

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

ISEB0819632949  
 NSEB0819632768

OPERATOR

Initial Report  Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 <sup>TH</sup> Street	API Number 30-015-26382	Telephone No. 505-748-1471
Facility Name Medano VA State #2		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 23S	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

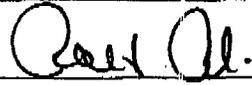
Type of Release Produced Water	Volume of Release 150 B/PW	Volume Recovered 80 B/PW
Source of Release Main water line	Date and Hour of Occurrence 7/2/2008, AM	Date and Hour of Discovery 7/2/2008, AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher/NMOCD District II, (Voice mail)	
By Whom? Bob Asher/YPC Environmental Department	Date and Hour 7/2/2008, 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 south of Medano VA State #2 ruptured. Isolated line, shut down well(s), called vacuum truck and line repaired.

Describe Area Affected and Cleanup Action Taken.\*  
An approximate area of 125' X 10'. Vacuum truck picked up remaining produced water, backhoe scraped up contaminated soils and taken to an OCD approved facility. 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: 

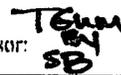
Printed Name: Robert Asher

Title: Environmental Regulator/ Agent

E-mail Address: boba@ypcnm.com

Date: Tuesday, July 08, 2008 Phone: 505-748-1471

OIL CONSERVATION DIVISION

Approved by District Supervisor: 

Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/documentation on or before the Expiration Date.

Approval Date: **7-14-08** Expiration Date: **9-18-08**

Conditions: **DELINEATION REQUIRED** until contamination reaches background levels or a site specific acceptable level. As warranted, a work plan may be required.

Attached  **2RP-193**

\* Attach Additional Sheets If Necessary  
 SEB0819633209

Within 30 days, on or before **8-15-08**, 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.

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

The plan must include general site characteristics, site ranking score, soil remediation action levels, soil remediation methods, and planned analytical testing for TPH, B-TEX, Chlorides or any other COCs as applicable. Please use the "Guidelines for Remediation of Leaks, Spills, & Releases" as your guide. This document may be found at the following link:  
[http://www.emnrd.state.nm.us/ocd/documents/7C\\_spill.pdf](http://www.emnrd.state.nm.us/ocd/documents/7C_spill.pdf)