

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

ISEB0819253837
NSEB0819253658

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 Medano VA State #2	API Number 30-015-26382	Facility Type Well

Surface Owner State	Mineral Owner State	Lease No. VO-0120
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LOCATION OF RELEASE

Unit Letter E	Section 16	Township 23N	Range 31E	Feet from the 1980	North/South Line North	Feet from the 660	East/West Line West	County Eddy
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Latitude 32.30613 Longitude 103.78976

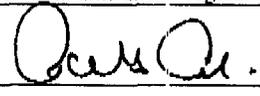
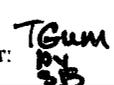
NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 100 B/PW	Volume Recovered 0 B/PW
Source of Release Main water line	Date and Hour of Occurrence 6/5/2008, AM	Date and Hour of Discovery 6/5/2008, AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher/NMOCD District II, (Voicemail)	
By Whom? Bob Asher/YPC Environmental Department	Date and Hour 6/5/2008, PM	
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.*
Main produce water line west of Medano VA State #2 ruptured. Isolated line, shut down well(s), called vacuum truck and repaired line.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 125' X 10'. Vacuum truck picked up remaining produced water. Vertical and horizontal delineation will be made and analysis ran for TPH/BTEX and chlorides (for reference purposes). If initial analytical results for TPH & BTEX are over RRAL's a work plan will be submitted. If initial analytical results for TPH & BTEX are under RRAL's a Final Report, C-141 will be submitted to the OCD requesting closure. **Depth to Ground Water: >100' (approx. 125'), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 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: 	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Approved by District Supervisor: 	Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/documentation on or before the Expiration Date.
Title: Environmental Regulatory Agent	Approval Date: 7-10-08	Expiration Date: 9-12-08
E-mail Address: boba@ypcnm.com	Conditions: DELINEATION REQUIRED until contamination reaches background levels or a site specific acceptable level. As warranted, a work plan may be required.	Attached <input type="checkbox"/> 2RP-187
Date: Wednesday, June 18, 2008 Phone: 505-748-1471	Within 30 days, on or before 8-12-08 , completion of a remediation work plan based on delineation should be finalized and submitted for approval to the Division summarizing all actions taken and/or to be taken to mitigate environmental damage.	

* Attach Additional Sheets If Necessary

SEB 0819254048

Notify OCD 48 hours prior to obtaining samples where analyses are to be presented to OCD