

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

Form C-141  
Revised October 10, 2003

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

DEC 27 2007  
OCD-ARTESIA

Release Notification and Corrective Action

NB02028047618

OPERATOR

Initial Report ☒ Final Report

Name of Company Yates Petroleum Corporation	Contact Mike Stubblefield	
Address 105 South 4 <sup>th</sup> Street, Artesia, N.M. 88210	Telephone No. 505-7484500 505-513-1712	
Facility Name Wyatt BHT State #1 30-015-34553	Facility Type Drilling well	
Surface Owner State	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter B	Section 6	Township 25s	Range 30e	Feet from the 330'	North/South Line FNL	Feet from the 2310'	East/West Line FWL	County Eddy
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Latitude 32.16557 Longitude 103.9192

NATURE OF RELEASE

Type of Release Diesel	Volume of Release 5.4 bbls	Volume Recovered 0 bbls
Source of Release Rig fuel tank	Date and Hour of Occurrence 10/9/2007 1:25pm	Date and Hour of Discovery 10/9/2007 1:25pm
Was Immediate Notice Given? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? New Mexico Environmental Dept./Stephen Connolly	
By Whom? Mike Stubblefield	Date and Hour 10/10/2007 11:30am	
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.\*

Driver holed up to the front valve to unload diesel unaware that the valve at the back of the tank was in the open position, both of these fill lines are connected together and into a T at the top of the tank. After unloading approx 1000 gal. Diesel he noticed the fuel leaking and shut off pump, closed valve and continued to fill the tank.

Describe Area Affected and Cleanup Action Taken. The affected area is on the South west side of the location on the well pad & in an area off location which runs parallel with the edge of the location. Remediation actions were conducted by Ocotillo Environmental

The impacted soils from the release were excavated & hauled to and O.C.D. approved solid waste disposal facility. Soil samples were taken from the excavated area and sent to a second party lab. Soil samples were tested for TPH & B-tex. The final analytical results reflect the TPH & B-tex to be under the RRAI for the site. See attached closure report as provided by Ocotillo Environmental. Yates Petroleum Corporation is requesting closure for the release that occurred on 10/9/2007 at the Wyatt BHT State #1

Depth to ground water - > 50', Wellhead protection area - > 1000', Distance to surface water body - > 1000' Site ranking score 0 points

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: <u>Mike Stubblefield</u>	OIL CONSERVATION DIVISION	
Printed Name: Mike Stubblefield	Approved by District Supervisor: <u>[Signature]</u>	
Title: Environmental Regulatory Agent	Approval Date: <u>JAN 10 2008</u>	Expiration Date:
E-mail Address: mikes@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 12/21/2007	Phone: 505-748-4500	

December 14, 2007

Mr. Steve Frazier  
Thomas Petroleum  
3307 NW County Road  
Hobbs, New Mexico 88240

**Re: Spill Remediation Report  
Yates Petroleum, Wyatt BHT State #1  
Unit Letter C, Section 6, Township 25 South, Range 30 East  
Eddy County, New Mexico**

Dear Mr. Frazier:

Thomas Petroleum (Thomas) has retained Ocotillo Environmental, LLC (Ocotillo) to remediate impacts to soil from a diesel spill at the Yates Petroleum, Wyatt BHT State #1 lease. The well is located in the northeast quarter (NE/4) of the northwest quarter (NW/4), Section 6, Township 25 South, Range 30 East, Eddy County, New Mexico. Approximately 332 gallons (8 barrels) of diesel fuel was released from the day tank onto the well pad, with no liquids being recovered from the site. The liquid spilled off the well pad and flowed for a distance of approximately 24 feet to the south. Figure 1 shows the site location.

