

District I
1625 N. Francis 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

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company YATES PETROLEUM CORPORATION	Contact JERRY FANNING, JR.
Address 105 S. 4 TH STREET, ARTESIA, NM 88210	Telephone No. 505-748-1471
Facility Name MEDANO "VA" STATE #2	Facility Type PRODUCED WATERLINE

Surface Owner STATE	Mineral Owner STATE	Lease No. V-120
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LOCATION OF RELEASE

Unit Letter E	Section 16	Township 23S	Range 31E	Feet from the UNDETERM	North/South Line UD	Feet from the UD	East/West Line UD	County EDDY
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Latitude _____ Longitude _____

NATURE OF RELEASE

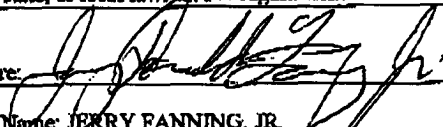
Type of Release PRODUCED WATER AND OIL TRACE	Volume of Release UD	Volume Recovered 0 BBLs
Source of Release WATERLINE	Date and Hour of Occurrence 6-30-04, 18:00	Date and Hour of Discovery 6-30-04, 18:00
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? MIKE STUBBLEFIELD	
By Whom? JERRY FANNING, JR.	Date and Hour 7-1-04 15:00	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
Hole in waterline. Waterline repaired.

Describe Area Affected and Cleanup Action Taken.*
Water ran downhill approximately 130' and pooled in area approximately 30ft by 30ft.
Site will be evaluated and proper cleanup performed.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCID 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 NMOCID 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, NMOCID 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: JERRY FANNING, JR.		Approved by District Supervisor:	
Title: ENVIRONMENTAL REGULATORY AGENT		Approval Date:	Expiration Date:
E-mail Address: jerryf@ypcnm.com		Conditions of Approval:	Attached <input type="checkbox"/>
Date: 7-1-04 Phone: 505-748-4195			

* Attach Additional Sheets If Necessary

* Faxed to Landowner.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

July 20, 2004

Yates Petroleum Corp.

Attn: Jerry Fanning Jr.

105 S. 4th St.

Artesia, NM 88210

Re: Medano VA State #2

E-16-23s-31e

API: 30-015-26382

Dear Operator,

The Artesia Oil Conservation Division is in receipt of the initial Form C-141 (copy included) dated 7/1/2004 from Yates Petroleum Corp.

Please submit a Corrective Action Work Plan to the Artesia O.C.D. for correction/remediation of this release. Please use the "Guidelines For Remediation of Leaks, Spills, and Releases as your guide.

A copy of the Guidelines for Remediation of Leaks, Spills, and Releases, published 1993,

can be found at the O.C.D. web address WWW.EMNRD.STATE.NM.US/OCD.

The published document can be found on the O.C.D. web page under Publications/Environmental Handbook/Miscellaneous Guidelines/Spill Prevention Clean up.

The work plan presented to the O.C.D. must include general site characteristics, soil remediation action levels, soil remediation methods, and planned analytical testing for TPH, B-TEX and Chlorides if applicable.

A final Form C-141 is required for closure of the event or release and must include a report of remediation actions taken with final analytical results attached.

Please have the requested work plan in the Artesia office on or before August 20, 2004.

The Artesia O.C.D. must be notified 24 hours prior to any remediation actions and/or subsequent soil samples taken for analysis.

In the event that a satisfactory response is not received to this letter further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe. Such a hearing may result in imposition of **CIVIL PENALTIES** for your violation of OCD rules.

If I can be of assistance in this matter please do not hesitate to contact me at 505-748-1283

Or E-mail me at mbratcher@state.nm.us.

Sincerely,

Mike Bratcher

Compliance Officer.

N.M.O.C.D.