

District I  
1625 N. French Dr. Hobbs, NM 88240  
District II  
1391 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

Form C-141  
Revised October 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

SEP 19 2007  
Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form  
OCD-ARTESIA

**Release Notification and Corrective Action**

30-015-10800

**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. 505-748-4500 505-513-1712 |
| Facility Name Gerard "AW" Battery (West of battery)           | Facility Type Flow line                 |

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

**LOCATION OF RELEASE**

|             |               |                 |              |                       |                         |                        |                       |                |
|-------------|---------------|-----------------|--------------|-----------------------|-------------------------|------------------------|-----------------------|----------------|
| Unit Letter | Section<br>25 | Township<br>18s | Range<br>25e | Feet from the<br>990' | North/South Line<br>FSL | Feet from the<br>1650' | East/West Line<br>FEL | County<br>Eddy |
|-------------|---------------|-----------------|--------------|-----------------------|-------------------------|------------------------|-----------------------|----------------|

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

**NATURE OF RELEASE**

|   |  |                                      |
|---|--|--------------------------------------|
| Type of Release Produced water                                  | Volume of Release 35 bbls PW                     | Volume Recovered 30 bls PW           |
| Source of Release Pvc water line break                          | Date and Hour of Occurrence<br>9/8/07            | Date and Hour of Discovery<br>9/8/07 |
| Was Immediate Notice Given?<br>X Yes No Not Required            | If YES, To Whom?<br>Mike Bratcher, Artesia O.C.D |                                      |
| By Whom? Jerry Fanning  | Date and Hour 9/8/07 8.30am                      |                                      |
| Was a Watercourse Reached?<br><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.\*  
6" pvc water gathering line was found leaking, repaired the line, Picked up standing fluids.

Describe Area Affected and Cleanup Action Taken  
The impacted area is located west of the Gerard "AW" tank battery on the water gathering line. Soil samples will be taken for analytical. If correction is required after analytical results are reviewed, Hydrocarbon impacted soils above the RRAL for the site will be aerated by blended with existing soil When final analytical results reflect the TPH & B-tex to be under the RRAL for the site & the Chlorides have been documented. A final C-141 form requesting closure for the release that occurred on 9/8/2007 will be submitted to OCD.  
Depth to ground water - > 100' Wellhead protection area - > 1000' Distance to surface water body - > 1000' Site ranking score - 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: <i>Mike Stubblefield</i>   | <b>OIL CONSERVATION DIVISION</b>                    |  |
| Printed Name Mike Stubblefield        | Approved by District Supervisor: <i>[Signature]</i> |  |
| Title: Environmental Regulatory Agent | Approval Date: <b>SEP 20 2007</b>                   | Expiration Date:                             |
| E-mail Address mikes@ypcnm.com        | Conditions of Approval:<br><i>See Attached</i>      | Attached <input checked="" type="checkbox"/> |
| Date 9/12/2007                        | Phone 505-748-4500                                  |  |

\* Attach Additional Sheets If Necessary

**Conditions of Approval**  
**Gerard AW Battery**

Soil sample analytical results must be approved by Artesia Office of the OCD prior to correctional activity.