Based on published literature (1961), well records of the New Mexico State Engineer, and well records of the United States Geological Survey, groundwater occurs at approximately 263 feet bgs (below ground surface) at the site. No domestic water wells are located within 1,000 feet of the site. The NMOCD has established RRALs for benzene, total BTEX and TPH resulting from spills of natural gas liquids ("Guidelines for Remediation of Leaks, Spills and Releases, August 13, 1993"). Remediation levels for benzene, total BTEX and TPH were calculated using the following NMOCD criteria:

Criteria	Result	Ranking Score
Depth-to-Groundwater	50 - 99 Feet	10
Wellhead Protection Area	No	0
Distance to Surface Water Body	>1000 Horizontal Feet	0
		<b>Total: 10</b>

The following RRALs have been assigned based on NMOCD criteria:

**Benzene** 10 mg/kg  
**Total BTEX** 50 mg/kg  
**TPH** 5,000 mg/kg

Mr. Steve Frazier  
December 14, 2007  
Page 2

### **Remediation Activity**

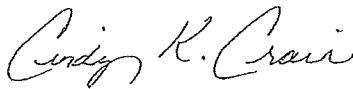
On November 29, 2007, excavation of the impacted soil began at the northern portion of the spill area, on the well pad. Excavation continued to the south, until samples were collected from the bottom of the excavation. The soil samples were placed in clean glass sample jars, labeled, chilled in an ice chest, and delivered under chain-of-custody control to Cardinal Laboratories, located in Hobbs, New Mexico. Soil samples were analyzed for total petroleum hydrocarbons (TPH) by EPA method SW-846-8015M, including gasoline range organics (GRO) and diesel range organics (DRO), for BTEX by EPA method SW-846-8021B, and for chlorides by EPA method 4500. Table 1 presents a summary of the laboratory analyses of soil from the excavation. Figure 2 shows the spill boundary with sample locations. Appendix A presents laboratory data and chain of custody documentation. Appendix B provides photographs.

Referring to Table 1, all samples collected from the spill area reported BTEX, TPH and chloride concentrations below the RRALs. Approximately 96 cubic yards of soil was disposed at Controlled Recovery, Inc. (CRI).

As all confirmation samples reported BTEX, TPH, and chloride concentrations below the RRALs (50 mg/kg, 5,000 mg/kg and 250 mg/kg, respectively), the excavation was backfilled on December 4, 2007. The excavated area on the wellpad was backfilled with stockpiled caliche from the original wellpad construction, and the excavated area to the south was backfilled with native sand from the area.

Ocotillo Environmental appreciates the opportunity to be of service to you. If you have any questions or need additional information, please call me at (505) 441-7244. I may also be reached by email at [Cindy.Crain@gmail.com](mailto:Cindy.Crain@gmail.com).

