

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

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

X Initial Report Final Report

| | |
|---|---------------------------------------|
| Name of Company Yates Petroleum Corporation | Contact Mike Stubblefield |
| Address 105 South 4 th Street, Artesia, NM 88210 | Telephone No 505-7484500 505-513-1712 |
| Facility Name Lotus "ALT" tank battery | Facility Type Tank Battery |

| | | |
|-----------------------|---------------|--|
| Surface Owner Federal | Mineral Owner | Lease No. 1234567591011213141516171819202122 |
|-----------------------|---------------|--|

LOCATION OF RELEASE

| | | | | | | | | |
|---------------|------------|--------------|-----------|---------------------|----------------------|---------------------|--------------------|------------|
| Unit Letter G | Section 32 | Township 22s | Range 32e | Feet from the 1980' | North/South Line FNL | Feet from the 1980' | East/West Line FEL | County Lea |
|---------------|------------|--------------|-----------|---------------------|----------------------|---------------------|--------------------|------------|

Latitude 32.56673 Longitude 103.74277

NATURE OF RELEASE

| | | |
|---------------------------------|--|--|
| Type of Release. Produced water | Volume of Release >330 bbls Produced water | Volume Recovered 330 bbls produced water |
|---------------------------------|--|--|

| | | |
|--|---|--|
| Source of Release High pressure discharge line at pump | Date and Hour of Occurrence 10/19/2007 4:00pm | Date and Hour of Discovery 10/19/2007 4:00pm |
|--|---|--|

| | |
|--|---|
| Was Immediate Notice Given? X Yes No Not Required | If YES. To Whom? Jerry Fanning left release report on after hour's office voice mail box |
|--|---|

| | |
|-----------------------------|----------------------------------|
| By Whom? Jerry Fanning, Jr. | Date and Hour 10/20/2007 12:40pm |
|-----------------------------|----------------------------------|

| | |
|--|--|
| Was a Watercourse Reached? <input type="checkbox"/> Yes X No | If YES. Volume Impacting the Watercourse |
|--|--|

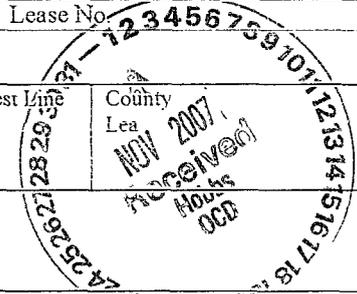
If a Watercourse was Impacted. Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
The high pressure line coming of transfer pump ruptured. The pump was shut down and the liner repaired. A vacuum truck was called to the facility & free waters were recovered.

Describe Area Affected and Cleanup Action Taken.*
The affected area was the bermed area of the tank battery & an area on the outside of the bermed area of the tank battery. The impacted area located on the outside of the berm measured 75' x 15'. Free standing water was recovered by a vacuum truck. Soil samples will be taken for analytical from the impacted areas. Soil samples taken will be submitted to a second party lab & tested for TPH, B-tex & Chlorides. If analytical results report TPH & B-tex to be over the RRAL for the site, a remediation work plan will be submitted to O.C.D. The Chlorides will be documented. When final analytical results reflect the TPH & B-tex to be under the RRAL for the site, a final C-141 form will be submitted to OCD requesting closure for the release that occurred on 10/19/2007
Depth to ground water >100'. Wellhead protection area > 1000'. 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 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>Mike Stubblefield</i> | OIL CONSERVATION DIVISION <i>J. Johnson</i> | |
| Printed Name. Mike Stubblefield | Approved by District Environmental Engineer | |
| Title: Environmental Regulatory Agent | Approval Date: 11.1.07 | Expiration Date: 12.31.07 |
| E-mail Address. mikes@ypcnm.com | Conditions of Approval: Attached <input type="checkbox"/> | |
| Date: 10/30/2007 Phone. 505-748-4500 | <i>Submit Final C-141 w/ Documentation By</i> | |



* Attach Additional Sheets If Necessary

RP# 1649