

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 LUSK AHB FEDERAL I	API Number 30-025-30808	Facility Type WELL

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 800	North/South Line NORTH	Feet from the 650	East/West Line EAST	County LEA
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Latitude 32.62164 Longitude 103.73322

*WTR
200'*

NATURE OF RELEASE

Type of Release CRUDE OIL AND PRODUCED WATER	Volume of Release 8 B/O AND 50 B/PW	Volume Recovered 5 B/O AND 45 B/PW
Source of Release FLOW LINE	Date and Hour of Occurrence 2/4/07 AM	Date and Hour of Discovery 2/4/07 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 NMOC DISTRICT I VIA E-MAIL.	
By Whom? SHERRY BONHAM	Date and Hour 2/5/07 9:21 AM	
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.*
FLOWLINE DEVELOPED LEAK. PUMPING UNIT SHUT DOWN. CLOSED VALVES. FLOWLINE REPAIRED.

Describe Area Affected and Cleanup Action Taken.*
APPROXIMATELY 20' X 50' AREA IMPACTED. VACUUM TRUCK AND CREW CALLED IN TO VACUUM FLUIDS. AFFECTED MATERIALS WERE EXCAVATED AND HAULED TO DISPOSAL FACILITY.

Depth to ground water: >100'; Wellhead protection area: NO; Distance to surface water body: >1000'. 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 NMOC 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 NMOC 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, NMOC 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>[Signature]</i>	OIL CONSERVATION DIVISION	
Printed Name: Sherry Bonham	Approved by District Supervisor: <i>[Signature]</i>	
Title: Environmental Regulatory Agent	Approval Date:	Expiration Date:
E-mail Address: sherryb@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: February 13, 2007	Phone: 505.748.1471	

* Attach Additional Sheets If Necessary

*incident - nPAC0705026728
application - nPAC0705026842*

RP# 1207