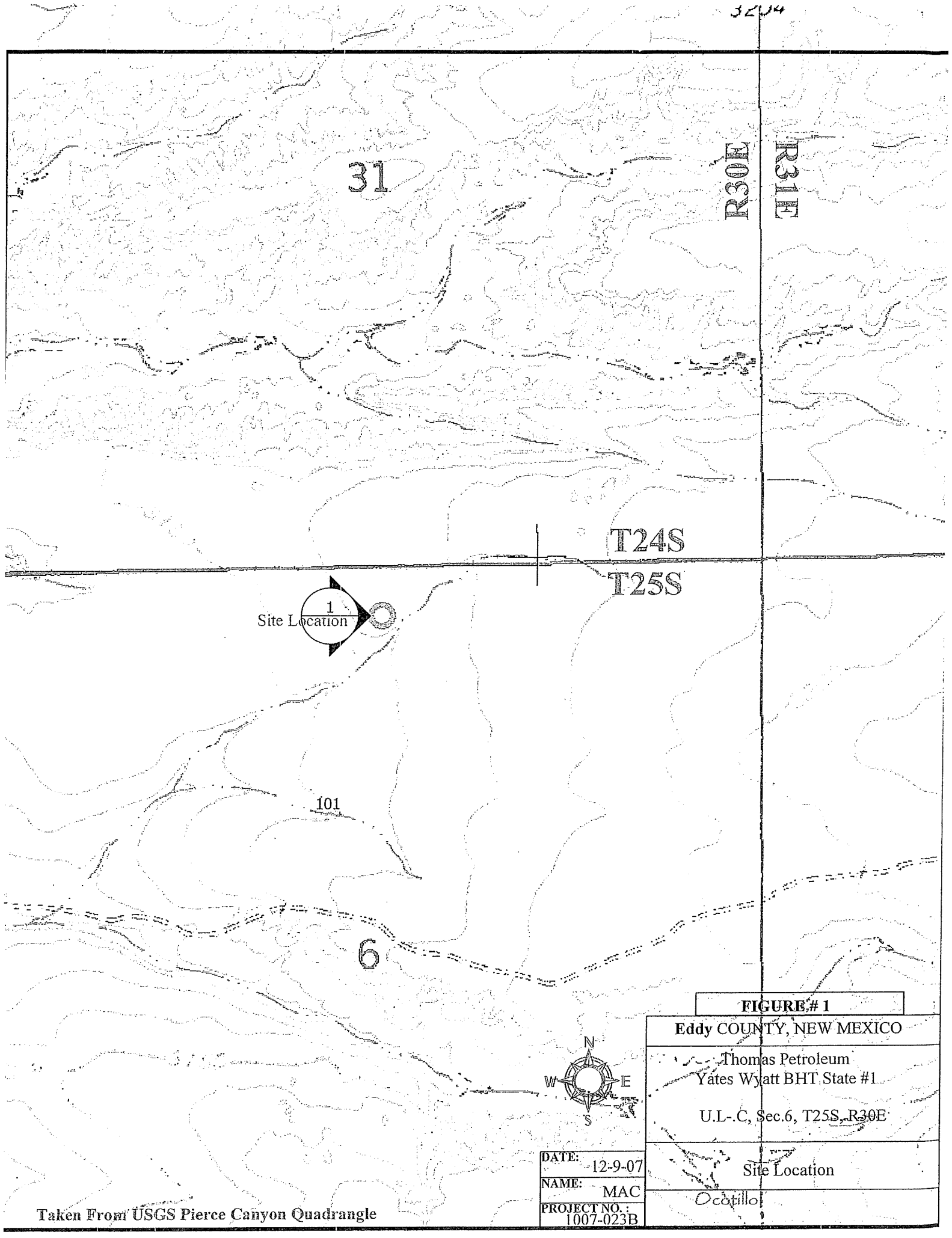
Sincerely,  
***Ocotillo Environmental, LLC***



