

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

**RECEIVED**  
JAN 28 2010  
NMOCD ARTESIA

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**

*MLB/004340856* **OPERATOR**  Initial Report  Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 <sup>TH</sup> Street	Telephone No. 575-748-1471	
Facility Name Spearman KQ Federal #1	API Number 30-015-22861	Facility Type Battery
Surface Owner Fee	Mineral Owner Federal	Lease No. NM-9538

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	13	18S	24E	1980	South	1980	West	Eddy

Latitude 32.74642 Longitude 104.54369

**NATURE OF RELEASE**

Type of Release Oil & Produced Water	Volume of Release 128 B/O & 35 B/PW	Volume Recovered 0 B/C & 0 B/PW
Source of Release Production tank	Date and Hour of Occurrence 12/12/2009, AM	Date and Hour of Discovery 12/12/2009, AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher/NMOCD Artesia	
By Whom? Robert Asher/YPC Environmental	Date and Hour 12/14/2009, PM (voicemail & e-mail)	
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.* Hole in bottom of production tank.		
Describe Area Affected and Cleanup Action Taken.* An approximate area of 15' X 30'. No oil or produced water to recover. Production tank to be pulled and vertical/horizontal delineation to determine extent of impacted soils. Work plan to be submitted. Samples were taken on 1/20/2010, sent to an NMOCD approved laboratory, analytical results are below RRAL's for the site ranking of (0) zero. <b>Depth to Ground Water: &gt;100' (approx. 230', Section 13, T18S-R24E, per New Mexico Office of the State Engineer), Wellhead Protection Area: No, Distance to Surface Water Body: &gt;1000', SITE RANKING IS 0. Based on analytical results and entire battery to be re-bermed and a 20mil. liner installed, Yates Petroleum Corporation requests closure.</b>		
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:	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Robert Asher	Approved by  Supervisor	
Title: Environmental Regulatory Agent	Approval Date: <b>FEB 16 2010</b>	Expiration Date: <i>N/A</i>
E-mail Address: boba@yatespetrpolun.com	Conditions of Approval: <i>Liner Installation</i> Attached <input type="checkbox"/>	
Date: Thursday, January 28, 2010	Phone: 575-748-4217	2RP-

\* Attach Additional Sheets If Necessary

*MLB/004341328*

*2RP-388*