

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 SANDERS AOU STATE 1	API Number 30-025-22239	Facility Type FLOW LINE
Surface Owner FEE	Mineral Owner FEE	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
F	1	14S	33E	1980	NORTH	1980	EAST	LEA

Latitude 33.13523 Longitude 103.5693

NATURE OF RELEASE

Type of Release CRUDE OIL	Volume of Release 10 B/O	Volume Recovered 6 B/O
Source of Release FLOW LINE	Date and Hour of Occurrence 12/7/06 AM	Date and Hour of Discovery 12/7/06 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 BURST DUE TO FREEZING. REPAIRED FLOW LINE.

Describe Area Affected and Cleanup Action Taken.*
APPROXIMATELY 40' X 40' X 1" AREA AFFECTED IN PASTURE. VACUUMED FLUIDS. IMMEDIATELY SPRAYED AFFECTED AREA WITH MICRO-BLAZE®.
WORK PLAN ATTACHED
DEPTH TO GROUND WATER: >50' AND <100'; WELHEAD PROTECTION AREA: NO; DISTANCE TO SURFACE WATER: >1,000'
SITE RATING: 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 such 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: <i>Chris Williams</i>	
Title: Environmental Regulatory Agent	Approval Date: <u>12/21/06</u>	Expiration Date: <u>6/21/07</u>
E-mail Address: sherryb@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: December 19, 2006	Phone: 505.748.1471	

* Attach Additional Sheets if Necessary

incident - n PAC0635551835
application - p PAC0635551928

RP# 1158

MARTIN YATES, III
1913-1988

FRANK W. YATES
1930-1980



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

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CHAIRMAN EMERITUS

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EXECUTIVE VICE PRESIDENT

JOHN A. YATES, JR.
SENIOR VICE PRESIDENT

December 19, 2006

**Ms. Pat Caperton
NMOCD District I
1625 N. French Drive
Hobbs, NM 88240**

**RE: Sanders AOU 1 30-025-22239
1-T14S-R33E Unit Letter F
Lea County, New Mexico**

Dear Pat,

Yates Petroleum Corporation would like to submit for your consideration the enclosed spill summary and work plan for the above captioned well. Please find enclosed the Initial Report C141 as well. Yates requests a quick response to the proposed work plan so that the plan can be initiated as soon as possible.

Thank you for your attention to this work plan and should you have any questions, please don't hesitate to contact me.

Respectfully,

**Sherry Bonham
Environmental Regulatory Agent
Yates Petroleum Corporation**

enclosures

Spill Summary and Work Plan

Incident Date: December 7, 2006

Location: Sanders AOU 1
API 30-025-22239
Unit F Section 1 T14S R33E
Lea County, New Mexico

The well is located approximately 20 miles southeast of Caprock, NM as depicted on the attached Frier Ranch; NM USGS Quadrangle Map.

Watercourses in the area are dry except for infrequent flows in response to major precipitation events. The area, dry and windy at the time of the spill, consists of soil that is loamy interspersed with caliche and clay seams retarding vertical percolation of contaminants. Groundwater in the area is estimated to be at a depth of greater than fifty feet and less than one hundred feet according to the Chevron/Texaco Lea County Depth to Groundwater Trend Map.

The ranking for this site is ten (10) based on the following:

Depth to ground water	> 50' and <100'
Wellhead Protection Area	> 1000'
Distance to surface water body	> 1000'

For sites with a Total Ranking Score of 10, the Recommended Remedial Action Levels are:

Benzene	10
BTEX	50
TPH	1000

Incident Description:

The affected area is east of the Sanders AOU 1 State 1 pumping unit. Due to freezing weather, the flow line froze causing the flow line to burst. Approximately ten barrels of oil was released. The area was windy at the time of spill which also resulted in an overspray of the oil into the pasture.

Action Taken:

Immediately upon discovery, a vacuum truck was called to remove fluids. Approximately six barrels of crude oil was recovered. The flow line was repaired. The affected area was fenced and sprayed with a solution of Micro-Blaze® to stimulate microbial action.

Work Plan:

Yates proposes to treat the fenced area in-situ for a period of six months. During this period, as needed, Yates will apply fertilizer and water. Yates will also monitor the pasture area by periodically obtaining samples and use field analytical data to determine progress of remediation.

At the conclusion of the six month period, soil samples will be obtained and sent to a third party laboratory to be analyzed for TPH and BTEX. A 48 hour advance notice will be given OCD to allow opportunity to witness the sample collection. If concentrations exceed Recommended Remedial Action Levels (RRALs), further delineation and evaluation will be required. If, however, concentrations are within the RRALs, Yates Petroleum Corporation will request closure approval from OCD per section IX of the Guidelines.

Thank you for your consideration to this work plan. And should you have questions or need additional information, please contact me at 505-748-4162 or sherryb@ypcnm.com.

Respectfully,



Sherry Bonham
Environmental Regulatory Agent