Cindy K. Crain, P.G.  
Environmental Manager

Cc: Mike Stubblefield, Yates Petroleum

## FIGURES



**FIGURE # 1**

**Eddy COUNTY, NEW MEXICO**

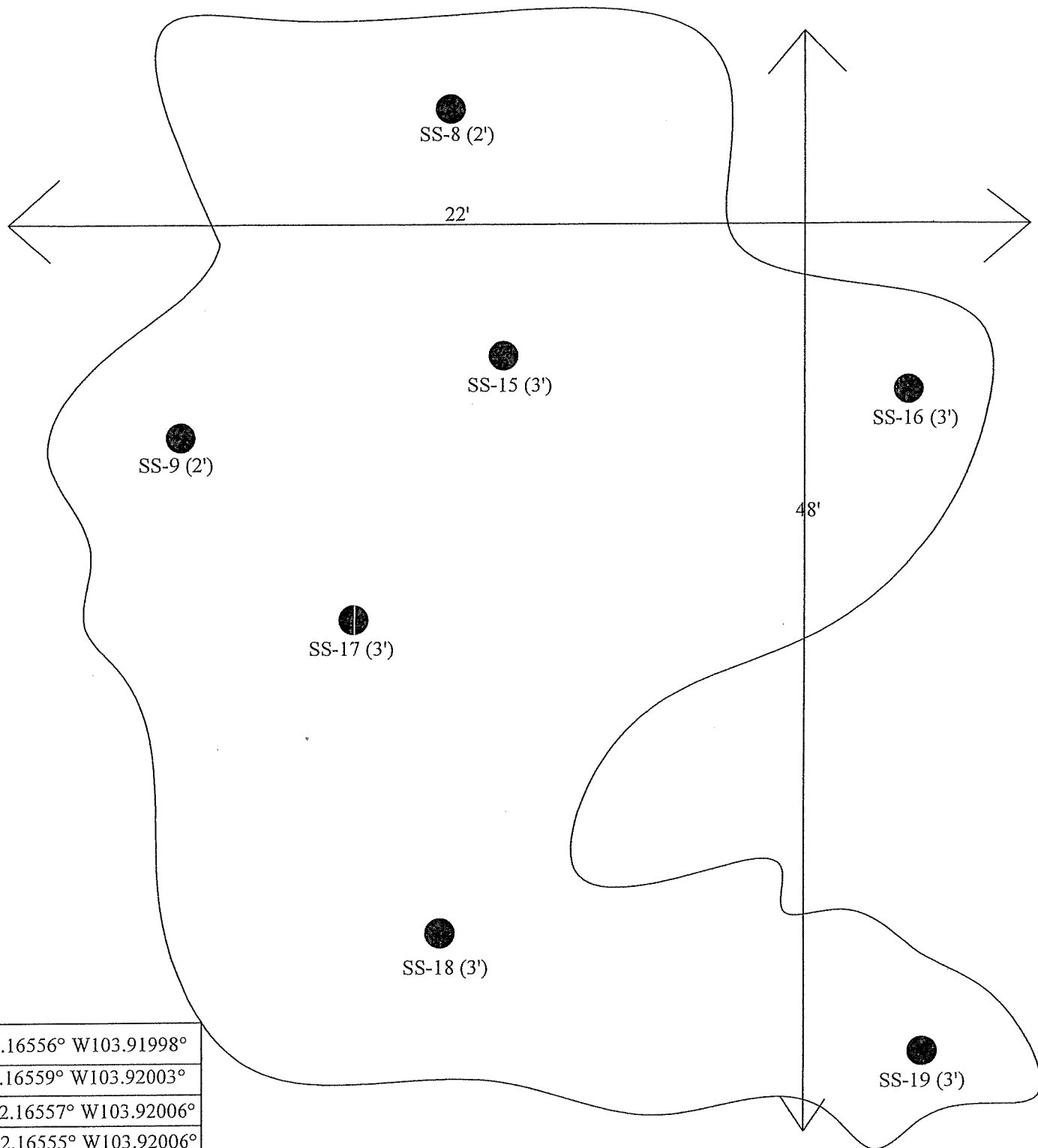
Thomas Petroleum  
Yates Wyatt BHT State #1

U.L.-C, Sec.6, T25S, R30E

Site Location

Ocotillo

DATE: 12-9-07  
NAME: MAC  
PROJECT NO.: 1007-023B



S-8 N32.16556° W103.91998°
S-9 N32.16559° W103.92003°
S-15 N32.16557° W103.92006°
S-16 N32.16555° W103.92006°
S-17 N32.16560° W103.92008°
S-18 N32.16558° W103.92010°
S-19 N32.16555° W103.92014°

#### LEGEND

SS-8 (2') Soil Sample Location  
With Depth (feet bgs)



DATE: 12-10-07  
NAME: MAC  
PROJECT NO.: 1007-037C

Figure # 2

Eddy COUNTY, NEW MEXICO

Thomas Petroleum  
Yates Wyatt BHT State #1

UL-C, Sec. 6, T25S, R30E

Site Drawing With Soil Sample Locations

Ocotillo

## TABLE

Table 1:

Summary of Laboratory Analysis of Soil Samples  
 Thomas Petroleum, Yates Wyatt BHT State #1  
 Section 6, Township 25 South, Range 30 East  
 Eddy County, New Mexico

Page 1 of 1

Sample Date	Soil Sample Number	Sample Depth (feet BGS)	TPH (GRO) C8 - C12 mg/kg	TPH (DRO) C12 - C28 mg/kg	Total TPH C8 - C28 mg/kg	Benzene mg/kg	Total BTEX mg/kg	Chloride (mg/kg)
	RRAL				5000	10	50	250
11/29/07	SS-8	2	<10	<10	<20	<0.001	0.024	<16
	SS-9	2	<10	<10	<20	<0.001	<0.006	<16
	SS-15	3	<10	<10	<20	<0.001	<0.006	<16
	SS-16	3	<10	<10	<20	<0.001	<0.006	<16
	SS-17	3	<10	<10	<20	<0.001	<0.006	<16
	SS-18	3	<10	<10	<20	<0.001	0.006	<16
	SS-19	3	<10	41	41	<0.001	0.004	16

