Form C-141

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 Fc, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Revised October 10, 2003
Submit 2 Copies to appropriate

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

Attached

30-015-29396 Release Notification and Corrective Action **OPERATOR Final Report** nMLB06062,28112 X Initial Report 25575 Name of Company Yates Petroleum Corp. Contact Dan Dolan 748-4181 Telephone No. Address 105 S. 4th St., Artesia NM 88210 Facility Name Corral Draw AQH Federal #1 Facility Type Oil Well Mineral Owner Lease No. Fed Surface Owner Fed LOCATION OF RELEASE North/South Line East/West Line County Feet from the Unit Letter Section Township Range Feet from the 29E Eddy 249 1920 North 1980 West 13 Latitude 32,21925 Longitude 103.93973 NATURE OF RELEASE Volume of Rejease 10hbl Volume Recovered 1661 Type of Release Crude Oil Date and Hour of Occurrence Date and Hour of Discovery Source of Release Bad conection on heater treater line 1230, 02-19-06 0730, 02-19-06 If YES, To Whom? Was Immediate Notice Given? Yes X No Not Required By Whom? Date and Hour If YES, Volume Impacting the Watercourse. Was a Watercourse Reached? ☐ Yes X No If a Watercourse was Impacted, Describe Fully.+ @ API * FOR COMO! DrowAQHFEA 41: Describe Cause of Problem and Remedial Action Taken.* API#30-015-34257 Faulty connection on heater treater oil line, Repaired Describe Area Affected and Cleanup Action Taken. Spill ran out of berm, and wind caused contamination of weeds near tank battery, immediate action taken to isolate dirt on plastic and treat. 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 MMOCD 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. OIL CONSERVATION DIVISION Signatur Approved by District Supervisid GUM alle Leenuse. Printed Name: Dan Dolan DV MR **Expiration Date:** Title: Environmental Regulatory Agent Approval Date:

Conditions of Approval:

Phone: 748-4181

E-mail Address: ddolan@ypcnm.com

Date: 02-27-06

^{*} Attach Additional Sheets If Necessary



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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: Corral Draw AOH Federal 001

L-13-24s-29e API: 30-015-29396

Operator,

The New Mexico Oil Conservation Division District 2 (OCD) is receipt of an Initial Report C-141 reporting a release of produced fluids at the above referenced well site. The C-141 was submitted along with a remediation work plan proposal. The work plan proposal is accepted with the following stipulations:

- 1. Release site delineation sampling is to be done prior to March 31, 2006. OCD is to be notified 24 hours prior to obtaining samples.
- 2. Provide the OCD results of initial sample analysis of materials being placed in remediation cell. Field analysis will be accepted for this initial sampling event.
- 3. Notify the OCD 24 hours prior to commencement of remediation activities.
- 4. Notify the OCD 24 hours prior to obtaining samples where analysis of samples obtained are to be presented to the OCD.
- 5. Project is to be satisfactorily completed and confirmation samples obtained by June 6, 2006.

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

Please be advised that NMOCD acceptance and/or approval of documents or work plans 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 and/or approval of documents or work plans does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

Sincerely,

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