

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

30-015-23385

Release Notification and Corrective Action

n MLB-0528541155

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Yates Petroleum Corp.	Contact Dan Dolan
Address 105 S. 4 th St., Artesia NM 88210	Telephone No. 748-4181
Facility Name Big Eddy 79Y SWD	Facility Type Salt Water Disposal
Surface Owner State	Mineral Owner State
Lease No.	

LOCATION OF RELEASE

Unit Letter	Section 21	Township 21S	Range 28E	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy
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Latitude_32.46392_ Longitude_104.08906

NATURE OF RELEASE

Type of Release Produced Water/BS	Volume of Release 150BW	Volume Recovered 150BW
Source of Release Tank Overflow	Date and Hour of Occurrence 10-07-05, 1000hrs	Date and Hour of Discovery 10-07-05, 1000hrs
Was Immediate Notice Given? API#30-015-23385 <input type="checkbox"/> Not Required	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If YES, To Whom? Van Barton, Artesia OCD	
By Whom? Dan Dolan	Date and Hour 1130hrs 10-07-05	
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.*

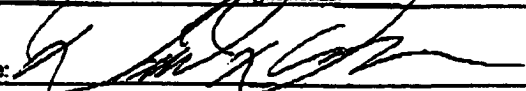
Describe Cause of Problem and Remedial Action Taken.*

Due to Pump failure, a tank overflowed spilling 150bbl Water, and a small amount of tank bottom inside berm.

Describe Area Affected and Cleanup Action Taken.*

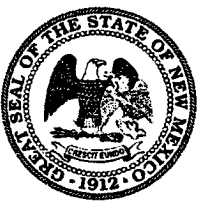
Inside Berm of tank battery, free fluid was picked up, the dirty soil was being picked up, the area will be tested for chlorides and TPH and brought to OCD levels. Ranking for this area is Depth to ground water-0, wellhead protection area -0, surface water-0

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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: Dan Dolan	Approved by District Supervisor: DENIED	
Title: Environmental Regulatory Agent	Approval Date:	Expiration Date:
E-mail Address: ddolan@ypcam.com	Conditions of Approval: DENIED	Attached <input checked="" type="checkbox"/>
Date: 10-10-05 Phone: 748-4181		

* Attach Additional Sheets If Necessary

cc: operator 10/12/05



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

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

Operator,

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 contaminants 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

Mike Bratcher
NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
(505) 748-1283 Ext. 108
(505) 626-0857
Mike.Bratcher@state.nm.us

Oil Conservation Division * 1220 South St. Francis Drive * Santa Fe, New Mexico 87505

Phone: (505) 476-3440 * Fax (505) 476-3462 * <http://www.emnrd.state.nm.us>

cc: EMAIL: Dandolan, Lisa Norton, Tim Gunn, Vito Barton, Daniel Sanchez, Cheryl Oschner 12/13/05
HARD COPY to operator via Normal channels