Notes:

1. BGS: Depth in feet below ground surface
2. mg/kg: Milligrams per kilogram
3. GRO: Gasoline Range Organics
4. DRO: Diesel Range Organics



Table 1:

Summary of Laboratory Analysis of Soil Samples  
 Thomas Petroleum, Yates Wyatt BHT State #1  
 Section 6, Township 25 South, Range 30 East  
 Eddy County, New Mexico

Sample Date	Soil Sample Number	Sample Depth (feet BGS)	TPH (GRO) C8 - C12 mg/kg	TPH (DRO) C12 - C28 mg/kg	Total TPH C8 - C28 mg/kg	Benzene mg/kg	Total BTEX mg/kg	Chloride (mg/kg)
	RRAL				5000	10	50	250
11/29/07	SS-8	2	<10	<10	<20	<0.001	0.024	<16
	SS-9	2	<10	<10	<20	<0.001	<0.006	<16
	SS-15	3	<10	<10	<20	<0.001	<0.006	<16
	SS-16	3	<10	<10	<20	<0.001	<0.006	<16
	SS-17	3	<10	<10	<20	<0.001	<0.006	<16
	SS-18	3	<10	<10	<20	<0.001	0.006	<16
	SS-19	3	<10	41	41	<0.001	0.004	16

Notes:

1. BGS: Depth in feet below ground surface
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3. GRO: Gasoline Range Organics
4. DRO: Diesel Range Organics

## **APPENDIX A**

### **Laboratory Data and Chain of Custody Documentation**



PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603  
PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

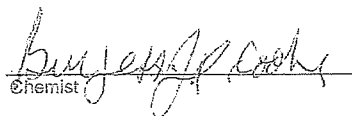
ANALYTICAL RESULTS FOR  
OCOTILLO ENVIRONMENTAL, LLC  
ATTN: CINDY CRAIN  
2125 FRENCH DR.  
HOBBS, NM 88240  
FAX TO: (432) 272-0304

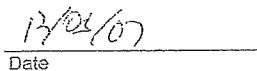
Receiving Date: 11/30/07  
Reporting Date: 12/03/07  
Project Number: 1007-037C  
Project Name: WYATT "BHT" STATE #1  
Project Location: EDDY COUNTY, NM

Sampling Date: 11/29/07  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: NF  
Analyzed By: AB

LAB NUMBER	SAMPLE ID	BENZENE		ETHYL	
		(mg/Kg)	(mg/Kg)	BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE		11/30/07	11/30/07	11/30/07	11/30/07
H13801-1	SS-8 @ 2'	<0.001	0.002	0.002	0.020
H13801-2	SS-9 @ 2'	<0.001	<0.001	<0.001	<0.003
H13801-3	SS-15 @ 3'	<0.001	<0.001	<0.001	<0.003
H13801-4	SS-16 @ 3'	<0.001	<0.001	<0.001	<0.003
H13801-5	SS-17 @ 3'	<0.001	<0.001	<0.001	<0.003
H13801-6	SS-18 @ 3'	<0.001	0.002	0.001	0.003
H13801-7	SS-19 @ 3'	<0.001	<0.001	<0.001	0.004
Quality Control		0.107	0.096	0.085	0.300
True Value QC		0.100	0.100	0.100	0.300
% Recovery		107	96	95	100
Relative Percent Difference		2.4	1.2	1.0	1.3

METHOD: EPA SW-846 8021B

  
Chemist

  
Date

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 analysis. 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 subsidiaries, affiliates 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 reasons or otherwise.



