

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

30-005-63677  
nkmw0736138495

OPERATOR

X Initial Report Final Report

Name of Company Yates Petroleum Corporation	Contact Mike Stubblefield
Address 105 South 4 <sup>th</sup> Street, Artesia, N.M. 88210	Telephone No. 505-7484500 505-513-1712
Facility Name Valuc BCV State Com. #2	Facility Type Drilling well.

Surface Owner State	Mineral Owner	Lease No.
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LOCATION OF RELEASE

Unit Letter B	Section 2	Township 8s	Range 26e	Feet from the 660'	North/South Line FNL	Feet from the 1980'	East/West Line FEL	County Chaves
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Latitude 33.65427 Longitude 104.26467

NATURE OF RELEASE

Type of Release Brine water	Volume of Release 50 bbls	Volume Recovered 0 bbls
Source of Release Drilling pit.	Date and Hour of Occurrence 7/13/2007 1:30pmam	Date and Hour of Discovery same
Was Immediate Notice Given? Yes X No Not Required	If YES, To Whom? O.C.D. Mike Bratcher's voice mail box.	
By Whom? Mike Stubblefield	Date and Hour 7/13/2007 2:45pm	
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 \*

During drilling operations a frac tank on the north west corner of the location collapsed and released brine water on location.

Describe Area Affected and Cleanup Action Taken . The affected area was the location & along the NW corner of the reserve pit. The impacted soils were excavated & placed in the drilling reserve pit Soil samples will be taken for analytical & submitted to a second party lab then tested for Chlorides  
Depth to ground water - >50', Wellhead protection area - > 1000', Distance to surface water body - >1000' Site ranking score 0 points

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>[Signature]</i>	
Title: Environmental Regulatory Agent	Approval Date: 8-1-07	Expiration Date:
E-mail Address: mikes@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 7/13/2007 Phone: 505-748-4500		

\* Attach Additional Sheets If Necessary