

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

30-015-34210

Release Notification and Corrective Action

NMB 0616450247

OPERATOR

☐ Initial Report ☒ Final Report

|   |  |
|---|--|
| Name of Company Yates Petroleum Corporation 25375             | Contact Mike Stubblefield              |
| Address 105 South 4 <sup>th</sup> Street, Artesia, N.M. 88210 | Telephone No. 505-7484500 505-513-1712 |
| Facility Name Chosa ATR #2                                    | Facility Type Drilling Pit             |

|                      |               |           |
|----------------------|---------------|-----------|
| Surface Owner B.L.M. | Mineral Owner | Lease No. |
|----------------------|---------------|-----------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| M           | 5       | 25s      | 26e   | 710'          | FSL              | 710'          | FWL            | Eddy   |

Latitude 32.15311 Longitude 104.32145

NATURE OF RELEASE

|  |  |                                      |
|--|--|--------------------------------------|
| Type of Release Drilling pit fluids.   | Volume of Release Unknown<br>est. >25 bbls | Volume Recovered 0                   |
| Source of Release Drilling pit.  | Date and Hour of Occurrence<br>Unknown     | Date and Hour of Discovery 3/23/2006 |
| Was Immediate Notice Given?<br>X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?<br>Van Barton             |                                      |
| By Whom? Mike Stubblefield   | Date and Hour 3/23/2006 5:30pm             |                                      |
| Was a Watercourse Reached?<br><input type="checkbox"/> Yes X No  | If YES, Volume Impacting the Watercourse.  |                                      |

RECEIVED

MAR 29 2006

ODD-ANTEDEM

If a Watercourse was Impacted, Describe Fully.\*

Describe Cause of Problem and Remedial Action Taken.\*

The drilling pit which was W.O. pit closure was ran over by Midnight dumpers hauling to this drilling pit. The hauling to this drill pit was not authorized by personel from Yates Petroleum Cormporation.

Describe Area Affected and Cleanup Action Taken.\*

The area affected was a flowpath est. 20' wide x 75' long on location and a flowpath est. 2'x4' wide 325' long off location.  
See attached remediation action workplan.

Depth to ground water < 50', Wellhead protection area > 1000', Distance to surface water body > 1000' Site ranking 20.

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: *Mike Stubblefield*

Printed Name: Mike Stubblefield

Title: Environmental Regulatory Agent

E-mail Address: mikes@ypcnm.com

Date: 3/27/2006

Phone: 505-748-4500

Approved by District Supervisor: **TIM GUM**  
by MB *Mike Stubblefield*

Approval Date: 3/23/06

Expiration Date:

Conditions of Approval:

Attached ☒

\* Attach Additional Sheets If Necessary

## Spill Summary and Work Plan

**Incident Date:** March 23, 2006

**Location:** Chosa ATR #2  
Unit M Section 5 T25S R26E  
Eddy County, New Mexico

30-015-34210

The well is located 17 miles south of Carlsbad N.M., as depicted on the attached Black River Village.NM USGS Quadrangle Map. This site lies on the edge of a westward sloping plain cut by dry drainage channels.

Watercourses in the area are dry except for infrequent flows in response to major precipitation events. Area surface geology includes Ochoan Permian formation. The area, dry at the time of the spill, consists of soil that is fine grained, loamy and interspersed with clay seams providing a low permeability barrier to retard vertical percolation of contaminants into the subsurface. Groundwater in the area is estimated to be at a depth of 45' feet.

The ranking for this site is zero (20) based on the as following:

|                                |         |
|--------------------------------|---------|
| Depth to ground water          | < 50'   |
| Wellhead Protection Area       | > 1000' |
| Distance to surface water body | > 1000' |

### Incident Description:

The drilling pit at the Chosa ATR #2 WO pit closure was ran over by Midnight dumpers hauling to this drilling pit. The hauling to this drilling pit was not authorized by personnel from Yates Petroleum Corp., The release was an unknown volume which is est. to be greater than 25 bbls of drilling fluids & frac fluids used in the treatment of the well. The affected area was approximately 20' wide x 75' long on location an a flow path leading of location 2'-4' wide 325' long.

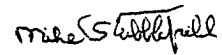
**Action Taken:** Initial actions were taken to stop the release by emptying the drilling pit and hauling the fluids contained in the pit to and O.C.D. authorized SWD. The impacted area was treated with soda ash to neutralize the PH of the spent hydrochloric acids used during treatment of the Chosa ATR #2. This impacted area was then aerated by blending the native soils surrounding the impacted area.

### Closure Plan:

Due to the quick response of Yates personnel, the presence of low permeability sediments (clay, silt) , we do not believe that this spill will have a significant impact. Yates proposes that no additional actions are necessary and requests NMOCD approval to close the site.

If you have questions or need additional information, please contact me at 505-748-4500.  
Or E-mail me at [mikes@vpcnm.com](mailto:mikes@vpcnm.com).

Sincerely,

A handwritten signature in black ink that reads "Mike Stubblefield". The signature is written in a cursive, slightly slanted style.

Mike Stubblefield  
Yates Petroleum Corporation  
Environmental Regulatory Agent



# 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. 4<sup>th</sup> Street  
Artesia, NM 88210  
ATTN: Environmental Department

June 12, 2006

Reference: Chosa ATR 002 M-5-25s-26e API: 30-015-34210

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of a Form C-141 reporting a release due to illegal dumping in the drilling pit prior to closure. Also submitted was a document titled "Spill Summary and Work Plan". This document outlines remediation actions taken, area affected, and includes site ranking. The document also proposes no further actions necessary and requests OCD closure of the site.

Due to the potential of encountering ground water at less than 50' in this area, and the release volume being unknown, the OCD is denying the request for closure at this time. Please make arrangements no later than July 13, 2006 to schedule a sampling event for this site.

If I can be of assistance, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "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](mailto:Mike.Bratcher@state.nm.us)