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
OCOTILLO ENVIRONMENTAL LLC  
ATTN: CINDY CRAIN  
P.O. BOX 1816  
HOBBS, NM 88241  
FAX TO: (432) 272-0304

Receiving Date: 11/30/07  
Reporting Date: 12/05/07  
Project Number: 1007-037C  
Project Name: WYATT "BHT" STATE #1  
Project Location: EDDY COUNTY, NM

Sampling Date: 11/29/07  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: NF  
Analyzed By: CK/KS

LAB NUMBER	SAMPLE ID	GRO (C <sub>6</sub> -C <sub>12</sub> ) (mg/kg)	DRO (>C <sub>12</sub> -C <sub>28</sub> ) (mg/kg)	Cl <sup>-</sup> (mg/kg)
		12/04/07	12/04/07	11/30/07
H13801-1	SS-8 @ 2'	<10.0	<10.0	<16
H13801-2	SS-9 @ 2'	<10.0	<10.0	<16
H13801-3	SS-15 @ 3'	<10.0	<10.0	<16
H13801-4	SS-16 @ 3'	<10.0	<10.0	<16
H13801-5	SS-17 @ 3'	<10.0	<10.0	<16
H13801-6	SS-18 @ 3'	<10.0	<10.0	<16
H13801-7	SS-19 @ 3'	<10.0	41.0	16
Quality Control		453	382	510
True Value QC		500	500	500
% Recovery		90.6	76.4	102
Relative Percent Difference		0.9	<0.1	2.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Std. Methods 4500-CFB

\*Analyses performed on 1:4 w:v aqueous extracts.

Chemist

Date

H13801TCL Ocotillo

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 subsidiaries, affiliates 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 reasons or otherwise.

# CHARTERED ANALYSIS REQUEST

301 East Main Street, Houston, TX 77002  
 (713) 258-2226 FAX (713) 258-2228 (325) 673-7001 FAX (325) 673-7020

ANALYSIS REQUEST

Company Name: Chetillo Environmental LLC  
 Project Manager: Chetillo, Chet  
 Address: 2125 French Dr.  
 City: Houston State: TX Zip: 77058  
 Phone #: 281-441-7244 Fax #: 281-441-7244  
 Project Name: 1001-0770 Project Owner: Yates  
 Project Location: Lytle "B" Site State: TX Zip:   
 Sample Name: Steve Canyon Phone #:  Fax #:

Sample ID: H1301-1 Station: 1001-0770 Date: 11/20/01  
 Matrix: WASTEWATER Grab or Comp: Grab  
 Containers: 1 Other: None  
 Acid/Base: None Ice/Cool: None  
 Other: None Other: None

Sample ID	Station	Date	Time	Matrix	Grab or Comp	Containers	Other	Acid/Base	Ice/Cool	Other
H1301-1	1001-0770	11/20/01	11:30	WASTEWATER	Grab	1	None	None	None	None
2	55-8	11/20/01	11:30	WASTEWATER	Grab	1	None	None	None	None
3	55-15	11/20/01	11:30	WASTEWATER	Grab	1	None	None	None	None
4	55-16	11/20/01	11:30	WASTEWATER	Grab	1	None	None	None	None
5	55-17	11/20/01	11:30	WASTEWATER	Grab	1	None	None	None	None
6	55-18	11/20/01	11:30	WASTEWATER	Grab	1	None	None	None	None
7	55-19	11/20/01	11:30	WASTEWATER	Grab	1	None	None	None	None

Received By: Chetillo, Chet Date: 11/20/01 Time: 11:30  
 Signature: [Signature] Date: 11/20/01 Time: 11:30  
 Signature: [Signature] Date: 11/20/01 Time: 11:30

