

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

JUN 25 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

SEB0819339191
NSEB0819336812

OPERATOR

X Initial Report Final Report

| | | |
|---|-------|--|
| Name of Company Yates Petroleum Corporation | 25575 | Contact Mike Stubblefield |
| Address 105 South 4 th Street, Artesia, N.M. 88210 | | Telephone No. 505-7484500 505-513-1712 |
| Facility Name Glowworm ALX Federal #14 | | Facility Type Producing oil well |

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

30-015-35316

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|--------------|-----------------|--------------|-----------------------|-------------------------|-----------------------|-----------------------|----------------|
| Unit Letter | Section 4 | Township 23s | Range 31e | Feet from the 330' | North/South Line FNL | Feet from the 330' | East/West Line FEL | County Eddy |
|-------------|--------------|-----------------|--------------|-----------------------|-------------------------|-----------------------|-----------------------|----------------|

Latitude 32.33971 Longitude 103.77485

NATURE OF RELEASE

| | | |
|---|--|------------------------------------|
| Type of Release: Produced water, Oil | Volume of Release 45 BBLS PW 5 BBLS Oil | Volume Recovered 0 BBLS |
| Source of Release Flow line | Date and Hour of Occurrence 6/16/2008 6:00am | Date and Hour of Discovery same |
| Was Immediate Notice Given? Yes X No Not Required | If YES, To Whom? NMOCD/Mike Bratcher's voice mail box. | |
| By Whom? Mike Stubblefield | Date and Hour 6/17/2008 10:53am | |
| 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.*

The back PIS valve locked up putting to much pressure on the KO and the flow line ruptured. The back PIS valve was replaced, the flow line was repaired.

Describe Area Affected and Cleanup Action Taken.*

The impacted area was between the tank battery and well location on the side of the lease road. This area measured to be 35'x15'. Soil samples will be taken from the impacted area. Soil samples will be submitted to a second party lab and analysis ran for Chlorides using EPA Method 300, TPH using EPA Method 8015m, B-TEX using EPA Method 8260B. When the analytical results have been received from initial soil samples taken, A work plan for the correction of the release based on analytical results will be submitted to the NMOCD for approval. The Chlorides will be evaluated and appropriate actions taken. Yates Petroleum Corporation will then submit a final C-141 form requesting closure for the release that occurred on 6/16/2008.

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.

OIL CONSERVATION DIVISION

| | | | |
|--|--|--|--|
| Signature: <u>Mike Stubblefield</u> | | Approved by District Supervisor: <u>TCumby</u> <u>SB</u> | Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/documentation on or before the Expiration Date. |
| Printed Name: Mike Stubblefield | | | |
| Title: Environmental Regulatory Agent | | Approval Date: <u>7-11-08</u> | Expiration Date: <u>9-12-08</u> |
| E-mail Address: mikes@ypcnm.com | | Conditions of Approval: | |
| Date: 6/25/2008 Phone: 505-748-4500 | | Within 30 days, on or before <u>8-13-08</u> , completion of a remediation work plan based on delineation should be | |
| | | Attached <input type="checkbox"/> <u>2 RP-190</u> | |

* Attach Additional Sheets If Necessary

SEB0819339278