

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

RECEIVED

JAN 22 2008

HOBBS OCD

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 Mescalero ARL State #2	API Number 30-025-37039	Facility Type Well
Surface Owner State	Mineral Owner State	Lease No. VA-0621

LOCATION OF RELEASE

Unit Letter O	Section 2	Township 10S	Range 32E	Feet from the 660	North/South Line South	Feet from the 1650	East/West Line East	County Lea
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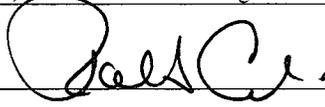
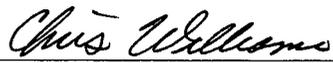
Latitude 33.46973 Longitude 103.63893

NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release 5 B/O	Volume Recovered 0 B/O
Source of Release Flow Line	Date and Hour of Occurrence 1/17/2008 AM	Date and Hour of Discovery 1/17/2008 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 * Hole in flow line caused release, excavation crew called to location.		

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 4' X 15'. All on well pad. Contaminated soils were scraped up and taken to an OCD approved facility. **Depth to Ground Water: 50-99' (approx. 65'), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 10. Based on amounts released, contained on well pad and contaminated soils removed, Yates Petroleum Corporation requests closure.**

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: <u>1/25/08</u>	Expiration Date: <u>1/25/08</u>
E-mail Address: boba@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Friday, January 18, 2008	Phone: 505-748-4217	

* Attach Additional Sheets If Necessary

RP# 1752