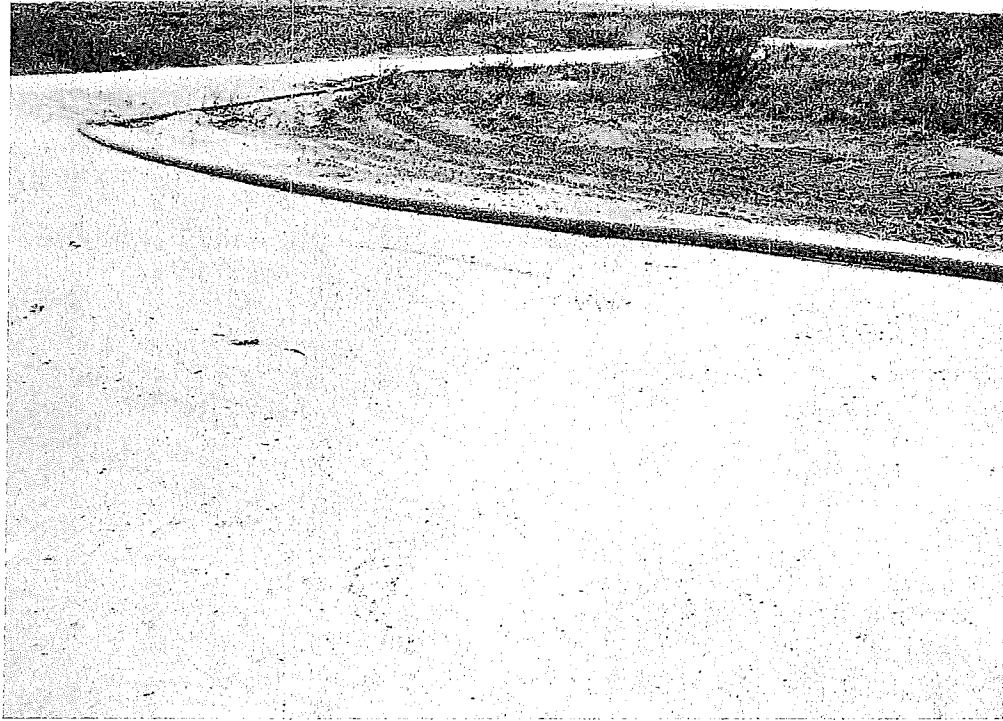
Sample Condition: Good Checked By: [Signature]  
 Sample: UP2 - Ros - Other  
 Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

Phone Result: Yes Fax Result: Yes  
 Phone #: 432-272-0304

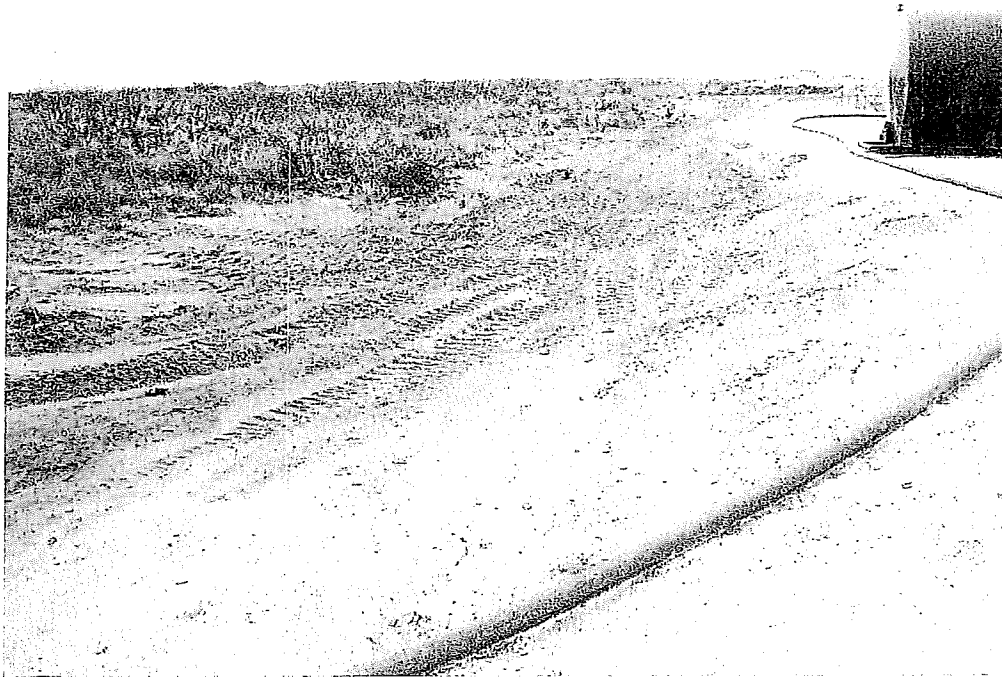
## **APPENDIX B**

### **Photographs**

**THOMAS PETROLEUM**  
**Yates, Wyatt BHT State #1**



**1. View to southeast of remediated area.**



**2. View to west of remediated area.**