

1623 N. French Dr Hobbs, NM 88240
 District II
 1307 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 23 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

15EB0825941889
 15EB0825941749

OPERATOR

X Initial Report

Final Report

Name of Company Yates Petroleum Corporation	Contact Mike Snibblefield
Address 105 South 4 th Street, Artesia, N.M. 88210	Telephone No. 505-7484500 505-513-1712
Facility Name Clayton BFO State Com.#1 30-013-33733	Facility Type Tank Battery

Surface Owner Fee	Mineral Owner State	Lease No. E-2781
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
I	16	19s	26e	1980'	FSL	660'	FEL	Eddy

Latitude 32.65865 Longitude 104.37979

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 50 bbls Produced Water	Volume Recovered 0 bbls PW.
Source of Release Load valve	Date and Hour of Occurrence 1/18/08 pm or 1/19/2008 am.	Date and Hour of Discovery 1/19/2008 2:30pm
Was Immediate Notice Given? Yes X No Not Required	If YES, To Whom? Mike Bratcher voice mail box.	
By Whom? Mike Snibblefield	Date and Hour 1/21/2008 8:30am	
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.*

Vandals unscrewed 3" load line to the F/G tank. Drained water out on ground. Shut-in well temporarily. installed new 3" ball valve on the fiberglass tank.

Describe Area Affected and Cleanup Action Taken.*

The impacted area was the hermed 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 1/19/2007.
 Depth to ground water >50' and <100', Wellhead protection area > 1000', Distance to surface water body > 1000' Site ranking 10.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCDD 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 NMOCDD 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, NMOCDD 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: <i>Mike Snibblefield</i>	Approved by District Supervisor: <i>TCumby SB</i>
Printed Name: Mike Snibblefield	Approval Date: <i>9-15-08</i> Expiration Date: <i>—</i>
Title: Environmental Regulatory Agent	Conditions of Approval: <i>—</i>
E-mail Address: mikes@ypcnm.com	Attached <input type="checkbox"/>
Date: 1/23/2008 Phone: 505 748-1500	<i>2RP-222</i>

* Attach additional photos if necessary.

cc. Well file

Jennifer Palma