

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

OPERATOR

RECEIVED Initial Report Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 TH Street	Telephone No. 505-748-1471	JAN 29 2008
Facility Name Lusk AHB Federal #1	API Number 30-025-30808	Facility Type Well
Surface Owner Federal		Mineral Owner Federal
		Lease No. NM-59392

HOBBS OCD

LOCATION OF RELEASE

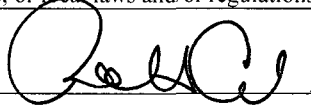

Unit Letter B	Section 35	Township 19S	Range 32E	Feet from the 800	North/South Line North	Feet from the 1650	East/West Line East	County Lea
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Latitude 32.62164 Longitude 103.73322

NATURE OF RELEASE

Type of Release Crude Oil & Produced Water	Volume of Release 3 B/O & 5 B/PW	Volume Recovered 0 B/O & 0 B/PW
Source of Release Poly Line	Date and Hour of Occurrence 1/21/2008 AM	Date and Hour of Discovery 1/21/2008 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.* Well pressured up and poly line split. Well shut in. Repaired line.		
Describe Area Affected and Cleanup Action Taken.* An approximate area of 5' X 16'. All on well pad. Contaminated soils were excavated and taken to an OCD approved facility. Approximate chloride content of produced water is 15,996 ppm Depth to Ground Water: >100' (approx. 225'), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on amounts released and soils excavated, site ranking of zero, Yates Petroleum Corporation requests closure.		

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: 	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Approved by District Supervisor: 	
Title: Environmental Regulatory Agent	Approval Date: 1/30/08	Expiration Date: 1/30/08
E-mail Address: boba@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Monday, January 28, 2008	Phone: 505-748-4217	

* Attach Additional Sheets If Necessary

RP# 1768