District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artosia, NM 88210 District III
1000 Rio Brazos Road, Aziec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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State of New Mexico **Encrgy Minerals and Natural Resources**

Oil Conservation Division

Form C-141 Revised October 10, 2003

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form 1220 South St. Francis Dr. Santa Fe, NM 87505

Latitude_32.46392_Longitude_104.08906	0-015-	2338	35	Rel	ease Notifi	catio	n and C	orrective A	ctio	n				
Address 105 S. 4** St. Arnesis NM 88210 Facility Name Big Eddy 79Y SWD Facility Type Salt Water Disposal Surface Owner State LOCATION OF RELEASE Unit Letter Section Township Range Feet from the North/South Line Feet from the East/West Line Commy Eddy Lattitude_32.46392_Longitude_104.08906 NATURE OF RELEASE Volume of Release 1908W Volume Recovered 1508W Volume R										K Initi	ial Report		Final	i Repo
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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Yates Petroleum Corporation 105 S. 4th St. Artesia, NM 88210 October 12, 2005

Operator,

Reference: Big Eddy 79Y SWD J-21-21s-28e 30-015-23385 Incident #nMLB0528541155

The NMOCD District 2 office (OCD) is in receipt of an Initial Report C-141, dated 10/10/2005, reporting a release of produced fluids at the above referenced well site. The Report indicated a release of "150 bbls water" with volume recovered listed as "150 bbls water." The verbal notification called in on 10/7/2005, reported "30 bbls BS&W, 150 bbls water and 100% recovery of all fluids." OCD inspections of the site on 10/11/2005 and 10/12/2005 showed some fluids remaining pooled in tank battery area. Due to the composition of material the battery is situated on, and the fact that the battery area is not lined, it is the OCD's position that 100% recovery of fluids would be unlikely.

As the site was being excavated today, it became evident that the fiberglass tank on the West end of the battery (the tank that was reportedly overflowed) has heavily saturated, contaminated soils around the base. Contamination was observed to a minimum depth of 1 foot bgs. This indicates that the vessel is either leaking, has leaked and/or has been allowed to overflow in the past.

Other areas of contamination identified during inspections are the pasture area on South side of location, area around heater treaters in Northeast corner of location, and cellar area at wellhead.

At this time, the OCD is denying approval of the C-141 as presented and is requesting the following:

- 1. Resubmit an Initial Report C-141 with a more accurate account of fluid volumes lost and fluid volumes recovered. Indicate type of fluids involved in the release and recovery.
- 2. Indicate all releases known to have occurred at this well site.
- 3. USGS information indicates depth to groundwater in this area to be less than 100 feet bgs. Unless proved otherwise, this data will be used in determining site ranking.
- 4. All areas of contamination are to be delineated for vertical and horizontal extent, and type of contaminates present.
- 5. A remediation work plan is to be formulated based on the site ranking, delineation results, and submitted to the OCD for review.
- 6. The amended C-141 is to be submitted to the OCD no later than October 24, 2005.
- 7. Delineation operations are to commence no later than October 28, 2005.
- 8. A remediation work plan is to be submitted to the OCD no later than November 15, 2005.
- 9. The OCD is to be notified 24 hours prior to commencement of remediation actions, and 24 hours prior to obtaining samples where analysis of such samples are to be submitted to the OCD.

If I can be of assistance in this matter, my contact information is listed below.

Mike Bratcher

NMOCD District 2 1301 W. Grand Ave. Artesia, NM 88210

Wike LARRIVER

(505) 748-1283 Ext. 108

(505) 626-0857

Mike.Bratcher@state.nm.us

(C: EMAIL & DANDolon, Cisa Norton, Tim Gum, Vom Barton, Domiel Sombe, Charge Occumer 12/13/05