

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 SHERRY BONHAM
Address 105 S 4 TH STREET	Telephone No. 505.748.1471	
Facility Name SANMAL QUEEN UNIT #8	API Number 30-025-29818	Facility Type WELL

Surface Owner STATE	Minrcal Owner STATE	Lease No. LG-3345
------------------------	------------------------	----------------------

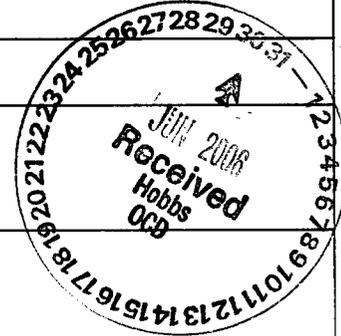
LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
O	I	17S	33E	990	SOUTH	2310	EAST	LEA

Latitude 32.85920 Longitude 103.61507

NATURE OF RELEASE

Type of Release PRODUCED WATER	Volume of Release 55 B/PW	Volume Recovered 50 B/PW
Source of Release INJECTION LINE	Date and Hour of Occurrence 6/23/06 AM	Date and Hour of Discovery 6/23/06 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? PAT CAPERTON	
By Whom? SHERRY BONHAM	Date and Hour 6/23/06 3:30 PM	
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 INJECTION LINE RESULTED IN RELEASE OF PRODUCED WATER. WELL SHUT IN FOR REPAIRS.

Describe Area Affected and Cleanup Action Taken.*
AN APPROXIMATE 30' X 20' X 3" AREA WAS IMPACTED BY RELEASE. STANDING FLUIDS WERE VACUUMED. SITE WILL BE EVALUATED AND AS NEEDED, FURTHER ACTIONS IMPLEMENTED.
SITE RANKING: 0

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>	OIL CONSERVATION DIVISION	
Printed Name: Sherry Bonham	Approved by District Supervisor:	
Title: Environmental Regulatory Agent	Approval Date:	Expiration Date:
E-mail Address: sherryb@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: June 29, 2006	Phone: 505.748.1471	

* Attach Additional Sheets If Necessary

incident - nPAC0618734178
application - pPAC0618734355

RP# 946