District 1 1625 N French Dr., Hobbs, NM 88240

State of New Mexico

Form C-141

.

District II 1301 W Grand	Avenue Art	acia NM 88711)	Energy Mi	nerals	and Natura	l Resources			Revis	sed October 10, 2003
District III 1000 Rio Brazo District IV 1220 S St Fran	os Road, Azte	ec, NM 87410		1220	South	Fe, NM 87505 CILILARTESIA side of				pies to appropriate ffice in accordance Rule 116 on back side of form	
			Rel	ease Notifi	catior	and Co	orrective A	Action	1		
			····-		r	OPER			🗌 In	itial Report	X Final Report
		ates Petroleu ⁿ Street, Arte					ke Stubblefield No. 505-74845		512 1712		
the second se		o APA State				Facility Typ		00 303-	-515-1712		
Surface Ow	ner State	·····		Mineral (Lease N	lo.	
30015	5 28413	}	· ·			N OF RE	FASE				
Unit Letter B	Section 16	Township 19s	Range 25e	Feet from the 660'		South Line	Feet from the 1980'	East/\ FEL	West Line	County Eddy	
	-I	I	L	Latitude_	Long	itude	·				
				NAT	URE	OF REL	EASE				
Type of Rele	ase Brine V	Vater					Release 10-15 b	bls	Volume F	lecovered 0	
Source of Re	Source of Release Equipment used in Frac operations.					lour of Occurren	ce	Date and Hour of Discovery		very	
Was Immedia	Was Immediate Notice Given?					3/20/2008 If YES, To			3/22/2008	am	· · ·
	·	Y	es 🗌 N	lo X Not Requir	ed						
By Whom? Was a Water						Date and H		41 117-4-		· · · · · · · · · · · · · · · · · · ·	
was a water	course Read		Yes X	No			olume Impacting	the wate	ercourse.		
If a Watercou	urse was Im	pacted, Descr	ibe Fully.'	•	······						
Describe Cau									2 (22)22		
the release wa	as residue b	rine water fr	om pump	er and frac on 3/2 o supply lines us cated to the east	ed duri	ng the frac o	operations. A b	ackhoe			
depth of 1' Be total of 61 ydd analytical from pooling area a reported to be closure for the	e impacted s GS. The flo s of impactor m the excav at the 1' dep e <16 ppm a e release that	soil located in w path located ed soil was ha vated areas. An oth. Chlorides t a depth of 6 at occurred on	the poolin d under the uled to the nalytical re at 6' BGS BGS in t 3/20/2008	area and the flo e frac tanks was e e disposal facility. esults dated 4/14/2 were <16 ppm. The excavated flow	xcavated 4/8/200 2008 as r The Chlo y path. Y	to a depth o 8 after notific reported by C rides were re ates Petroleu	f 2' BGS. The re- cation was provid- cardinal Lab. sho ported to be 336 m Corporation is	moved solution ded to NI w the Ch ppm in t s submitt	oil was then MOCD soil florides to b the excavate ing a final (hauled to Lea samples were be 48 ppm in the ed flow path. C C-141 form an	a Land Inc. A taken for ne excavated Chlorides were
	_	. .					<u>OIL CON</u>	<u>SERV</u>	ATION	DIVISION	
Signature: N	misa	Refield		· · · · · · · · · · · · · · · · · · ·							
Printed Name	: Mike Stub	blefield			A	pproved by	District Supervis	or: TC	umby	SB	
Title: Environ	mental Reg	ulatory Agent				pproval Date			-	ate: N/A	
E-mail Addre	ss: mikes@	ypcnm.com			c	onditions of	Approval: ۲	L .		Attached [
Date: 9/4/2	008]	Phone: 50:	5-748-4500			· [•	7			-/ / 5

* Attach Additional Sheets If Necessary

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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: 04/14/08 Reporting Date: 04/14/08 Project Number: NOT GIVEN Project Name: APAREJO APA STATE #3 Project Location: NOT GIVEN Analysis Date: 04/14/08 Sampling Date: 04/08/08 Sample Type: SOIL Sample Condition: INTACT Sample Received By: ML Analyzed By: HM

