MARTIN YATES, III

FRANK W. YATES

S.P. YATES



105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118 TELEPHONE (575) 748-1471

RECEIVED

APR 1 7 2009

JOHN A. YATES CHAIRMAN OF THE BOARD PRESIDENT

JOHN A. YATES JR. ASSISTANT TO THE PRESIDENT

JAMES S. BROWN CHIEF OPERATING OFFICER

JOHN D. PERINI CHIEF FINANCIAL OFFICER

April 15, 2009

Mr. Larry Johnson NMOCD District I 1625 French Drive Hobbs, NM 88240

RE: 1RP-2037 Big Hat BKI State #3 30-025-36223 Section 3, T16S-R33E Lea County, New Mexico

Dear Mr. Johnson,

Enclosed please find a Form C-141, Final Report for the above captioned site regarding the release on December 3, 2008 (80 bbls of oil with 10 bbls recovered). Contaminated soils have been excavated and taken to an OCD approved land facility. Per the work plan dated February 13, 2009, excavation areas have been backfilled (with the NW corner excavation being lined with a 20 mil liner), after backfilling was complete the entire battery was lined. Further excavation of the area south of the battery has been completed and per the work plan samples were taken for delineation on March 31, 2009. Samples were sent to an OCD approved laboratory for analysis (please see attached analytical reports and sample diagram). Site Panking is zero (0), with the depth to ground water > 100' (approximately 130'). Based on the cleanup and remedial actions taken (oil recovered, excavation of contaminated soils, and analytical sampling results), that the site has been reclaimated to NMOCD recommended action levels to protect fresh water, public health and the environment in the release area(s) and Yates Petroleum Corporation requests closure.

If you have any questions, please call me at 575-748-4217.

Thank you.

YATES PETROLEUM CORPORATION

Robert Asher Environmental Regulatory Agent

/rca Enclosure(s)

> KATHY H. PORTER SECRETARY

DENNIS G. KINSEY

-1									
<u>District 1</u> 625 N. French Dr., Hobbs, NM 88240	of New Mexico			Form C-141					
625 N French Dr. Hobbs, NM 88240 District II 201 W Grand Avenue, Artesta, NM 88216	als and Natural Ro	esources		Revised October 10, 2003					
000 Rio Brazos Road, Aztec, NM 8741 APR 17 2000	servation Division	on		Submit 2 Copies to appropriate District Office in accordance					
	outh St. Francis I a Fe, NM 87505	Jr.		with Rule 116 on back side of form					
Release Notificat		ective A	ction	\sim					
	RATOR			al Report 🛛 🖾 Final Report					
Name of Company OGRID Numbe	r Contact								
Yates Petroleum Corporation 25575 Address	Robert Asher Telephone No.								
104 S. 4 TH Street	575-748-1471								
Facility Name API Number Big Hat BKI State #3 30-025-36223	Facility Type Battery								
Surface Owner			Lease	No					
State State			VO-5						
LOCAT	ION OF RELEA	ASE							
Unit Letter Section Township Range Feet from the N B 3 16S 33E 795	orth/South Line Fee North	et from the 2281	East/West Line East	County					
15 5 105 551 175	North	2201	East	Lea					
Latitude32.963	61Longitude1	03.64942							
NATU	RE OF RELEAS	SE							
type of Release Dil	Volume of Rele 80 B/O	case	Volume Recovered 10 B/O						
Source of Release	Date and Hour	of Occurrence	2 Date and	10 B/O Date and Hour of Discovery					
Production Tank Was Immediate Notice Given?	12/3/2008 AM	 om?	12/3/200	08 AM					
🛛 Yes 🗌 No 🗌 Not Requi									
By Whom? Robert Asher/Yates Petroleum Corporation	Date and Hour 12/3/2008 PM (Voicemail &	E-mail)						
Was a Watercourse Reached?	If YES, Volume								
If a Watercourse was Impacted, Describe Fully *	N/A								
N/A			<u> </u>						
Hole in production tank. Shut pump down, called vacuum truck and b	backhoe crew.								
Describe Area Affected and Cleanup Action Taken.*			· · · · · · · · · · · · · · · · · · ·						
An approximate area of 48' X 120' Transferred oil to another tank, r Work plan submitted to NMOCD on February 13, 2009, approved on	ecovered remaining of February 18, 2009 A	 excavated i work has b 	mpacted soils an een completed as	d hauled to an OCD facility per the Scope of Work outlined					
n the work plan Depth to Ground Water: >100' (approx. 130', pc o Surface Water Body: >1000', SITE RANKING IS 0. Based on	r the NM Office of the work completed per	ie State Engi work plan, a	neer), Wellhead nd enclosed ana	Protection Area: No, Distance lytical results. Vates Petroleum					
Corporation requests closure.									
hereby certify that the information given above is true and complete egulations all operators are required to report and/or file certain relea	se notifications and pe	rform correct	ive actions for re	leases which may endanger					
public health or the environment. The acceptance of a C-141 report b should their operations have failed to adequately investigate and reme	diate contamination th	at pose a thre	at to ground wate	er, surface water, human health					
or the environment. In addition, NMOCD acceptance of a C-141 repo	ort does not relieve the	operator of r	esponsibility for	compliance with any other					
		DIL CONS	ERVATION						
	1	<u> </u>	2 John						
Signature Zors Jr.									
	Approved by Distr	ict SENVIR	•						
Signature: Construction	Approved by Distr	•	ONMENTAL	ENGINEER					
Printed Name Robert Asher	Approved by Distr	ict SENVIR 4. (7.0	ONMENTAL	ENGINEER					
Printed Name Robert Asher		4.17.0	ONMENTAL	ENGINEER					

