

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**

Initial Report  Final Report

|  |                              |                          |
|--|------------------------------|--------------------------|
| Name of Company<br>YATES PETROLEUM CORPORATION | OGRID Number<br>25575        | Contact<br>SHERRY BONHAM |
| Address<br>105 S 4 <sup>TH</sup> STREET        | Telephone No<br>505.748.1471 |                          |
| Facility Name<br>CLEARY AKC FEDERAL 2          | API Number<br>30-025-31926   | Facility Type<br>SWD     |
| Surface Owner<br>FEDERAL                       | Mineral Owner<br>FEDERAL     | Lease No                 |

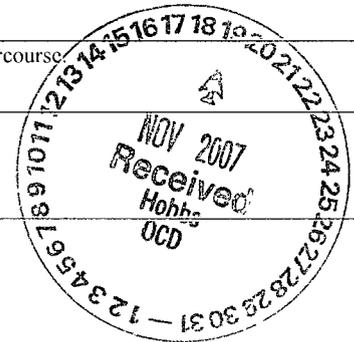
**LOCATION OF RELEASE**

|                  |               |                 |              |                      |                           |                      |                        |               |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|---------------|
| Unit Letter<br>D | Section<br>17 | Township<br>22S | Range<br>32E | Feet from the<br>330 | North/South Line<br>NORTH | Feet from the<br>330 | East/West Line<br>WEST | County<br>LEA |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|---------------|

Latitude 32.39796 Longitude 103.70381

**NATURE OF RELEASE**

|  |  |  |
|--|--|--|
| Type of Release<br>PRODUCED WATER  | Volume of Release<br>150 B/PW  | Volume Recovered<br>150 B/PW                     |
| Source of Release<br>WATER LEG ON TANK   | Date and Hour of Occurrence<br>11/12/07 05:00 HRS  | Date and Hour of Discovery<br>11/12/07 08:00 HRS |
| Was Immediate Notice Given?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?<br>NMOCD DISTRICT 1 PAT RICHARDS VIA VOICE MAIL AND FOLLOW UP<br>E-MAIL |  |
| By Whom?<br>SHERRY BONHAM  | Date and Hour<br>11/12/07 10:40 HRS  |  |
| Was a Watercourse Reached?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  | If YES, Volume Impacting the Watercourse<br>N/A  |  |



If a Watercourse was Impacted, Describe Fully.\*  
N/A

Describe Cause of Problem and Remedial Action Taken.\*  
PUMP UNABLE TO KEEP UP WITH WATER FLOW COMING IN. SHUT MAIN VALVE.

Describe Area Affected and Cleanup Action Taken.\*  
TOTAL DISCHARGE CONTAINED WITHIN A 30' X 100' LINED BERMED AREA. ALL DISCHARGED FLUIDS RECOVERED BY VACUUM TRUCK  
NO ADDITIONAL REMEDIAL ACTIONS NECESSARY. REQUESTING CLOSURE TO INCIDENT. FINAL REPORT.

DEPTH TO GROUND WATER >100'; WELLHEAD PROTECTION? NO, DISTANCE TO SURFACE WATER: >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>Sherry Bonham</i>       | <b>OIL CONSERVATION DIVISION</b>                |  |
| Printed Name: Sherry Bonham           | Approved by District Supervisor: <i>Johnson</i> |  |
| Title: Environmental Regulatory Agent | <b>ENVIRONMENTAL ENGINEER</b>                   |  |
| E-mail Address: sherryb@ypcnm.com     | Approval Date: <u>2-1-08</u>                    | Expiration Date: <u>                    </u> |
| Date: November 16, 2007               | Conditions of Approval:                         | Attached <input type="checkbox"/>            |
| Phone: 505.748.1471                   |   |  |

\* Attach Additional Sheets If Necessary

*RP#1775*