

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

AUG 25 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 | Contact Mike Stubblefield |
| Address 105 South 4 th 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. |
|-----------------------|---------------|-----------|

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 |
|------------------|---------------|-----------------|--------------|------------------------|-------------------------|-----------------------|-----------------------|----------------|

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 | 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. The analytical results were submitted to NMOCD on The TPH and the B-TEX was 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. 7/16/2008 The impacted soil located in the unlined area of the bermed area was excavated to a depth of 3' BGS. The removed soil was then hauled to Lea Land Inc an NMOC approved Solid Waste Disposal facility. A total of 156 cu yds of impacted soil was hauled to the facility. The excavated area was then backfilled back to grade with clean soil

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. is submitted a final C-141 form and 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>Mike Stubblefield</i> | Approved by District Supervisor: <i>TCum by SB</i> | | |
| Printed Name: Mike Stubblefield | | | |
| Title: Environmental Regulatory Agent | Approval Date: <i>10-20-08</i> | Expiration Date: <i>N/A</i> | |
| E-mail Address: mikes@ypcnm.com | Conditions of Approval: <i>N/A</i> | | Attached <input type="checkbox"/> <i>N/A</i> |
| Date: 8/21/2008 Phone: 505-748-4500 | | | |

* Attach Additional Sheets If Necessary

2RP-131



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 | | CF (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-CrB

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

Brian A. [Signature]
Chemist

03/24/08
Date

H14491 YATES

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CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(325) 673-0001 Fax (325) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

