

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

JUL 28 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

ISEB 0825939285  
HSEB 0825937051

OPERATOR

X Initial Report Final Report

Name of Company Yates Petroleum Corporation	Contact Mike Stubblefield
Address 105 South 4 <sup>th</sup> Street, Artesia, N.M. 88210	Telephone No. 505-7484500 505-513-1712
Facility Name Humidor State Unit #2	Facility Type Producing oil well

Surface Owner State	Mineral Owner State	Lease No. L-4683
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30 015 23221

LOCATION OF RELEASE

Unit Letter J	Section 26	Township 24s	Range 27e	Feet from the 1880'	North/South Line FSL	Feet from the 1980'	East/West Line FEL	County Eddy
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Latitude 32.18583 Longitude 104.15884

NATURE OF RELEASE

Type of Release: Produced water	Volume of Release 10 BBLS PW	Volume Recovered 10 BBLS
Source of Release Well head	Date and Hour of Occurrence 7/14/2008 am	Date and Hour of Discovery same
Was Immediate Notice Given? Yes No X Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
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.\*  
During workover operations the RVP valve was left open, closed the RVP valve

Describe Area Affected and Cleanup Action Taken.\*  
The impacted area was near the wellhead. 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 7/14/2008.

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.

Signature: <i>mikes stubblefield</i>		<u>OIL CONSERVATION DIVISION</u>	
Printed Name: Mike Stubblefield		Approved by District Supervisor: <i>Cumby SB</i>	Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/documentation on or before the Expiration Date.
Title Environmental Regulatory Agent		Approval Date: <i>9-15-08</i>	Expiration Date: <i>11-14-08</i>
E-mail Address: mikes@ypcnm.com		Conditions of Approval: <b>DELINEATION REQUIRED</b> until contamination reaches background levels or a site specific acceptable level. As warranted, a work plan may be required.	Attached <input type="checkbox"/> <i>2RP-220</i>
Date: 7/28/2008      Phone: 505-748-4500			

\* Attach Additional Sheets If Necessary

SEB 0825939638

cc: *Wally*

Notify OCD 48 hours prior to  
obtaining samples where analyses  
are to be presented to OCD