

District I  
1625 N. French Dr., Hobbs, NM 88241  
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 87305

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

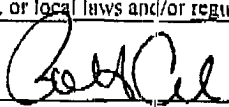
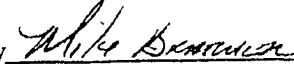
NSEB0803151429		OPERATOR		<input checked="" type="checkbox"/> Initial Report	<input checked="" type="checkbox"/> Final Report
Name of Company Yates Petroleum Corporation		OGRID Number 25575	Contact Robert Asher		
Address 105 South 4th Street, Artesia, NM 88210		Telephone No. 505-748-1471			
Facility Name Serrano Federal # 1 Battery		API Number 30-015-28166	Facility Type Battery		
Surface Owner Federal		Mineral Owner Federal		Lease No. NM-92748	

### LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	11	19S	25E	660	South	660	West	Eddy

Latitude 32.67000 Longitude 104.46139

### NATURE OF RELEASE

Type of Release Crude Oil & Produced Water	Volume of Release 3 B/O & 4 B/PW	Volume Recovered 2 B/O & 3 B/PW
Source of Release Back Pressure Valve	Date and Hour of Occurrence 1/21/2008 AM	Date and Hour of Discovery 1/21/2008 AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required		
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.* Back pressure valve failed causing loss of gas pressure in water knockout, causing oil and produced water release. Vacuum truck called, backhoe crew called.		
Describe Area Affected and Cleanup Action Taken.* Area approximately 4' X 60' all contained inside berm, shut well in, vacuum truck picked up oil and produced, backhoe crew excavated soils and hauled to an OCD approved facility. Depth to Ground Water: 50-99', Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 10. With amounts released, oil and water recovered and contaminated soils excavated, Yates Petroleum Corporation requests closure.		
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	TIM GUM by MB Signed By 	
Title: Environmental Regulatory Agent	Approval Date: JAN 30 2008	Expiration Date: N/A
E-mail Address: boba@ypenn.com	Conditions of Approval: N/A	Attached <input type="checkbox"/>
Date: Tuesday, January 29, 2008	Phone: 505-748-4217	

\* Attach Additional Sheets If Necessary

2 RP. 119