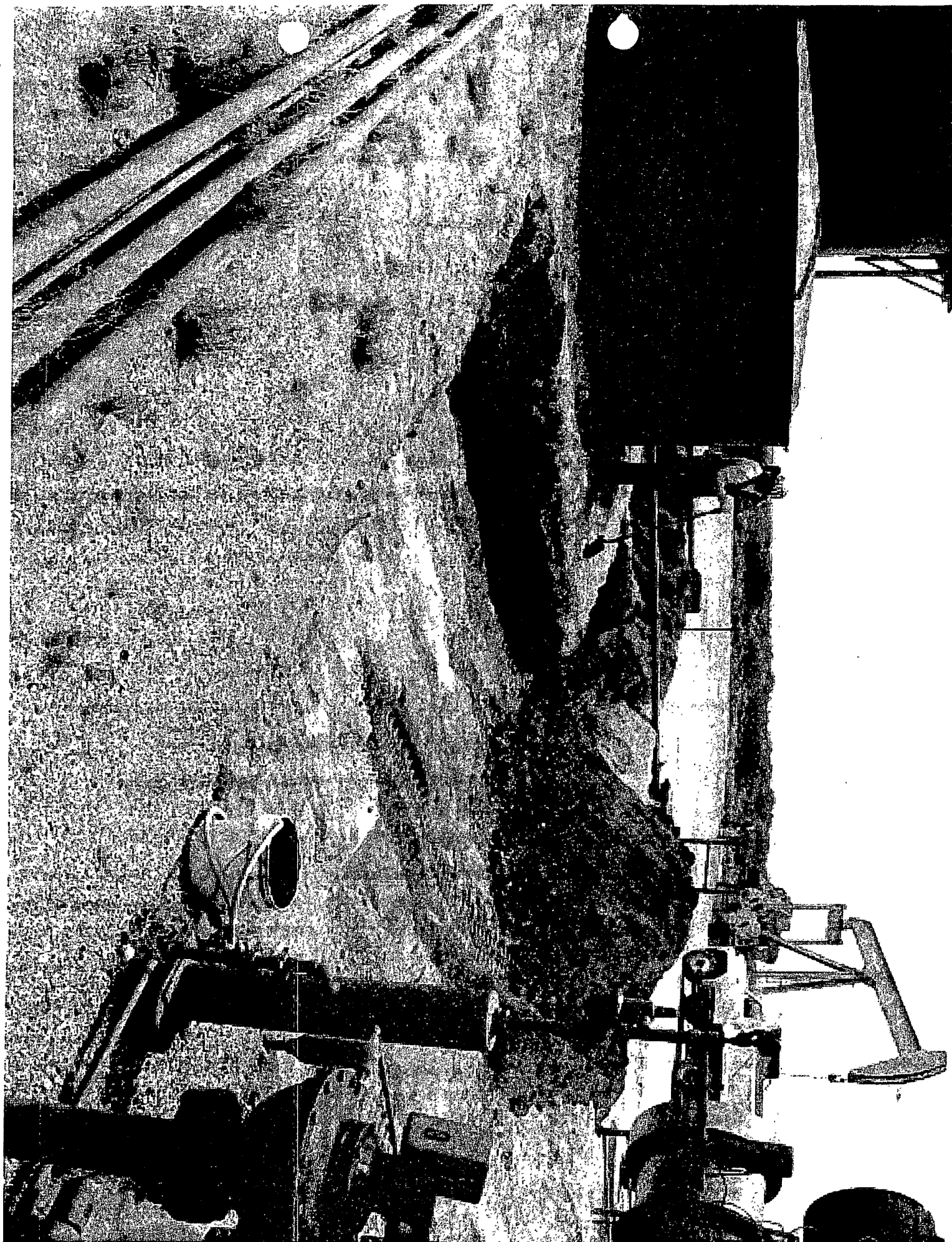
Page 1 of 1

| | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|-----------------------------------|--|------------------|--|------------|--|----------|--|-----------|--|--------|--|--------|--|-----------|--|------------|--|--------|--|---------|--|---------|--|
| 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: M. Ke. Stubblefield | | | | | | | | | | | | | | | | | | | | | | | |
| Phone #: 505-513-1912 Fax #: 505-748-4335 | | Address: 105 South 4th Street | | | | | | | | | | | | | | | | | | | | | | | |
| Project #: Project Owner: M. Ke. Stubblefield | | City: Artesia | | | | | | | | | | | | | | | | | | | | | | | |
| Object Name: Corral Draw AQH Feb. #1 Tank battery | | State: N.M. Zip: 88210 | | | | | | | | | | | | | | | | | | | | | | | |
| Project Location: Sec. 13-24S-29E | | Phone #: 505-748-4500 | | | | | | | | | | | | | | | | | | | | | | | |
| Sampler Name: Mike Stubblefield | | Fax #: 505-748-4635 | | | | | | | | | | | | | | | | | | | | | | | |
| FOR LAB USE ONLY | | | | MATRIX | | PRESERV. | | SAMPLING | | Chlorides | | | | | | | | | | | | | | | |
| Lab I.D. | | Sample I.D. | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | GROUNDWATER | | WASTEWATER | | SOIL | | OIL | | SLUDGE | | OTHER: | | ACID/BASE | | ICE / COOL | | OTHER: | | DATE | | TIME | |
| H14491-1 | | WLBZ Impacted area in the | | G | | | | | | | | | | | | | | | | | | 3/19/08 | | 9:30AM | |
| | | unlined section of berm 4' depth | | G | | | | | | | | | | | | | | | | | | 3/19/08 | | 9:45AM | |
| | | -2 WLBZ Impacted area in the | | G | | | | | | | | | | | | | | | | | | 3/19/08 | | 10:00AM | |
| | | unlined section of berm 6' depth | | G | | | | | | | | | | | | | | | | | | 3/19/08 | | 10:30AM | |
| | | -3 WLBZ Impacted area in the | | G | | | | | | | | | | | | | | | | | | 3/19/08 | | 10:30AM | |
| | | unlined section of berm 8' depth | | G | | | | | | | | | | | | | | | | | | 3/19/08 | | 10:30AM | |
| | | -4 WLBZ Impacted area in the | | G | | | | | | | | | | | | | | | | | | 3/19/08 | | 10:30AM | |
| | | unlined section of berm 10' depth | | G | | | | | | | | | | | | | | | | | | 3/19/08 | | 10:30AM | |

PLEASE NOTE: Liability and Damages Cardinal's liability and extent is strictly limited by the terms and conditions of the Chain of Custody Agreement. The user of this form is responsible for the accuracy of the information provided. The user is responsible for the accuracy of the information provided. The user is responsible for the accuracy of the information provided.

| | | | | | | | | | | | |
|--------------------------------|--|---------------|--|--------------------------|--|------------------|--|-------------|--|----------|--|
| Sampler Relinquished: | | Date: 3/19/08 | | Received By: | | Phone Result: | | Fax Result: | | REMARKS: | |
| Mike Stubblefield | | 3:45 PM | | Vil Tuller | | 3/21/08 | | Yes No | | | |
| Relinquished By: | | Date: 3/19/08 | | Received By: (Lab Staff) | | Sample Condition | | Checked By: | | | |
| Mike Stubblefield | | 3:45 PM | | Vil Tuller | | Intact? | | (Initial) | | | |
| Delivered By: (Circle One) | | | | | | Feeling? | | | | | |
| Sampler - UPS - (Bus) - Other: | | | | | | Yes No | | | | | |

† 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) 748-4335

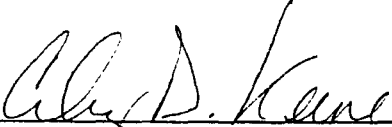
Receiving Date: 03/12/08
Reporting Date: 03/13/08
Project Number: NOT GIVEN
Project Name: CORRAL DRAW AQH FEDERAL #1
Project Location: UT. L-13-24S-29E

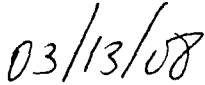
Sampling Date: 03/11/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: CK/AB/KS

| LAB NUMBER | SAMPLE ID | GRO | DRO | CI* |
|-----------------------------|-------------------------------------|---|---|----------|
| | | (C ₆ -C ₁₀) (mg/kg) | (>C ₁₀ -C ₂₈) (mg/kg) | (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.


Cheryl D. Kane
Chemist


03/13/08
Date

H14432A YATES

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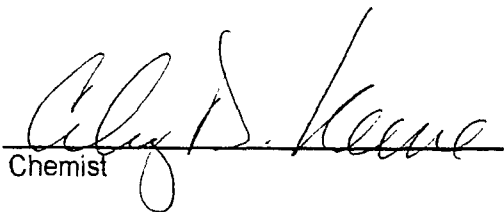
ANALYTICAL RESULTS FOR
YATES PETROLEUM CORPORATION
ATTN: MIKE STUBBLEFIELD
105 SOUTH 4TH STREET
ARTESIA, NM 88210
FAX TO: (575) 748-4335

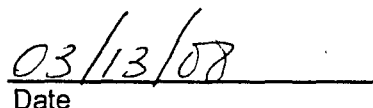
Receiving Date: 03/12/08
Reporting Date: 03/13/08
Project Number: NOT GIVEN
Project Name: CORRAL DRAW AQH FEDERAL #1
Project Location: UT. L-13-24S-29E

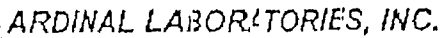
Sampling Date: 03/11/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: AB

| 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



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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