

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

DEC 17 2008

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

OCD-ARTESIA
Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

NSRB 000535437

OPERATOR

X Initial Report Final Report

Name of Company Yates Petroleum Corporation	Contact Mike Stubblefield
Address 105 South 4 th Street, Artesia, N.M. 88210	Telephone No. 505-748-4500 505-513-1712
Facility Name Blast "BLA" Federal #1-30-025-36136	Facility Type drilling well.
BLAST BLA FEDERAL 001	
Surface Owner Federal	Mineral Owner.
Lease No.	

3001536136

LOCATION OF RELEASE

Unit Letter J	Section 17	Township 26s	Range 27e	Feet from the 1980'	North/South Line FSL	Feet from the 1650'	East/West Line FEL	County Eddy
------------------	---------------	-----------------	--------------	------------------------	-------------------------	------------------------	-----------------------	----------------

Latitude _ Longitude

NATURE OF RELEASE

Type of Release Drilling fluids	Volume of Release 50 bbls	Volume Recovered 35 bbls
Source of Release. Steel pit closed loop system	Date and Hour of Occurrence 12/9/2008 6:00 am	Date and Hour of Discovery same
Was Immediate Notice Given? Yes X No Not Required	If YES, To Whom? Mike Bratcher.	
By Whom? Mike Stubblefield	Date and Hour 12/9/2008 8:30 am	
Was a Watercourse Reached? <input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* During drilling operations the steel pit closed loop system over flowed. A vacuum truck was immediately called to the location. The free standing fluids were recovered & then placed back into the closed loop system. A backhoe was called to the location. The backhoe recovered 90% of the released mud which was then placed into the roll off bend and hauled to and NMOCD approved Solid waste disposal facility. The drilling crew recovered mud using shovels.

Describe Area Affected and Cleanup Action Taken.

The impacted area was located around the steel pit closed loop system. When the drilling equipment is moved off the location. The remaining drilling mud will be excavated and then hauled to and NMOCD approved Solid waste disposal facility. Soil samples will be taken for analytical from the impacted area. Soil samples taken will be submitted to a second party lab. Analysis will be run for TPH using EPA method 8015M, B-TEX using EPA method 8260. The Chlorides will be analyzed using EPA method 4500 CL-B. When analytical results report the TPH & B-TEX to be under the RRAL. The Chlorides will be documented. A final C-141 form will be submitted to the NMOCD requesting closure for the release that occurred on 12/9/2008.

Site ranking Depth to ground water - 50'-100', Wellhead protection area - > 1000', Distance to surface water body - > 1000' Site ranking score - 10

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>Mike Stubblefield</i>	OIL CONSERVATION DIVISION Accepted for record NMOCD		Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/documentation on or before the Expiration Date.
Printed Name: Mike Stubblefield	Approved by District Supervisor:		
Title: Environmental Regulatory Agent	Process Approval Date: 1-3-09	Expiration Date: 03-05-09	Attached <input checked="" type="checkbox"/> 2RP - 289
E-mail Address: mikes@ypcnm.com	Conditions of Approval: WORK PLAN REQUEST LETTER		
Date: 12/17/2008	Phone: 505-748-4500		

* Attach Additional Sheets If Necessary