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District 1 1625 N. French Dr., Hohbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Ro**HOBSOCD** 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

			Rel	ease Notifica	atio	on and Co	orrective A	ction					
				OP	ER	RATOR Initial Report							
Name of Co				OGRID Num	ber	Contact		\subset	tial Report Final Report				
Yates Petro Address	leum Corr	oration		25575		Robert Ash							
$104 \text{ S}. 4^{\text{TH}}$	Street					Telephone 1 575-748-14							
Facility Na				APL-Number_		Facility Typ		Orda	r Number				
Big Hat BK				30-025-36223	>	Battery		1RP-	i inumber				
Surface Ow			(
State	ner			Mineral Ov State	wner			Lcas VO-					
L									<u>, , , , , , , , , , , , , , , , , , , </u>				
Unit Letter	Section	Townshin	Davida			N OF RE							
B	3	Township 16S	Range 33E	Feet from the 795	North	VSouth Line North	Feet from the 2281	East/West Lin East	e County Lea				
				,,,,,			2201	Lasi	Lea				
				Latitude 32.96	5361	Longitude	103 64942	**************************************					
						-			work				
Tune of Pale			·····	NAT	JRE	OF REL							
Type of Rele	ase					Volume of 80 B/O	Release	Volum 10 B/O	e Recovered				
Source of Re			· · · · · · · · · · · · · · · · · · ·				lour of Occurrenc		d Hour of Discovery				
Production T Was Immedia						12/3/2008		12/3/20	008 AM				
was minicula			Yes 🗌	No 🔲 Not Req	uired	If YES, To	whom? son/NMOCD						
By Whom?						Date and H							
Robert Asher			ation			12/3/2008	PM (Voicemail &	E-mail)					
Was a Water	course Reac		Vac M	No			lume Impacting t	he Watercourse.					
If a Watercou	irse was Im		Yes 🛛 be Fully.*			N/A							
N/A	-		-										
Describe Cau				i Taken.* d vacuum truck and	l baal								
1 noie in prode	iction tank.	Shut pump u	Jwn, cance		1 Dack	choe crew.							
Describe Area	a Affected a	nd Cleanup A	ction Tak	en.*									
An approximative Vertical and h	ate area of 4	8' X 120'. The lineation same	ransferred	oil to another tank,	reco	vered remaining	ng oil, excavated i	mpacted soils ai	nd hauled to an OCD facility. or TPH & BTEX are under				
KRALSalin	ial Report, C	-141 will be	submitted	to the OCD reques	ting c	losure If the	analytical results	are above the Di	AL un order night with he				
submitted to t	ne OCD D	epth to Grou	nd Water	": >100' (approx, 1	130', j	per the NM O	office of the State	Engineer), We	lihead Protection Arca: No,				
		-		E RANKING IS 0.									
I hereby certif	y that the in	formation giv	en above	is true and complet	e to t	he best of my l	knowledge and ur	derstand that pu	rsuant to NMOCD rules and				
regulations all	operators a	re required to	report and	J/or file certain rele	ase n	ofifications an	d perform corroci	ive outlong for r	cleases which may endanged eleve the operator of hability				
shourd their of	perations na	ve falled to a	jequately i	investigate and rem	iediat	e contaminatio	on that nose a thre	at to around wat	er surface water human haulth				
or the environ federal, state, o	ment. In ad	aition, NMO(CD accept	ance of a C-141 rep	oort d	oes not relieve	the operator of r	esponsibility for	compliance with any other				
			<u>ations.</u>		·		OIL CONS	DIVATION					
	loo K)0					<u>OIL CONS</u>	ERVATION	DIVISION				
Signature.	prod	<u>.</u>						John	Jon				
Printed Name:	Robert Ash	er			4	Approved by [District SEARCHIR	DNMENTAL	ENGINEER				
Title: Environi	mental Regu	latory Agent				Approval Date			Date: 2.18-09				
E-mail Addres	s: boba@va	tespetroleum	com			Conditions of a							
		f						_	Attached				
Date: Tuesday			Phor	ne: 575-748-4217		LIBNIT	FINAL BY	/	1PP#2037				
Attach Additi	onal Sheets	s IT Necessar	ry										

