

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

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	
Facility Name LUSK AHB FEDERAL #5	API Number 30-025-31151	Facility Type FLOW LINE

Surface Owner FEDERAL	Mineral Owner FEDERAL	Lease No. NM-59392
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LOCATION OF RELEASE

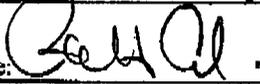
Unit Letter B	Section 35	Township 19S	Range 32E	Feet from the 330	North/South Line NORTH	Feet from the 1980	East/West Line EAST	County LEA
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Latitude 32.62302 Longitude 103.73429

NATURE OF RELEASE

Type of Release PRODUCED WATER & OIL	Volume of Release 5 B/PW & 4 B/O	Volume Recovered 0 B/PW & 1 B/O
Source of Release WATER LINE	Date and Hour of Occurrence 5/2/2006 AM	Date and Hour of Discovery 5/2/2006 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.* FLOW LINE ROTTED CAUSING SPILL. PUMPING UNIT SHUT DOWN, FLOW LINE ISOLATED FOR REPAIRS.		
Describe Area Affected and Cleanup Action Taken.* AN APPROXIMATE AREA OF 12' X 6'. CONTAMINATED SOILS WERE EXCAVATED, PLACED ON PLASTIC. AREA TO BE EVALUATED. SITE RANKING IS 0, BASED ON TREND MAP.		

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:	Expiration Date:
E-mail Address: boba@ypcnm.com	Conditions of Approval:	
Date: Thursday, May 04, 2006	Phone: 505-748-1471	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

*Incident - n PAC 0613126015
 application - p PAC 0613126376*