		C
LAB NUMBER	SAMPLE ID	(mg/kg)
H14637-1	EXCAVATED POOLING AREA 1'	48
H14637-2	EXCAVATED FLOW PATH 2'	336
H14637-3	EXCAVATED FLOW PATH 6'	• < 16
H14637-4	EXCAVATED POOLING AREA 6'	< 16
Quality Control		490
True Value QC		500
% Recovery		98.0
Relative Percent	Difference	2.0

METHOD: Standard Methods4500-CI'BNote: Analyses performed on 1:4 w:v aqueous extracts.

Kist Suproto

04/14/08

H14637 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 subsidianes, affiliates or successors ansing 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

Company Nawe:	(503) 203-2325 FAX (503) 393-2475	75 (325) 673-7001 FAX (325)673-7020	AX (325)673-7020		ANALYSIS REQUEST
	Hive Stubblefield		P.O. #:	~~	
Acdress: 405	3		Company:		یوی دیدی پوی است. پوی است. ایوی دیدی بوی دیدی پوی دیدی بوی دیدی
22	State: NM	O12 88 102	No:		برگاه می ویوانید برگاه می ویوانید برگاه می می می
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Projeci #:					
Projaci Name: ADA Cein	Daress APA She #3	ů.	State Zip:		
Project Location:	-	nan ang ang ang ang ang ang ang ang ang	Phone #		
Sampler Name.			1		
FUPIABESE ENLY		XILIYA 1	PRESERV SANDIJAG		
Lab I.D.	Sample I.D.	IG)RAB OR (CIOMP GCONTAINERS GROUHDWATER WASTEVIATER GOR OIL SLUDGE	CTHER ACIDIBASE: CE/COOL OTHER:	C1-	
HIY437-11				2:300	
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100	ter te	6	11 11 11 11 11 11 11 11 11 11 11 11 11		
PLEASE ASTRE LIANY AND Annulases All-during (Including All-life in the wave shall be	an high by a stranger that a star	rie Charles Sciencifs Mitwilling General Print, in Angel Serie and Annehold Mitwilling Angel in Mithing A 1988 - Mithia Angel Indonesia Construction (1987 - Angel Indone) Construction Angel Indonesia (1997 - Angel Indone) Construction Angel Indonesia (1997 - Angel Indonesia) Construction Angel Indonesia (1997 - Angel	য়েনে লৈ 'কাৰ্যনিক হৈছে। মেন্দ্ৰ কি প্ৰথমিয়ে নাম কি প্ৰথমি কি প্ৰথমিয়ে প্ৰথমিয়ে হৈছে। মান্দ্ৰ কি প্ৰথমিয়ে নাম কি প্ৰথমৰ বিশ্বনি মান্দ্ৰ প্ৰথমিয়ে হৈছে নাম কেন্দ্ৰ বিশ্বনি হৈছে। মান্দ্ৰ কেন্দ্ৰ প্ৰথমিয়ে, নাম কেন্দ্ৰ বিশ্বনা মান্দ্ৰ প্ৰথম কি প্ৰথমিয়া হৈছে। মান্দ্ৰ কেন্দ্ৰ প্ৰথমিয়া মান্দ্ৰ বিশ্বনা মান্দ্ৰ প্ৰথম কি প্ৰথম কেন্দ্ৰ বিশ্ব বিশ্বনা মান্দ্ৰ নাম নিৰ্মাণনা মা	ાએ કે અને સ્વેગ્સ્ટ કે અને છે. આ ગામ કે આ ગામ ક આ ગામ આ ગામ કે આ ગામ ક આ ગામ કે આ ગ	
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Y Gardinal cannot accept varbal changes. Please fax written changes to \$25.093-2476

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FAX NO. 15057494635

State of New Mexico

Energy Minerals and Natural Resources APR 10 2008

Form C-141 Revised October 10, 2003

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

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

OCDARTESIA Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action

OPERATOR

	OPERATOR	X Initial Report	Final Report
Name of Company Yates Petroleum Corporation 25515	Contact Mike Stubblefield		
Address 105 South 4 th Street, Artesia, N.M. 88210	Telephone No. 505-748-4500 50)5-513-1712	
Facility Name Aparejo APA State #3 30-015-28413	Facility Type Oil Well		
Tacinty Name Aparejo ATA State #5 50 015 20415	raemty type on wen	·····	······

Surface Owner State

Mineral Owner State

Lease No.

