

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

n MCB 063544 9010

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company YATES PETROLEUM CORPORATION	OGRID Number 25575	Contact SHERRY BONHAM
Address 105 S 4 TH STREET	Telephone No. 505.748.1471	
Facility Name NDDUP 61	API Number 30-015-26770	Facility Type WELL

Surface Owner FEDERAL	Mineral Owner FEE	Lease No. NM-0557142
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LOCATION OF RELEASE

Unit Letter E	Section 20	Township 19S	Range 25E	Feet from the 1980	North/South Line NORTH	Feet from the 660	East/West Line WEST	County EDDY
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Latitude 32.64816 Longitude 104.51283

NATURE OF RELEASE

Type of Release PRODUCED WATER	Volume of Release 5 B/PW	Volume Recovered 3 B/PW
Source of Release FLOW LINE	Date and Hour of Occurrence 12/9/06 5:30 PM	Date and Hour of Discovery 12/9/06 5:30 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.*
FLOW LINE LEAK. SHUT WELL DOWN. PICKED UP FLUIDS AND EMPTIED FLOWLINE.

Describe Area Affected and Cleanup Action Taken.*

APPROXIMATELY 10' X 20' AREA AFFECTED. WORK PLAN ATTACHED.
DEPTH TO GROUND WATER: >100'; WELLHEAD PROTECTION AREA: NO; DISTANCE TO SURFACE WATER: >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

Signature: 	Approved by District Supervisor: TIM GUM by MB 		
Printed Name: Sherry Bonham	Approval Date: 12/20/06	Expiration Date: N/A	
Title: Environmental Regulatory Agent	Conditions of Approval:		
E-mail Address: sherryb@ypcnm.com	Attached <input checked="" type="checkbox"/>		
Date: December 20, 2006	Phone: 505.748.1471		

* Attach Additional Sheets If Necessary



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Yates Petroleum Corporation
105 S. 4th St.
Artesia, NM 88210
ATTN: Sherry Bonham (Environmental Dept.)

December 20, 2006

Reference: NDDUP 061 E-20-19s-25e API: 30-015-26770

Dear Sherry,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of an Initial Report C-141 and a remediation work plan proposal (plan) for a release of produced fluids that occurred at the above referenced well site on 12/9/06.

The plan is approved as presented. Please submit a Final Report C-141 upon satisfactory completion of project. Remediation is to be completed no later than February 20, 2007.

If I can be of assistance, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Bratcher".

Mike Bratcher
NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
(505) 748-1283 Ext. 108
(505) 626-0857
mike.bratcher@state.nm.us

ec: Sherry Bonham

Signed hard copy mailed to Yates Petroleum Corporation

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

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December 20, 2006

Mr. Mike Bratcher
NMOCD District 2
1301 West Grand
Artesia, NM 88210



RE: NDDUP 61 30-015-26770
20—T19S—R25E Unit Letter E
Eddy County, New Mexico

Dear Mike,

Yates Petroleum Corporation would like to submit for your consideration the enclosed spill summary and work plan for the above captioned well. Please find enclosed the Initial Report C-141 and a spill diagram as well. Yates requests a quick response to the proposed work plan so that the plan can be initiated as soon as possible.

Your consideration to the work plan is greatly appreciated. And should you have any questions, please don't hesitate to contact me at 505.748.4162 or sherryb@ypcnm.com.

Respectfully,

Sherry Bonham
Environmental Regulatory Agent
Yates Petroleum Corporation

enclosures

Spill Summary and Work Plan

Incident Date: December 9, 2006

Location: NDDUP 61
API 30-015-26770
Unit E Section 20 T19S R25E
Eddy County, New Mexico



The well is located approximately seven miles west of Lakewood, NM as depicted on the attached Parish Ranch; NM USGS Quadrangle Map.

Watercourses in the area are dry except for infrequent flows in response to major precipitation events. The area, dry, clear, and calm at the time of the spill, consists of soil that is loamy, interspersed with caliche and clay seams retarding vertical percolation of contaminants. Groundwater in the area is estimated to be at a depth of greater than one hundred feet according to ChevronTexaco Eddy County Depth to Ground Water Map.

The ranking for this site is zero (0) based on the following:

Depth to ground water	> 100'
Wellhead Protection Area	> 1000'
Distance to surface water body	> 1000'

For sites with a Total Ranking Score of 0, the Recommended Remedial Action Levels are:

Benzene	10
BTEX	50
TPH	5000

Incident Description:

The affected area is the site of a flow line. The flow line developed a leak. A release of approximately five barrels of produced water was the result of the leak. The discharge affected an approximate 10' X 20' area.

Action Taken:

Immediately upon discovery, the well was shut down. A vacuum truck was called to remove fluids. Approximately three barrels of produced water was recovered. The flow line was repaired.

