

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

**Release Notification and Corrective Action**

NMLB0624837535 OPERATOR  Initial Report  Final Report

Name of Company YATES PETROLEUM CORPORATION	OGRID Number 25575	Contact SHERRY BONHAM
Address 104 S. 4 <sup>TH</sup> STREET		Telephone No. 505-748-1471
Facility Name WEST LOCO HILLS UNIT TRACT 2A #2	API Number 30-015-04500	Facility Type WELL

Surface Owner FEDERAL	Mineral Owner FEDERAL	Lease No. LA-048468
--------------------------	--------------------------	------------------------

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
O	7	18S	30E	330	SOUTH	2310	EAST	EDDY

Latitude 32.755420 Longitude 104.00979

**NATURE OF RELEASE**

Type of Release CRUDE OIL AND PRODUCED WATER	Volume of Release 4 B/O 1 B/PW	Volume Recovered 0 B/O 0 B/PW
Source of Release FLOW LINE	Date and Hour of Occurrence 5/8/06 AM	Date and Hour of Discovery 5/8/06 AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour N/A	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	
If a Watercourse was Impacted, Describe Fully.* N/A		
Describe Cause of Problem and Remedial Action Taken.* RELEASE CAUSED BY FLOW LINE LEAK. SHUT WELL IN. REPAIRED LINE.		
Describe Area Affected and Cleanup Action Taken.* AN APPROXIMATE AREA OF 4' X 300' ON ACCESS ROAD IMPACTED. VISUAL CONTAMINATES OF RELEASE AREA TO BE EXCAVATED AND HAULED TO AN OCD APPROVED WASTE FACILITY. EVALUATE IMPACTED AREA AND SUBMIT WORK PLAN SITE RANKING: <u>Q</u>		

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: <i>Sherry Bonham</i>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Sherry Bonham	TIM GUM Approved by District Supervisor: by MB <i>Miley</i>	
Title: Environmental Regulatory Agent Trainee	Approval Date: <i>5/22/06</i>	Expiration Date:
E-mail Address: sherryb@ypcnm.com	Conditions of Approval: <i>Site to be remediated per OCD 201056, Grande Mesa</i>	Attached <input type="checkbox"/>
Date: Monday, May 22, 2006	Phone: 505-748-1471	

\* Attach Additional Sheets if Necessary

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (505) 748-1471

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

RECEIVED  
JUN 26 2006  
OCC ARTESIA

Mr. Mike Bratcher  
NMOCD District 2  
1301 W Grand Street  
Artesia, NM 88210

June 22, 2006

RE: West Loco Hills Unit Tract 2A -#2 API: 30 015 04500  
7-T18S-R30E  
Eddy County, New Mexico

Dear Mike,

Thank you for meeting with me June 21, 2006 to discuss the West Loco Hills Unit Tract 2A #2. Attached is the final report C-141 requesting closure.

Your consideration to this request is appreciated.

Respectfully,

Sherry Bonham  
Environmental Regulatory Agent Trainee

enclosure

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

**Release Notification and Corrective Action**

*NR 506298 37535*

**OPERATOR**

Initial Report  Final Report

Name of Company YATES PETROLEUM CORPORATION	OGRID Number 25575	Contact SHERRY BONHAM	RECEIVED
Address 105 S. 4 <sup>TH</sup> STREET		Telephone No. 505-748-1471	JUN 26 2006
Facility Name WEST LOCO HILLS UNIT TRACT 2A #2	API Number 30-015-04500	Facility Type WELL	ULLMATEXIA

Surface Owner FEDERAL	Mineral Owner FEDERAL	Lease No. LA-048468
--------------------------	--------------------------	------------------------

**LOCATION OF RELEASE**

Unit Letter O	Section 7	Township 18S	Range 30E	Feet from the 330	North/South Line SOUTH	Feet from the 2310	East/West Line EAST	County EDDY
------------------	--------------	-----------------	--------------	----------------------	---------------------------	-----------------------	------------------------	----------------

Latitude 32.755420 Longitude 104.00979

**NATURE OF RELEASE**

Type of Release CRUDE OIL AND PRODUCED WATER	Volume of Release 4 B/O 1 B/PW	Volume Recovered 0 B/O 0 B/PW
Source of Release FLOW LINE	Date and Hour of Occurrence 5/8/06 AM	Date and Hour of Discovery 5/8/06 AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour N/A	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	
If a Watercourse was Impacted, Describe Fully.* N/A		
Describe Cause of Problem and Remedial Action Taken.* RELEASE CAUSED BY FLOW LINE LEAK. SHUT WELL IN. REPAIRED LINE.		
Describe Area Affected and Cleanup Action Taken.* AN APPROXIMATE AREA OF 4' X 300' ON ACCESS ROAD IMPACTED. VISUAL CONTAMINATES OF RELEASE AREA WERE EXCAVATED AND HAULED TO AN OCD APPROVED WASTE FACILITY. SITE RANKING: <u>0</u> FINAL REPORT		

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.

		<b>OIL CONSERVATION DIVISION</b>	
Signature: <i>Sherry Bonham</i>	Approved by District Supervisor: <b>TIM GUM</b> by MB <i>Mike Benzman</i>		
Printed Name: Sherry Bonham	Approval Date: <i>10/25/06</i>	Expiration Date: <i>N/A</i>	
Title: Environmental Regulatory Agent Trainee	Conditions of Approval: <i>N/A</i>		
E-mail Address: sherryb@ypcnm.com	Attached <input type="checkbox"/>		
Date: Thursday, June 22, 2006	Phone: 505-748-1471		

\* Attach Additional Sheets If Necessary