

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rin 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

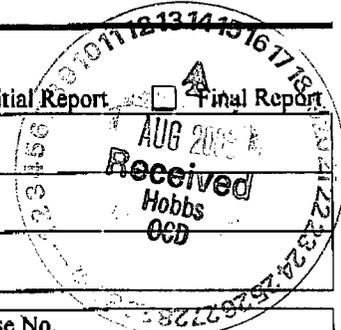
Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action

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 Lovelady SWD #1	API Number 30-005-20474	Facility Type Battery
Surface Owner State	Mineral Owner State	Lease No. K-6795



LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	31	8S	33E	1980	South	1980	East	Chaves

Latitude 33.57454 Longitude 103.60400

NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release 8 B/O	Volume Recovered 5 B/O
Source of Release Water Tank	Date and Hour of Occurrence 7/19/2006 - PM	Date and Hour of Discovery 7/19/2006 - PM
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.* Pump failure due to electrical problems causing tank to run over. Picked up standing fluids.		
Describe Area Affected and Cleanup Action Taken.* An approximate area of 3' X 50'. Contaminated soils excavated and hauled to landfill. Area to be evaluated. Depth to Ground Water: > 100', Wellhead Protection Area: No, Distance to Surface Water Body: >1000', 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:	
Title: Environmental Regulatory Agent	Approval Date: <u>8-3-06</u>	Expiration Date: <u> </u>
E-mail Address: boba@ypenm.com	Conditions of Approval: <u> </u>	Attached <input type="checkbox"/>
Date: Monday, July 31, 2006	Phone: 505-748-1471	

* Attach Additional Sheets If Necessary

*incident - n PAC0622746904
application - PAC0622747055*