

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

JUL 28 2008
OCD-ARTESIA

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

Release Notification and Corrective Action

ISEB 0825939285
NSEB 0825937051

OPERATOR X Initial Report Final Report

Name of Company Yates Petroleum Corporation	Contact Mike Stubblefield
Address 105 South 4 th Street, Artesia, N.M. 88210	Telephone No. 505-7484500 505-513-1712
Facility Name Humidor State Unit #2	Facility Type Producing oil well

Surface Owner State	Mineral Owner State	Lease No. L-4683
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30 015 23221

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	26	24s	27e	1880'	FSL	1980'	FEL	Eddy

Latitude 32.18583 Longitude 104.15884

NATURE OF RELEASE

Type of Release: Produced water	Volume of Release 10 BBLS PW	Volume Recovered 10 BBLS
Source of Release Well head	Date and Hour of Occurrence 7/14/2008 am	Date and Hour of Discovery same
Was Immediate Notice Given? Yes No X Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
During workover operations the RVP valve was left open, closed the RVP valve

Describe Area Affected and Cleanup Action Taken.*
The impacted area was near the wellhead Soil samples will be taken from the impacted area. Soil samples will be submitted to a second party lab and analysis ran for Chlorides using EPA Method 300, TPH using EPA Method 8015m, B-TEX using EPA Method 8260B. When the analytical results have been received from initial soil samples taken, A work plan for the correction of the release based on analytical results will be submitted to the NMOCD for approval The Chlorides will be evaluated and appropriate actions taken Yates Petroleum Corporation will then submit a final C-141 form requesting closure for the release that occurred on 7/14/2008.

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	
Printed Name: Mike Stubblefield	Approved by District Supervisor: <i>Clumby SB</i>	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: <i>9-15-08</i>	Expiration Date: <i>11-14-08</i>
E-mail Address: mikes@ypcnm.com	Conditions of Approval: 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"/> <i>2RP-220</i>
Date: 7/28/2008 Phone: 505-748-4500	Notify OCD 48 hours prior to obtaining samples where analyses are to be presented to OCD	

* Attach Additional Sheets If Necessary

SEB 0825934638
cc: W. Stubblefield