

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

SEB0811550840
1 SEB0811549905
2 SEB0811550027

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 Pauline ALB State #6	API Number 30-015-25866	Facility Type Pipe line
Surface Owner Federal	Mineral Owner State	Lease No. VO-3589

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	32	23S	31E	1980	South	1980	East	Eddy

Latitude 32.25899 Longitude 103.79718

NATURE OF RELEASE

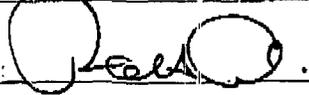
Type of Release Produced Water	Volume of Release 40 B/PW	Volume Recovered 30 B/PW
Source of Release Pipe Line	Date and Hour of Occurrence 4/11/2008, AM	Date and Hour of Discovery 4/11/2008, AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher/NMOCD District II (VoiceMail & E-mail)	
By Whom? Robert Asher/YPC Environmental Department	Date and Hour 4/11/2008, PM	
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.*
Produced water line between Pauline ALB State #6 battery (approximately 0.5 miles east) and Madonna VA Battery ruptured. Shut down well(s) and isolated line, called vacuum truck.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 35' X 35'. Vacuum truck picked up remaining produced water, water line repaired. Contaminated soils to be excavated and hauled to OCD approved disposal facility, nitrogen fertilizer applied and filled into soils, area sprayed with Microblaze. Vertical and horizontal delineation to be conducted within sixty days and if further remediation is needed then corrective action will be taken. **Depth to Ground Water: > 100' (approximately 300'), 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 Accepted for record NMOCD	
Printed Name: Robert Asher	Approved by District Supervisor:	
Title: Environmental Regulator/ Agent	Processed Approval Date: <u>5-19-08</u>	Expiration Date: <u>6-11-08</u>
E-mail Address: boba@ypcnm.com	Conditions of Approval: <u>REMEDIATION</u> Attached <input checked="" type="checkbox"/>	
Date: Friday, April 18, 2008	Phone: 505-748-1471	<u>WORK PLAN DUE</u>

* Attach Additional Sheets If Necessary

1 SEB0811551047

2RP-161

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



May 19, 2008

Yates Petroleum Corporation
Attn: Robert Asher
105 S 4th Street
Artesia, NM 88210

Reference: Pauline ALB State 6 J-32-23S-31E
30 015 25866 Eddy County, New Mexico
2RP-161

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of an Initial Report C-141 for a release of produced water occurring at the above referenced facility on April 11, 2008. Stated on the C-141 is "...Contaminated soils to be excavated and hauled to OCD approved disposal facility, nitrogen fertilizer applied and tilled into soils, area sprayed with Microblaze. Vertical and horizontal delineation to be conducted within sixty days and if further remediation is needed then corrective action will be taken."

Please submit a work plan proposal (plan) for remediation, removal and/or clean up of contaminants that may be present at this site. The plan is to be formulated based on vertical and horizontal delineation of contamination, site ranking, and OCD Rules and Guidelines. Please provide information regarding any clean up actions already conducted at this site.

This report is accepted with the following stipulations:

1. Please notify OCD 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to OCD.
2. Please submit remediation work plan to OCD on or before June 16, 2008.

Remediation requirements may be subject to other federal, state, local laws and/or regulations. Additionally, please be advised that OCD approval does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment.

Thank you for your attention to these matters. If I can be of assistance, you may reach me at the contact information listed below.

Respectfully,

A handwritten signature in black ink, appearing to read "Sherry Bonham", written over a horizontal line.

Sherry Bonham
NMOCD District 2
1301 West Grand Ave.
Artesia, NM 88210
(505) 748-1283 Ext.109
sherry.bonham@state.nm.us

