

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

30-015-32267

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 TH Street	Telephone No. 505-748-1471	
Facility Name Walt Canyon AMA Federal #5	API Number 30-015-32267	Facility Type Flow Line

Surface Owner Federal	Mineral Owner Federal	Lease No. NM-78213
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LOCATION OF RELEASE

Unit Letter G	Section 3	Township 22S	Range 24E	Feet from the 1830	North/South Line North	Feet from the 2027	East/West Line East	County Eddy
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Latitude 32.42303 Longitude 104.48383



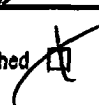
NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 15 B/PW	Volume Recovered 5 B/PW
Source of Release Flow Line	Date and Hour of Occurrence 5/13/2006 AM	Date and Hour of Discovery 5/13/2006 AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour N/A	
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.*
Steel flow line leaked, caused by corrosion. Steel plugs applied to flow line to prevent further spillage. Bad sections of flow line to be replaced with six (6) joints of flow line.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 120' X 240', on the south edge of the location. Vacuum truck was called to pick up standing fluid. Area to be evaluated. 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: 	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Approved by District Supervisor: TIM GUM by MB 	
Title: Environmental Regulatory Agent	Approval Date: 6/5/06	Expiration Date: n/a
E-mail Address: boba@ypenm.com	Conditions of Approval:	Attached 
Date: Friday, May 19, 2006	Phone: 505-748-1471	

* 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 Street
Artesia, NM 88210
ATTN: Environmental Department

June 5, 2006

Reference: Walt Canyon AMA Federal 005 G-3-22s-24e API: 30-015-32267

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of an Initial Report Form C-141 reporting a release of produced fluids occurring at the above referenced well site. The C-141 indicates area will be evaluated.

Please submit a work plan proposal for remediation of the release using the NMOCD publication "Guidelines For Remediation of Leaks, Spills, and Releases". This document may be found on the NMOCD web site as follows: www.emnrd.state.nm.us/ocd Click on Publications, Environmental Handbook, Miscellaneous Guidelines, Remediation of Leaks, Spills and Releases.

Please include an outline of any remedial or initial response work that has been done to date.

Submit this proposal to the NMOCD District 2 Office no later than July 5, 2006.

If I can be of assistance please contact me.

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