

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

ISEB0813354513
NSEB0813354169

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. 575-748-1471
Facility Name Yates AS #1 Fee	API Number 30-015-10740	Facility Type Battery

Surface Owner Fee	Mineral Owner Federal	Lease No.
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	25	198 185	25E					Eddy

Latitude 32.72371 Longitude 104.08254

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 10 B/PW	Volume Recovered 10 B/PW
Source of Release Water Tank	Date and Hour of Occurrence 3/19/2008 PM	Date and Hour of Discovery 3/19/2008 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.*
Bottom of 210 bbl water tank broke when being removed (C-144 submitted 12/21/2007; approved 1/8/2008). Vacuum truck called.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 16' X 16'. Produced water picked and contaminates soils excavated and taken to an OCD approved facility. Vertical and horizontal delineation to be conducted, corrective actions will be taken if results are above RRAI's. **Depth to Ground Water: >100' (approximately 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: 5-12-08	Expiration Date: 6-16-08
E-mail Address: hoba@ypenm.com	Conditions of Approval: SEE	Attached <input checked="" type="checkbox"/>
Date: Tuesday, April 29, 2008	STIPULATIONS	

* Attach Additional Sheets If Necessary

SEB0813354755

2 RP-167

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: Yates AS 001 Fee K-25-18S-25E Eddy County, New Mexico
2RP-167

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 March 19, 2008. Stated on the C-141 is "Vertical and horizontal delineation to be conducted, corrective actions will be taken if results are above RRAL's." 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.

This report is approved 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", is 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