LOCATION OF RELEASE

Unit Letter B	Section 16	Township 19s	Range 25e	Feet from the 660'	North/South Line FNL	Feet from the 1980	East/West Line FEL	County Eddy

Latitude ____ Longitude _

NATURE OF RELEASE

Type of Release Brine Water	Volume of Release 10-15 bbls	Volume R	ecovered 0 bbls				
Source of Release Equipment used in Frac operations.	Date and Hour of Occurrence		Hour of Discovery				
	3/20/2008 pm	3/22/2008	am				
Was Immediate Notice Given?	If YES, To Whom?						
Yes X No X Not Required							
By Whom?	Date and Hour						
Was a Watercourse Reached?	If YES, Volume Impacting the Wa	tercourse.					
Yes X No							
If a Watercourse was Impacted, Describe Fully.*							
Describe Cause of Problem and Remedial Action Taken.*							
The NDDUP #2 was worked over and frac on $3/20/2008$. A release was re-	eported by Rancher on 3/22/08 to OC	D The source	e of the release was residue				
brine water from pump supply lines used during the frac operations. A bac							
tanks was back dragged.	,						
Describe Area Affected and Cleanup Action Taken.							
The impacted area is located on the east side of the frac tanks and in a narrow flow path under the frac tanks. Yates will have the frac tanks removed from							
the location. The visibly impacted soils located under the frac tanks and to the east of the frac tanks will be excavated and hauled to and OCD approved							
solid waste disposal facility. The area will then be back dragged. Soil samples will be taken from the impacted area. The soil samples taken will be							
submitted to a second party lab and analysis ran for Chlorides. The Chlorid		ground water	to the NDDUP #2 as reported				
by the NMOSE is in sec.16-19s-25e. The depth to GW in sec.16-19s-25e i Amended for C-141 submitted on 3/28/2008	\$ 95						
Depth to ground water – 50'-99', Wellhead protection area - > 1000', Dist	ance to surface water body $- > 1000^{\circ}$	Site ranking	g score 10 points				
I hereby certify that the information given above is true and complete to the	e best of my knowledge and understa	and that pursu	ant to NMOCD rules and				
regulations all operators are required to report and/or file certain release no	otifications and perform corrective ac	tions for rele	ases which may endanger				
public health or the environment. The acceptance of a C-141 report by the	NMOCD marked as "Final Report"	does not relie	eve the operator of liability				
should their operations have failed to adequately investigate and remediate	e contamination that pose a threat to g	round water,	surface water, human health				
or the environment. In addition, NMOCD acceptance of a C-141 report do	bes not relieve the operator of respons	sibility for co	mpliance with any other				
federal, state, or local laws and/or regulations.	·····	· · · · · · · · · · · · · · · · · · ·					
	OIL CONSERV	ATION I	DIVISION				
Signature: mar Studelfiell							
u i i i i i i i i i i i i i i i i i i i		Crented to					
Printed Name: Mike Stubblefield	Approved by District Supervisor:	brea 10b	record - NMOCD				
		·····					
Title: Environmental Regulatory Agent A	Approval Date:	Expiration D	ate:				
E-mail Address: mikes@ypcnm.com	Conditions of Approval:						
	conditions of Approval.		Attached				
Date: 4/9/2008 Phone: 505-748-4500		· · · · · · · · · · · · · · · · · · ·	2RP-229				

