

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

JAN - 7 2008
OCD-ARTESIA

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

X 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. 505-7484500 505-513-1712
Facility Name Central Dagger Draw	Facility Type Tank Battery
Transfer {bates} 30-015-05912	

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

Unit Letter I	Section 3	Township 20s	Range 24e	Feet from the FNL	North/South Line FNL	Feet from the FNL	East/West Line FWL	County Eddy
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Latitude 32.60105 Longitude 104.56925

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 100 bbls Produced Water	Volume Recovered 95 bbls PW
Source of Release Stock tank	Date and Hour of Occurrence 12/22/2007 am	Date and Hour of Discovery 12/22/07 am
Was Immediate Notice Given? Yes X No Not Required	If YES, To Whom? Called OCD after hour's answering service.	
By Whom? Jerry Fanning	Date and Hour 12/22/2007 12.45pm	
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.*
Busted 1" nipple on top of the discharge line from water pump.

Describe Area Affected and Cleanup Action Taken *

The impacted area was the bermed area of the tank battery. Soil samples will be taken for analytical from the impacted area. Soil samples will be sent to a second party lab & analysis ran for TPH, B-tex & chlorides. If the initial analytical results find the TPH & B-tex to be over the RRAL. A work plan will be submitted to OCD for the correction of the hydrocarbons. When Analytical results reflect the TPH & B-tex to be under the RRAL The Chlorides will be documented. A final C-141 form will be submitted to the OCD requesting closure for the release that occurred on 12/22/2007
Depth to ground water > 100', Wellhead protection area > 1000', Distance to surface water body > 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

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: JAN 08 2008 Expiration Date:	
E-mail Address: mikes@ypenn.com		Conditions of Approval.	
Date: 1/3/2007 Phone: 505-748-4500		Attached <input checked="" type="checkbox"/>	

See Attached
Stipulations

Stipulations for approval of work plan

Please be advised that OCD approval of this plan does not relieve your company 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. In addition, OCD approval does not relieve your company of responsibility for compliance with any other applicable federal, state, local laws and/or regulations.

Notify the OCD 24 hours prior to commencement of activities.

Notify the OCD 24 hours prior to obtaining samples where analyses of samples obtained are to be submitted to the OCD.

Furnish subsequent updates to OCD on regular basis not to exceed 30 days, until this project is finalized and the Final C-141 is submitted.

Due to the fact that this is the second release in as many months, samples for TPH and Chlorides must be approved by OCD prior to the submission of the final C-141 and prior to any backfill of the area.