

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

25575

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 Corral Draw AQH Federal #1 30-015-29396 | Facility Type Tank Battery |

| | | |
|-----------------------|---------------|-----------|
| Surface Owner Federal | Mineral Owner | Lease No. |
|-----------------------|---------------|-----------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|------------------------|-------------------------|-----------------------|-----------------------|----------------|
| Unit Letter L | Section 13 | Township 24s | Range 29e | Feet from the 2310' | North/South Line FSL | Feet from the 330' | East/West Line FWL | County Eddy |
|------------------|---------------|-----------------|--------------|------------------------|-------------------------|-----------------------|-----------------------|----------------|

Latitude 32.21642 Longitude 103.44524

NATURE OF RELEASE

| | | |
|---|--|--|
| Type of Release Produced Water | Volume of Release 25 bbls Produced Water | Volume Recovered 15 bbls PW |
| Source of Release Water transfer pump | Date and Hour of Occurrence 2/10/2008 pm. | Date and Hour of Discovery 2/11/2008 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 2/11/2008 5:20pm | |
| 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 *
Mechanical seal wore out on the water transfer pump, causing leak on pump. The seal was replaced on the transfer pump.

Describe Area Affected and Cleanup Action Taken.*
The impacted area was the bermed area of the tank battery. The west side of the bermed area is lined with a 20 Mil. Liner. The east side of the bermed area is not lined. Soil samples will be taken for analytical from the impacted area on the east side of the berm. 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 2/10/2008. Free waters were recovered from the lined area of the berm, no further corrective actions will be taken on the west side of the bermed area
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: 2-26-08 | Expiration Date: _____ |
| E-mail Address mikes@ypcnm.com | | Conditions of Approval <i>Stipulations</i> | Attached <input checked="" type="checkbox"/> |
| Date 2/20/2008 | Phone. 505-748-4500 | | |

* Attach Additional Sheets If Necessary

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PSEB0805731805

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