

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

JUL 16 2007

OCD-ARTESIA

Release Notification and Corrective Action

30-015-34929

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company Yates Petroleum Corporation	Contact Mike Stubblefield
Address 105 South 4 th Street, Artesia, N.M. 88210	Telephone No. 505-748-4500 505-513-1712
Facility Name Manchester State Unit #1	Facility Type Drilling rig location.

Surface Owner Fee	Mineral Owner State	Lease No. VA-2600
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LOCATION OF RELEASE

Unit Letter D	Section 20	Township 19s	Range 23e	Feet from the 760'	North/South Line FNL	Feet from the 660'	East/West Line FWL	County Eddy
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Latitude 32.47609 Longitude 104.53575

NATURE OF RELEASE

Type of Release Fresh water & Brine water	Volume of Release 10,000 bbls FW, 300 bbls BW	Volume Recovered Unknown
Source of Release Reserve pit	Date and Hour of Occurrence 5/8/2007-Am	Date and Hour of Discovery 5/8/2007-AM
Was Immediate Notice Given? X Yes No Not Required	If YES, To Whom? Mike Bratcher, Artesia O.C.D.	
By Whom? Jerry Fanning	Date and Hour N/A	
Was a Watercourse Reached? <input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Run off from heavy rain storm washed under the reserve pit of the Manchester State Unit #1, compromising the pit liner and released fresh water & Brine water {9.3 mud}. Equipment was called to location to repair the drilling reserve pit & drilling operations returned to normal.

Describe Area Affected and Cleanup Action Taken.

Soil samples were taken on 6/25/2007 from the impacted area on the NE corner of the reserve pit. Chlorides at the surface of impacted area were reported by final analytical results as being 64 ppm Cl. See attached analytical results from soil samples taken on 6/25/2007. Yates Petroleum Corporation request close for the release that occurred on 5-8-2007.

Depth to ground water - > 100' Wellhead protection area - > 1000' Distance to surface water body - > 1000' Site ranking score - 0

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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: <i>Mike Stubblefield</i>	OIL CONSERVATION DIVISION	
Printed Name: Mike Stubblefield	Approved by District Supervisor <i>[Signature]</i>	
Title: Environmental Regulatory Agent	Approval Date: JUL 16 2007	Expiration Date:
E-mail Address: mikes@yperm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 7/10/2007	Phone: 505-748-4500	



PHONE (505) 393-2326 • 101 E MARLAND • HOBBS, NM 88240

Analyzed By: HM

Note: Analyses performed on 1:4 w:v aqueous extracts.

Date _____

PLEASE NOTE **Liability and Damages** **Cardinal's** liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by **Cardinal** within thirty (30) days after completion of the applicable service. In no event shall **Cardinal** be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by **Cardinal**, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



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Page of

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

[illegible]

† Cardinal cannot accept verbal changes, please fax written changes to (325) 673-7020.