

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

JAN 23 2008
OCD-ARTESIA

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 X Final Report

Name of Company Yates Petroleum Corporation	Contact Mike Stubblefield
Address 105 S. 4 th Street, Artesia, N.M. 88210	Telephone No. 505-748-4500
Facility Name Algorta Water Transfer Station 30-015-26383	Facility Type Transfer pump

Surface Owner State	Mineral Owner	Lease No.
---------------------	---------------	-----------

LOCATION OF RELEASE

Unit Letter H	Section 16	Township 20s	Range 24e	Feet from the 1980'	North/South Line FNL	Feet from 660'	East/West Line FEL	County Eddy
------------------	---------------	-----------------	--------------	------------------------	-------------------------	-------------------	-----------------------	----------------

Latitude 32.57553 Longitude 104.58654

NATURE OF RELEASE

Type of Release Produced Water & skim of Oil.	Volume of Release 10 bbls	Volume Recovered 6 bbls
Source of Release Abandoned stock tank.	Date and Hour of Occurrence 1/13/2008 5:00 am	Date and Hour of Discovery 1/13/2008 5:00 am
Was Immediate Notice Given? <input type="checkbox"/> Yes No X 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.*

A 4" 45 degree elbow located on the discharge side of the transfer pump washed out on the inside, the 4" 45 elbow split causing the release. Valve upstream of transfer pump was shut-in. Dudley Service was called and the 4" 45 degree replaced with a new elbow.

Describe Area Affected and Cleanup Action Taken.*

The impacted pooling area was located on the south side of the water transfer pump. This area was 12'x12' with a flow path running to the south across the caliches road bed located around the Gas Compressor House. The flow path was 2' x 320'. The impacted area was treated with a high nitrogen fertilizer and then rotor tilled; the impacted road bed was back dragged. The verbal remediation work plan for the release was approved by Mr. Gerry Guye on 1/18/2008. Yates Petroleum Corporation request closure for the release that occurred on 1/13/2008.

Depth to ground water > 100', Wellhead protection Area > 1000', Distance to surface water body > 1000' Site ranking 0.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCB 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 NMOCB 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, NMOCB 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: JAN 23 2008	Expiration Date:
E-mail Address: mikes@ypcnm.com		Conditions of Approval:	Attached <input type="checkbox"/>
Date: 1/19/2008 Phone: 505-513-1712			

* Attach Additional Sheets If Necessary.

cc. Well file
Jennifer Palma