

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Joanna Prukop Cabinet Secretary

Mark E. Fesmire, P.E. Director Oil Conservation Division

Yates Petroleum Corp. 105 S. 4th Street Artesia, NM 88210 Attn: Dan Dolan

September 12, 2005

Reference: Opera AQG Federal 001

15-26s-31e

30-015-29435

Operator,

The NMOCD District 2 office is in receipt of a C-141 Release Notification reporting a release of produced fluids at the above referenced well site. The reported volume and type of fluid released is as follows: 160 bbls oil and 300 bbls produced water. Reported volume recovered is as follows: 88 bbls oil and 175 bbls produced water. The release incident occurred on 8/22/2005. The release was first reported to the OCD by phone call from Yates Petroleum Representative, Dan Dolan on 9/7/2005. The C-141 Release Report was received via fax on 9/8/2005.

The reporting of this incident is in violation of NMOCD Rule 19.15.3.116.

At this time the NMOCD is requesting a work plan outlining methods to be used in remediation of this release. The work plan is to be provided to the OCD District 2 office no later than 9/26/2005.

Acceptance of work plans and/or documents by the NMOCD 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 work plan and/or documents does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

NMOCD District 2 office requires a minimum 24 hour notice prior to commencement of remediation activities and prior to obtaining samples where analysis of such samples are to be presented to the NMOCD.

If I can be of assistance, my contact information is listed below.

Sincerely.

Mike Bratcher NMOCD District 2 1301 W. Grand Ave. Artesia, NM 88210 (505) 748-1283 Ext 108 (505) 626-0857

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