

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

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

30-015-00155

Release Notification and Corrective Action

OPERATOR

Initial Report X Final Report

Name of Company	Yates Petroleum Corp.	Contact	Dan Dolan
Address	105 S. 4 th St., Artesia NM 88210	Telephone No.	748-4181
Facility Name	Scout EH Federal #1	Facility Type	Oil Battery

Surface Owner	Fed	Mineral Owner	Fed	Lease No.
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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
G	34	18S	25E					Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Crude oil and water	Volume of Release	Unknown	Volume Recovered	0
Source of Release	Below grade tank inside battery area	Date and Hour of Occurrence	Unknown	Date and Hour of Discovery	
Was Immediate Notice Given?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?	Date and Hour				
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

RECEIVED

JAN 31 2006

OC-D-ARTESIA

If a Watercourse was Impacted, Describe Fully.*

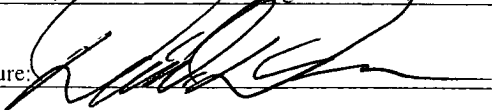
Describe Cause of Problem and Remedial Action Taken.*

A below grade tank used to hold tank bottoms was found to be leaking, the tank was removed, and the area cleaned.

Describe Area Affected and Cleanup Action Taken.*

The tank was removed and the area was excavated to 12', testing was done and permission was given to close the site. The area around the battery was cleaned, and fencing was put in place to eliminate the extra roads going into this location. The tank was not replaced, but a full berm was constructed around the battery.

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: Dan Dolan	Approved by District Supervisor:		
Title: Environmental Regulatory Agent	Approval Date:	Expiration Date:	
E-mail Address: ddolan@ypcnm.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 01-30-06 Phone: 748-4181	DENIED 2/23/06		

* Attach Additional Sheets If Necessary