* Attach Additional Sheets If Necessary

District 1 1625 N French Dr., Hobbs, NM 88240 District II 1301 W Grand Avenue, Artesia, NM 88210		New Mexico and Natural Resource	oco-artesia ©	Revised	Form C-141 October 10, 2003
District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S St Francis Dr., Santa Fe, NM 87505	Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505		8002 8 S AAM		s to appropriate e in accordance ale 116 on back side of form
Release Notification and Corrective Action					
: 5506927541446 NSEB082754111	· _	OPERATOR	ХІ	nitial Report	Final Report
Name of Company Yates Petroleum Corporati	on 25575	Contact Mike Stubblefic	eld		
Address 105 South 4 th Street, Artesia, N.M. 88	3210	Telephone No. 505-748	-4500 505-513-1712	2	
Facility Name NDDUP #2 30-015-28413		Facility Type Oil Well			
Surface Owner State	Mineral Owner S	tate	Lease N	lo.	

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LOCATION OF RELEASE Feet from the North/South Line Section Unit Letter Township Feet from the East/West Line County Range 660` FNL 1980' 19s 25e В 16 FEL Eddy

Latitude ____ Longitude _____

NATURE OF RELEASE

Type of Release Brine Water	Volume of Release 10-15 bbls	Volume Reco	overed 0 bbls			
Source of Release Equipment used in Frac operations.	Date and Hour of Occurrence		ur of Discovery			
	3/20/2008 pm	3/22/2008 am	n			
Was Immediate Notice Given?	If YES, To Whom?					
Yes X No X Not Required						
By Whom?	Date and Hour		······································			
Was a Watercourse Reached?	If YES, Volume Impacting the Wa	tercourse.				
Sec. Yes X No						
If a Watercourse was Impacted, Describe Fully.*						
Describe Cause of Problem and Remedial Action Taken.*		······································				
The NDDUP #2 was worked over and frac on 3/20/2008. A release was						
brine water from pump supply lines used during the frac operations. A ba	ackhoe was immediately brought to the	e location. The a	rea to the east of the frac			
tanks was back dragged.						
Describe Area Affected and Cleanup Action Taken.						
The impacted area is located on the east side of the frac tanks and in a narrow flow path under the frac tanks. Yates will have the frac tanks removed from						
the location. The visibly impacted soils located under the frac tanks and to the east of the frac tanks will be excavated and hauled to and OCD approved						
solid waste disposal facility. The area will then be back dragged. Soil samples will be taken from the impacted area. The soil samples taken will be						
submitted to a second party lab and analysis ran for Chlorides. The Chlorides will be documented. The nearest ground water to the NDDUP #2 as reported						
by the NMOSE is in sec.16-19s-25e. The depth to GW in sec.16-19s-25e is 95'.						
Depth to ground water -50 '-99', Wellhead protection area $->1000$ ', Dis	stance to surface water body - > 1000'	Site ranking sc	core 10 points.			
I hereby certify that the information given above is true and complete to t	he best of my knowledge and understa	and that pursuant	t to NMOCD rules and			
regulations all operators are required to report and/or file certain release r	otifications and perform corrective ac	tions for release	s which may endanger			
public health or the environment. The acceptance of a C-141 report by the						
should their operations have failed to adequately investigate and remediat						
or the environment. In addition, NMOCD acceptance of a C-141 report c federal, state, or local laws and/or regulations.	loes not relieve the operator of respons	sibility for comp	bliance with any other			
reticial, state, or local laws and/or regulations.	OIL CONSEDI	ATION DI	VICION			
	OIL CONSERV	ATION DI	VISION			
Signature: Miles Stallfill						
Approved by District Supervisor:						
Printed Name Mike Stubblefield		Zun by S	SB			
		L				
Title: Environmental Regulatory Agent	Approval Date. 4.7-08	Expiration Date	2:			
E-mail Address: mikes@ypcnm.com	Conditions of Approval:					
	conditions of Approvat,	A	stached			
Date: 3/27/2008 Phone. 505-748-4500			2RP-229			
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* Attach Additional Sheets If Necessary SEB0821541542