

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

OPERATOR

X Initial Report

Final Report

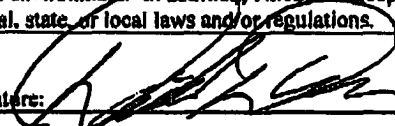
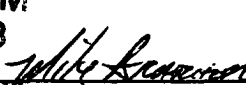
Name of Company	Yates Petroleum Corp. 25575	Contact	Dan Dolan
Address	105 S. 4 th St., Artesia NM 88210	Telephone No.	748-4181
Facility Name	Polo AOP #2 Battery	Facility Type	Oil Battery
Surface Owner	Al Franco	Mineral Owner	Fed
		Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G J	10	19S	25E					Eddy

Latitude _ Longitude _

NATURE OF RELEASE

Type of Release	Crude Oil	Volume of Release	12bbl	Volume Recovered	6bbl
Source of Release	Back Pressure valve	Date and Hour of Occurrence	0830, 01-29-06	Date and Hour of Discovery	0830, 01-29-06
Was Immediate Notice Given?	Yes X No Not Required	If YES, To Whom?			
By Whom?		Date and Hour			
Was a Watercourse Reached?	<input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse.			
If a Watercourse was Impacted, Describe Fully.*					
Describe Cause of Problem and Remedial Action Taken.* Malfunction of back pressure valve on water knock out, switch to another knock out, repaired valve.					
Describe Area Affected and Cleanup Action Taken.* Area inside berm, vacuum truck picked up free fluid, vertical and horizontal delineation will be made, and corrective action made. Ranking for this area is as follows: Depth to ground water-0, Wellhead protection area-0, Distance to surface water-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 TIM GUM by MB			
Printed Name: Dan Dolan		Approved by District Supervisor: 			
Title: Environmental Regulatory Agent		Approval Date: MAR 03 2006		Expiration Date:	
E-mail Address: ddolan@ypcnm.com		Conditions of Approval:		Attached <input checked="" type="checkbox"/>	
Date: 02-06-06 Phone: 748-4181					

* Attach Additional Sheets If Necessary



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Yates Petroleum Corporation
105 S. 4th St
Artesia, NM 88210
ATTN: Environmental Department

March 3, 2006

Reference: Polo AOP 002 Battery J-10-19s-25e API: 30-015-20334

Operator,

The New Mexico Oil Conservation Division District 2 (OCD) is in receipt of an Initial Report C-141 reporting a release of produced fluids at the above referenced site. The C-141 submitted indicates, "vertical and horizontal delineation will be made, and corrective action made." Please commence delineation activities no later than March 17, 2006. Please formulate and submit to the OCD, a work plan for remediation of contaminants present at this site. Work plan presented is to formulated based on OCD guidelines, site ranking, and results of contaminant delineation at site. Please have this work plan submitted to the OCD no later than March 31, 2006.

- Notify OCD 24 hours prior to commencement of remediation or delineation activities
- Notify OCD 24 hours prior to obtaining samples where analysis of samples obtained are to be presented to the OCD
- Submit a Final Report C-141 upon satisfactory completion of project.

If for any reason the deadline dates listed above cannot be met, please contact me to discuss an extension of time.

Sincerely,

A handwritten signature in black ink that reads "Mike Bratcher".

Mike Bratcher

NMOCD District 2

1301 W. Grand Ave.

Artesia, NM 88210

(505) 748-1283 Ext. 108

(505) 626-0857

Mike.Bratcher@state.nm.us