

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

SEP 26 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

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 TH Street, Artesia, NM 88210	Telephone No. 505-748-4217	
Facility Name Smith Federal Gas Com. #2	API Number 30-015-26834	Order Number 2RP-173
Facility Type Battery		
Surface Owner Federal	Mineral Owner Federal	Lease No. NM-0251099A

LOCATION OF RELEASE

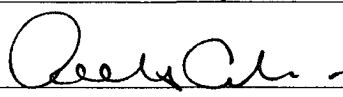
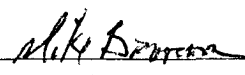
Unit Letter E	Section 12	Township 22S	Range 23E	Feet from the 2049	North/South Line North	Feet from the 480	East/West Line West	County Eddy
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Latitude 32.40688 Longitude 104.56044

NATURE OF RELEASE

Type of Release Produced Water & Iron Sludge	Volume of Release 30 B/PW	Volume Recovered 25 B/PW
Source of Release Water Leg	Date and Hour of Occurrence 5/5/2008 - AM	Date and Hour of Discovery 5/5/2008 - PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher/NMOCD, District II	
By Whom? Jerry Fanning/YPC Environmental	Date and Hour 5/6/2008 - AM (Voicemail & E-mail)	
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.* Water leg collapsed from high winds and H2S weakened steel anchors. Vacuum truck called.		
Describe Area Affected and Cleanup Action Taken.* Area approximately 10' X 40' all contained inside berm, vacuum truck picked up remaining produced water, vertical and horizontal delineation will be made and corrective action taken. If delineation results are within RRAL's for the site ranking, a Final Report, C-141 will be submitted. Depth to Ground Water: >100' (approx. 200'), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on site ranking, corrective actions taken and enclosed analytical results, 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	Approved by District Supervisor: TIM GUM by MB 	
Title: Environmental Regulatory Agent	Approval Date: <u>9/26/08</u>	Expiration Date: <u>N/A</u>
E-mail Address: boba@ypcnm.com	Conditions of Approval: <u>N/A</u>	Attached <input type="checkbox"/>
Date: September 24, 2008	Phone: 505-748-4217	2RP 173

* Attach Additional Sheets If Necessary