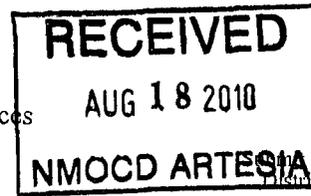


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Amanda Trujillo
Address 104 S. 4 TH Street	Telephone No. 575-748-1471	
Facility Name Louise AYI #1	API Number 30-015-31625	Facility Type gas well
		Order Number 2RP- 428
Surface Owner fee	Mineral Owner fee	Lease No. 025575

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
I	25	21S	26E	1859	South	660	East	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Condensate	Volume of Release 170 bbl	Volume Recovered 12 bbl
Source of Release Hole in bottom of tank	Date and Hour of Occurrence August 16, 2010	Date and Hour of Discovery August 16, 2010 1:30
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/Artesia	
By Whom? Amanda Trujillo - Yates Petroleum Corporation	Date and Hour 08/16/2010 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.*
A storage tank containing condensate developed a hole in the bottom, fluid leaked out of this hole. A vacuum truck was called to pick up standing fluids. The battery was lined.

Describe Area Affected and Cleanup Action Taken.*
An approximate size of 100' x 25' was impacted. The impacted area is located around the tanks within the berm. Soil from the pooling areas will be excavated and disposed of at an NMOCD approved facility. Crews excavating contaminated soils will place directly onto plastic. Vertical and horizontal delineation samples will be taken and analysis run for TPH and BTEX once all contaminated material has been removed. Chlorides upon request. **Depth to Ground Water: <50' (approx. 32', per New Mexico Office of the State Engineer); Wellhead Protection Area: No; Distance to Surface Water Body: >1000'; SITE RANKING IS 20. Based on site ground water quality and enclosed analytical results.**

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>A Trujillo</i>	<u>OIL CONSERVATION DIVISION</u>	
Printed Name: Amanda Trujillo	Approved by District Supervisor:	
Title: Environmental Scientist	Approval Date: AUG 19 2010	Expiration Date:
E-mail Address: atrujillo@yatespetroleum.com	Conditions of Approval: REMEDIAION per OCD Rules and	Attached <input type="checkbox"/>
Date: Wednesday, August 18, 2010 Phone: 575-748-4310	Guidelines. SUBMIT REMEDIATION PROPOSAL BY:	

* Attach Additional Sheets If Necessary

nMLB1023125538
MLB1023125853
pMLB1023125927

NOTE: Sensitive Area
Remediation in progress

2 RP-248

Bratcher, Mike, EMNRD

From: Amanda Trujillo [atrujillo@yatespetroleum.com]
Sent: Wednesday, August 18, 2010 9:32 AM
To: Bratcher, Mike, EMNRD
Cc: Jerry Fanning
Subject: Louise AYI #1
Attachments: Louise AYI #1 (08-16-2010 Inital).pdf

Mr. Mike Bratcher:

Yates Petroleum reports a release at the following location:

Louise AYI #1
Sec. 25, Township 21 South, Range 26 East
Eddy County
Date of Release: 08/16/10
Approximately 170 barrels of Condensate were released; 12 barrels recovered
Cause of release has been isolated and repairs are in progress
Site will be evaluated and a work plan for remediation will be submitted for consideration
C-141 is attached.

If you should have any questions please feel free to contact me at the number below.

Amanda N. Trujillo
Environmental Scientist
Yates Petroleum Corporation
Office 575-748-4310
Cell 575-703-6537
Email atrujillo@yatespetroleum.com