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 NAR 0 7 2008

Form C-141 Revised October 10, 2003

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

OCD-ARTESIA

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

PSEB 0806737070 **Release Notification and Corrective Action** i \$EB0806735229 **OPERATOR** X Initial Report n SEB0806734935 X Final Report Name of Company Yates Petroleum Corporation Contact Mike Stubblefield 25575 Address 105 South 4th Street, Artesia, N.M. 88210 Telephone No. 505-7484500 505-513-1712 Facility Name Corral Draw AOH Federal #1 30-015-29396 Facility Type Tank Battery Surface Owner Federal Mineral Owner Lease No. LOCATION OF RELEASE Township North/South Line Feet from the East/West Line Unit Letter Section Range Feet from the County 29e 2310' 330 FWL. Eddy Latitude 32.21642 Longitude 103.44524 NATURE OF RELEASE Type of Release Produced Water Volume of Release Volume Recovered 40 bbls PW 40 bbls Produced Water Source of Release Water transfer pump Date and Hour of Occurrence Date and Hour of Discovery 2/27/2008 am. 2/27/2008 am Was Immediate Notice Given? If YES, To Whom? Called OCD Mike Bratcher's voice mail box. Yes X No Not Required By Whom? Mike Stubblefield Date and Hour 2/27/2008 8.35am Was a Watercourse Reached? If YES, Volume Impacting the Watercourse Yes X No If a Watercourse was Impacted, Describe Fully * Describe Cause of Problem and Remedial Action Taken.* Transfer pump failure. Describe Area Affected and Cleanup Action Taken.* The impacted area was the lined bermed area of the tank battery. Free waters were recovered from the lined area of the berm, no further corrective actions will be taken Yates Petroleum Corp. requesting closure for the release that occurred on 2/27/2008 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 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 OIL CONSERVATION DIVISION Approved by District Supervisor: TGumby SB Printed Name: Mike Stubblefield

* Attach Additional Sheets If Necessary

Phone: 505-748-4500

Title: Environmental Regulatory Agent

E-mail Address. mikes@ypcnm.com

3/6/2008

Conditions of Approval: N/A

Attached D/A

2PP-142

Approval Date: 3-7-08 | Expiration Date: NA