	<0.04	<1.0	<50.0	<51.0	650
GS/Comp-002	6/23/2008	2'	<0.0538	1.08	<50.0	<51.08	1100
GS/Comp-001	7/10/2008	3'					170

Site Ranking is Zero (0). Depth to Ground Water: >100' (approx. 200'). Results are ppm.



Smith Federal Gas Com. #2

Section 12 T22S-R23E

Eddy County, NM

EXHIBIT
Sample Diagram (Not to Scale)

Prepared by Robert Asher
Environmental Regulatory Agent
September 24, 2008

Report Date: June 26, 2008
30-015-26834

Work Order: 8062410
Smith Federal Gas Com. #2

Page Number: 1 of 1
Eddy County, NM

Summary Report

Robert Asher
Yates Petroleum Corp.
105 South 4th South
Artesia, NM, 88210

Report Date: June 26, 2008

Work Order: 8062410



Project Location: Eddy County, NM
Project Name: Smith Federal Gas Com. #2
Project Number: 30-015-26834

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
164455	GS/Comp-001	soil	2008-06-23	09:54	2008-06-24
164456	GS/Comp-002	soil	2008-06-23	10:11	2008-06-24

Sample - Field Code	BTEX				TPH DRO	TPH GRO
	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Xylene (mg/Kg)	DRO (mg/Kg)	GRO (mg/Kg)
164455 - GS/Comp-001	<0.0100	<0.0100	<0.0100	<0.0100	<50.0	<1.00
164456 - GS/Comp-002	<0.0100	<0.0100	0.0113	0.0225	<50.0	1.08

Sample: 164455 - GS/Comp-001

Param	Flag	Result	Units	RL
Chloride		650	mg/Kg	2.00

Sample: 164456 - GS/Comp-002

Param	Flag	Result	Units	RL
Chloride		1100	mg/Kg	2.00

$2.72 \times 10^{-10} \text{ cm}^3 \text{ cm}^{-3} \text{ s}^{-1}$ $2.0 \text{ cm}^3 \text{ cm}^{-3} \text{ s}^{-1}$ $1.00 \times 10^{-10} \text{ cm}^3 \text{ cm}^{-3} \text{ s}^{-1}$ $6.0 \times 10^{-10} \text{ cm}^3 \text{ cm}^{-3} \text{ s}^{-1}$	$1.0 \times 10^{-10} \text{ cm}^3 \text{ cm}^{-3} \text{ s}^{-1}$ $1.0 \times 10^{-10} \text{ cm}^3 \text{ cm}^{-3} \text{ s}^{-1}$ $1.0 \times 10^{-10} \text{ cm}^3 \text{ cm}^{-3} \text{ s}^{-1}$ $1.0 \times 10^{-10} \text{ cm}^3 \text{ cm}^{-3} \text{ s}^{-1}$	$1.0 \times 10^{-10} \text{ cm}^3 \text{ cm}^{-3} \text{ s}^{-1}$ $1.0 \times 10^{-10} \text{ cm}^3 \text{ cm}^{-3} \text{ s}^{-1}$ $1.0 \times 10^{-10} \text{ cm}^3 \text{ cm}^{-3} \text{ s}^{-1}$ $1.0 \times 10^{-10} \text{ cm}^3 \text{ cm}^{-3} \text{ s}^{-1}$	$1.0 \times 10^{-10} \text{ cm}^3 \text{ cm}^{-3} \text{ s}^{-1}$ $1.0 \times 10^{-10} \text{ cm}^3 \text{ cm}^{-3} \text{ s}^{-1}$ $1.0 \times 10^{-10} \text{ cm}^3 \text{ cm}^{-3} \text{ s}^{-1}$ $1.0 \times 10^{-10} \text{ cm}^3 \text{ cm}^{-3} \text{ s}^{-1}$
--	--	--	--

Certifications

Lubbock - NELAP T104704219-08-TX

El Paso - NELAP T104704221-08-TX

Standard Flags

B - The sample contains less than ten times the concentration found in the method blank.

Case Narrative

Samples for project Smith Federal Gas Com. #2 were received by TraceAnalysis, Inc. on 2008-06-24 and assigned to work order 8062410. Samples for work order 8062410 were received intact at a temperature of 2.5 deg C.

Samples were analyzed for the following tests using their respective methods.

Test	Method
BTEX	S 8021B
Chloride (Titration)	SM 4500-Cl B
TPH DRO	Mod. 8015B
TPH GRO	S 8015B

Results for these samples are reported on a wet weight basis unless data package indicates otherwise.

A matrix spike (MS) and matrix spike duplicate (MSD) sample is chosen at random from each preparation batch. The MS and MSD will indicate if a site specific matrix problem is occurring, however, it may not pertain to the samples for work order 8062410 since the sample was chosen at random. Therefore, the validity of the analytical data reported has been determined by the laboratory control sample (LCS) and the method blank (MB). These quality control measures are performed with each preparation batch to ensure data integrity.

All other exceptions associated with this report have been footnoted on the appropriate analytical page to assist in general data comprehension. Please contact the laboratory directly if there are any questions regarding this project.

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

S P YATES
CHAIRMAN EMERITUS

JOHN A. YATES
CHAIRMAN OF THE BOARD

FRANK YATES, JR.
PRESIDENT

PEYTON YATES
DIRECTOR

JOHN A. YATES, JR.
DIRECTOR

September 24, 2008

I certify that on 7/10/2008, tests were conducted on soil samples from the following location:

Smith Federal Gas Com. #2

Following are the results of testing.

EPA Method 9253 GS/Comp-001 – 170 ppm

All testing was conducted at Yates Petroleum Corporation.

Thank you.

YATES PETROLEUM CORPORATION

Robert Asher
Environmental Regulatory Agent