FGRL 0835 833818





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Sample ID	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TPH TOTAL		
GS/Comp-001	1/13/2009	Grab/Composite	12-15'	62.88	1540	1600	3140		
GS/Comp-002	1/13/2009	Grab/Composite	4'	89.45	2430	2440	4870		
GS/Comp-003	1/13/2009	Grab/Composite	4'	103.95,	3150	2360	5510		
GS/Comp-004	1/13/2009	Grab/Composite	4'	0.0137	90.3	1090	1180.3		
GS/Comp-005	1/13/2009	Grab/Composite	2'	10.787	698	15800	16498		
Sample ID Sample Date Sample Type Depth BTEX GRO DRO TPH TOTAL									
Sample ID	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TPH TOTAL		
GS/Comp-001	1/20/2009	Grab/Composite	16'	440.62	5210	8640	13850		
GS/Comp-002	1/20/2009	Grab/Composite	17'	346.88	4570	6670	11240		
GS/Comp-003	1/20/2009	Grab/Composite	18'	348.83	4600	9060	13660		
GS/Comp-004	1/20/2009	Grab/Composite	14'	1.074	73.2	126	199.2		
GS/Comp-005	1/20/2009	Grab/Composite	10'-14'	0.626	.25.3	50	75.3		
GS/Comp-003	1/20/2009	Grab/Composite	10'-14'	0.482	12.1	50	62.1		
GS/Comp-007	1/20/2009	Grab/Composite	4'	0.779	41	³ 645	686		
GS/Comp-008	1/20/2009	Grab/Composite	4'	0.04	6.21	50	56.21		
CS/Comp-009	1/20/2009	Grab/Composite	4'	1.993	37.9	1560	1597.9		
CS/Comp=010	1/20/2009	Grab/Composite	2'	12.10	222	5780	6002		
CS/Comp-001	3/31/2009	Grab/Composite	3-4'	2.443	129	1080	1209		
CS/Comp=011	1/20/2009	Grab/Composite	2'	10.13	293	10000	10293		
CS/Comp=002	3/31/2009	Grab/Composite	3-4'	2.159	34.6	753	787.6		
GS/Comp-012	1/20/2009	Grab/Composite	2'	5.128	194	3820	4014		
Site Ranking	i s Zero (0) . D	epth to Ground W	ater >10	0' (approx	.130'). A	Il results	are ppm.		