Work Plan:

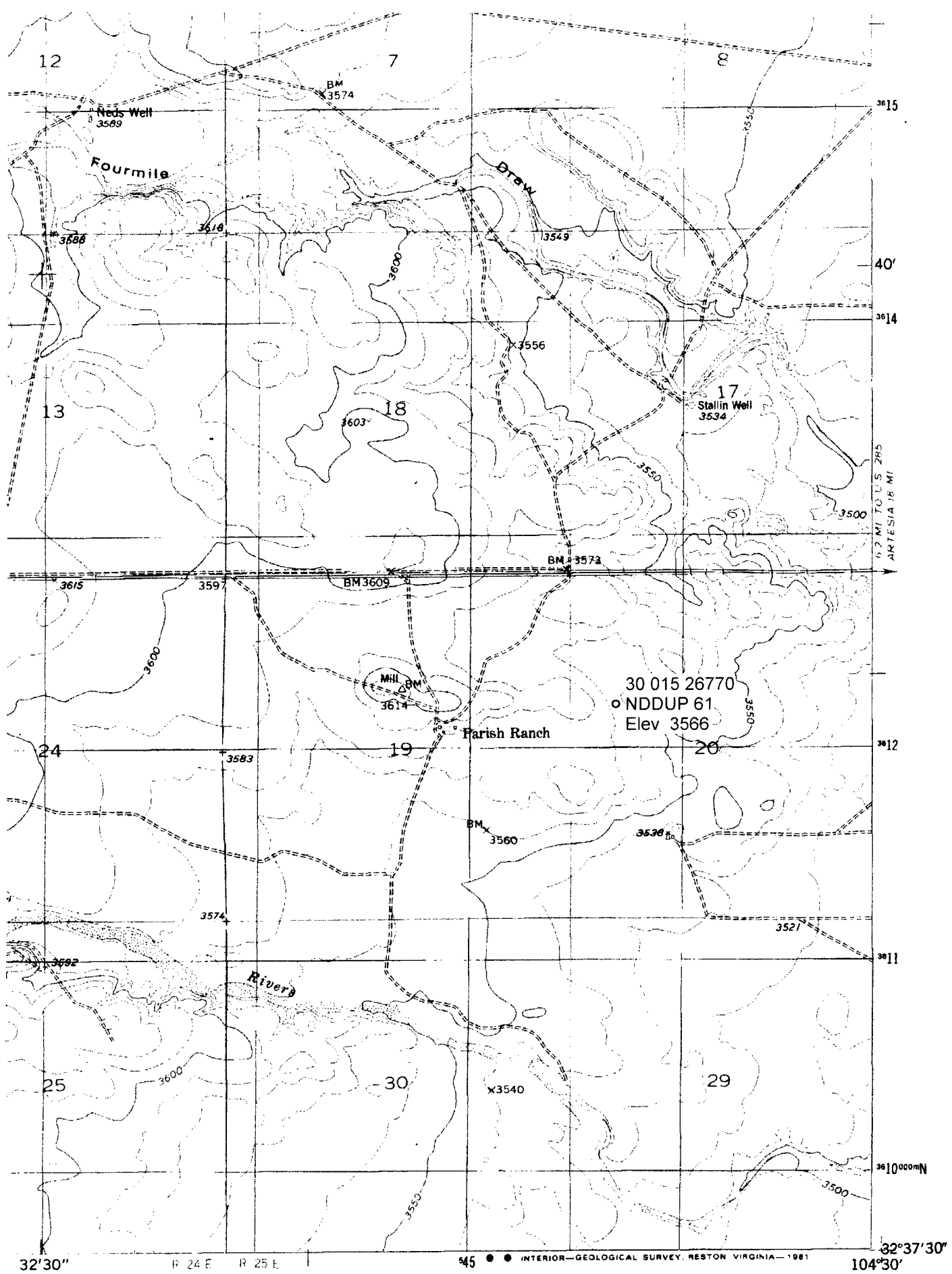
The visual contaminants of the impacted area are to be excavated and removed to a NMOCD approved commercial disposal facility. Soil samples will be obtained and sent to a third party laboratory to be analyzed for TPH, BTEX, and Chlorides. Chlorides results will be provided for reference. A 24 hour advance notice will be given OCD to allow opportunity to witness the sample collection. If concentrations exceed Recommended Remedial Action Levels (RRALs), further delineation and evaluation will be required. If, however, concentrations are within the RRALs, Yates Petroleum Corporation will request closure approval from OCD per section IX of the Guidelines.

Thank you for your consideration to this work plan. And should you have questions or need additional information, please contact me at 505-748-4162 or sherryb@ypcnm.com.

Respectfully,

A handwritten signature in black ink, appearing to read 'Sherry Bonham', written in a cursive style.

Sherry Bonham
Environmental Regulatory Agent



'Parish Ranch; NM' Scale: 1" = 0.379Mi 610Mt 2,000Ft, 1 Mi = 2.640" , 1 cm = 240Mt

ROAD CLASSIFICATION

(SEVEN RIVERS)
5149 III SW