Big Hat BKI State #3

Section 3, T16S-R33E

Lea County, NM

EXHIBIT Sample Diagram (Not to Scale)

Prepared by Robert Asher Environmental Regulatory Agent April 15, 2009

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	<i>х</i>	Cer	tificati	ons		
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		NELAP	Certif	ications	5	
Lubbock:	T104704219-08-TX	El Paso:	T104704	221-08-TX	Midlar	id: T104704392-08-TX

Analytical and Quality Control Report

LELAP-02002

Robert Asher Yates Petroleum Corp. 105 South 4th South Artesia, NM, 88210

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Report Date: April 8, 2009

Work Order: 9040234

PO #:105632Project Location:Lea Co., NMProject Name:Big Hat BKI State #3Project Number:30-025-36223

LELAP-02003

Kansas E-10317

Enclosed are the Analytical Report and Quality Control Report for the following sample(s) submitted to TraceAnalysis. Inc

			Date	Time	Date
Sample	Description	Matrix	Taken	Taken	Received
192063	GS/Comp-001	soil	2009-03-31	12:09	2009-04-02
192064	GS/Comp-002	soil	2009-03-31	12:22	2009-04-02

These results represent only the samples received in the laboratory. The Quality Control Report is generated on a batch basis. All information contained in this report is for the analytical batch(es) in which your sample(s) were analyzed.

This report consists of a total of 11 pages and shall not be reproduced except in its entirety, without written approval of TraceAnalysis. Inc.

Blain Latturch

Dr. Blair Leftwich, Director

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Page 2 of 11

Case Narrative

Samples for project Big Hat BKI State #3 were received by TraceAnalysis, Inc. on 2009-04-02 and assigned to work order 9040234. Samples for work order 9040234 were received intact at a temperature of 3.6 deg. C.

Samples were analyzed for the following tests using their respective methods.

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		Ртер	Ртер	$\rm QC$	Analysis
Test	Method	Batch	Date	Batch	Date
BTEX	S 8021B	49831	2009-04-07 at 14:46	58349	2009-04-07 at 14 46
TPH DRO	Mod. 8015B	49759	2009-04-03 at $10:00$	58260	2009-04-03 at 15:54
TPH GRO	S 8015B	49831	2009-04-07 at 14:46	58350	2009-04-07 at 14:46

Results for these samples are reported on a wet weight basis unless data package indicates otherwise.

A matrix spike (MS) and matrix spike duplicate (MSD) sample is chosen at random from each preparation batch. The MS and MSD will indicate if a site specific matrix problem is occurring, however, it may not pertain to the samples for work order 9040234 since the sample was chosen at random. Therefore, the validity of the analytical data reported has been determined by the laboratory control sample (LCS) and the method blank (MB). These quality control measures are performed with each preparation batch to ensure data integrity.

All other exceptions associated with this report have been footnoted on the appropriate analytical page to assist in general data comprehension. Please contact the laboratory directly if there are any questions regarding this project.

Summary Report

Robert Ashei Vates Petroleum Corp. 105 South 4th South Artesia, NM 88210

Report Date: April 8, 2009

Work Order: 9040234

PO #:105632Project LocationLea Co., NMProject Name:Big Hat BKI State #3Project Number:30-025-36223

			Date	Time	Date
Sample	Description	Matrix	Taken	Taken	Received
192063	GS/Comp-001	soil	2009-03-31	12.09	2009-04-02
192064	GS/Comp-002	soil	2009-03-31	12:22	2009-04-02

]	BTEX		TPH DRO	TPH GRO
	Benzene	Toluene	Ethylbenzene	Xvlene	DRO	GRO
Sample - Field Code	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/K5)	(mg/Kg)
192063 - GS/Comp-001	< 0.100	0.492	0.361	1.58	1080	129
192064 - GS/Comp-002	< 0.0500	0.168	< 0.0500	0.684	753	34.6

TraceAnalysis. Inc. • 6701 Aberdeen Ave., Suite 9 • Lubbock. TX 79424-1515 • (806) 794-1296 This is only a summary Please, refer to the complete report package for quality control data.

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Company Name					Phone	e #:					_	. ,			T		*****							~ ~						—			
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LAB Order ID # 4040234